

Annual Report
CANADA NORTHERN POWER
CORPORATION
LIMITED



Year ended
DECEMBER THIRTY-FIRST
1949

PURVIS HALL
LIBRARIES

APR 19 1955

McGILL UNIVERSITY

OFFICERS

President

A. J. NESBITT, Montreal

Vice-President and General Manager

B. V. HARRISON, Noranda, Que.

Directors

B. V. HARRISON.....	Noranda
L. C. HASKELL.....	Montreal
DAN. MCLACHLIN.....	Arnprior
A. J. NESBITT.....	Montreal
ALFRED H. PARADIS.....	Montreal
JOS. SIMARD.....	Montreal
P. A. THOMSON.....	Montreal
JAS. B. WOODYATT.....	Montreal

Secretary

V. J. NIXON

Treasurer

T. IRVING

Assistant Secretary

J. W. CUNNINGHAM

Assistant Treasurer

E. L. JOWETT

Assistant Secretary Treasurer

A. H. HULL

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

P. S. ROSS & SONS

Transfer Agents and Registrars

MONTREAL TRUST COMPANY, MONTREAL, P.Q., AND TORONTO, ONT.

Head Office

355 ST. JAMES STREET WEST
MONTREAL
CANADA

CANADA NORTHERN POWER CORPORATION, LIMITED

Montreal, P.Q., March 9th, 1950.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ending December 31st, 1949.

Dividends amounting to Sixty Cents per share were paid on the no par value Common Stock during the fiscal year.

Power Demand The demand for power increased by 29% during the year, output being 382,539,772 kilowatt hours compared with 295,824,896 kilowatt hours in 1948. There was an increase of 974 in the number of customers on December 31st, 1949, the figure on that date being 11,303.

New Power Customers During the past year contracts were entered into providing for the supply of power to the following mining properties: Beacon Mining Co. Ltd. in Louvicourt Township; Quesabe Mines, Ltd. in Duprat Township. Transmission lines connecting the above properties with the Company's system were required, and this work has been completed.

Construction Activities Work on the construction of the extension to the Company's power plant on the Quinze River is well under way. When completed, the capacity of this plant will have been increased to about 84,500 h.p. During the year the head at this plant was increased, which allowed us to generate an additional 10,000 h.p., or a total of approximately 50,000 h.p., at present.

The Annual General Meeting of the Shareholders of your Company will be held at Room 103, 355 St. James Street West, in the City of Montreal, on Tuesday, the 28th day of March, 1950, at 3 o'clock in the afternoon.

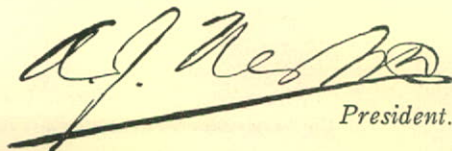
Municipal Franchise A franchise for a term of five years was entered into during the year with the Municipality of Evain, covering the installation and operation of a street lighting system in that Municipality.

Rates It will be seen by a comparison of the total kilowatt hour output of the Company with its gross electric revenue that the rates for power furnished by your Company, when the item of taxation is taken into consideration, are as low as the cost of power to the customers of any organization furnishing similar service on this Continent, whether privately or publicly owned. These figures show that we receive only 63 one-hundredths of a cent per kilowatt hour, which figure after deducting taxes (totalling \$489,733) is reduced to 51 one-hundredths of a cent per kilowatt hour.

Plants and Properties The properties of the Company have been maintained in good condition and are at present at a high standard of efficiency.

Employees Your Directors wish to record their appreciation of the loyal and faithful service rendered by the employees of the Company.

Respectfully submitted on behalf of the Board.


President.

CANADA NORTHERN POWER AND SUBSIDIARIES

Consolidated Balance Sheet

A S S E T S	1949	1948
Plant Investments:		
Properties, Plant and Equipment, Organization, etc., at cost less net adjustment arising as a result of consolidation	\$14,320,112.91	
Dominion of Canada Bonds at par, including accrued interest and cash in bank, held by Trustee for Bondholders for purposes of financing new construction	<u>102,849.72</u>	\$14,422,962.63 \$14,165,652.63
Cash in Banks	280,025.18	272,962.48
Investments:		
Marketable Securities	153,767.04	
(Market Value — \$114,080.00)		
Other Investments at book value which is not in excess of cost	<u>128,500.00</u>	282,267.04 314,006.23
Accounts Receivable including accrued revenue	188,056.79	142,699.96
Merchandise and Maintenance Supplies:		
Inventories as shown by book records valued at not more than cost as certified to by responsible officers of the Company. Book records are adjusted periodically to agree with physical inventories	194,148.80	209,522.99
Refundable portion of Excess Profits Tax	2,594.39	2,594.39
Prepaid and Deferred Charges	71,105.85	64,772.09
Bond Issue discount and financing expense, less amounts written off	198,093.64	209,169.64
Due from employees on purchase of Savings Bonds	9,613.32	5,665.76
Signed on behalf of the Board:		
A. J. NESBITT } JAS. B. WOODYATT }	Directors.	<u>\$15,648,867.64</u> <u>\$15,387,046.17</u>

CANADA NORTHERN POWER CORPORATION LIMITED,
MONTREAL.

Auditors' Report

We have made an examination of the books and accounts of Canada Northern Power Corporation Limited and its Subsidiaries. We report that in our opinion, the accompanying Consolidated Balance Sheet and related Consolidated Statements of Income and Retained Earnings of the Companies at December 31, 1949 and the results of their operations for the year ended that date according to the best of our knowledge and belief are correct.

Montreal, February 16, 1950.

ER CORPORATION, LIMITED

ARY COMPANY

as at December 31, 1949

LIABILITIES

	1949	1948
TO THE PUBLIC:		
Funded Debt — Subsidiary Company		
First Mortgage Bonds — Authorized \$7,500,000.		
Issued —		
3% Serial Bonds Series "A" maturing		
1950-1957 (of which \$150,000.00 is payable		
November 15, 1950).....	\$1,200,000.00	
3¾% 20 year Bonds Series "A" maturing		
November 15, 1967	4,800,000.00	
4½% General Mortgage Bonds, maturing		
November 15, 1967		
Authorized and Issued	<u>3,000,000.00</u>	
	\$ 9,000,000.00	\$ 9,000,000.00
Accounts Payable and Accrued Liabilities	78,583.19	66,618.64
Bond Interest accrued	43,875.00	43,875.00
Provision for Taxes	200,849.13	183,650.31
Subsidiary Company Preferred Dividend accrued	4,166.67	4,166.67
Common Dividend payable	60,000.00	60,000.00
Customers' Deposits including interest	118,934.18	107,383.70
	<u>\$ 9,506,408.17</u>	<u>\$ 9,465,694.32</u>
TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARY COMPANY:		
5% Cumulative Redeemable Preferred Shares of \$100. each		
(Redeemable at \$103.50 upon 30 days' notice)		
Authorized and Issued — 10,000 shares of \$100. each	1,000,000.00	1,000,000.00
TO THE SHAREHOLDERS — CANADA NORTHERN POWER CORPORATION LIMITED:		
Capital Stock —		
Common Shares of No Par Value—		
Authorized	500,000 shares	
Issued	400,000 shares	
	2,148,796.00	2,148,796.00
Reserves —		
Depreciation	4,953,039.80	4,714,880.65
Bad Debts	20,272.18	17,863.12
Surplus — Balance as at December 31, 1949	476,317.80	495,778.39
Capital Deficit (no change during period)	(Dr.) 2,455,966.31	2,455,966.31
	<u>\$15,648,867.64</u>	<u>\$15,387,046.17</u>

to the Shareholders

subsidiary for the year ended December 31, 1949 and have obtained all the information and explanations which we have required. Surplus and Income and Expenditure are properly drawn up so as to exhibit a true and correct view of the combined affairs of our information and the explanations given to us and as shown by the books of the Companies.

P. S. ROSS & SONS,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANY

Consolidated Statement of Income and Expenditure
For the Year Ended December 31, 1949

Gross Earnings from Operations				\$2,434,970.81
DEDUCT:				
Operating Expenses	\$1,316,146.57			
Directors' Fees	9,700.00			
Executive Officers' Salaries.....	18,280.00			
Legal Fees	1,382.00			
Contribution to Pension Fund	18,200.00			
Provision for Bad Debts	2,425.24			1,366,133.81
Net Operating Profit before interest, depreciation and income taxes				1,068,837.00
Income from Investments				25,873.81
				1,094,710.81
DEDUCT:				
Interest — On Bonds of Subsidiary Company —				
First Mortgage Bonds	\$216,000.00			
General Mortgage Bonds	\$135,000.00			
Less: Charged to Construction	70,499.94	64,500.06	280,500.06	
On Consumers' Deposits			3,798.66	
Amortization of Bond Discount and Expense			11,076.00	
Provision for — Depreciation			277,460.00	
— Income Taxes			224,158.43	796,993.15
Net Income for the year transferred to Surplus				\$ 297,717.66

Consolidated Statement of Surplus
For the Year Ended December 31, 1949

Balance at Credit, January 1, 1949				\$ 495,778.39
ADD:				
Net Income for the year transferred from Statement of Income and Expenditure	\$297,717.66			
Credit adjustments applicable to prior periods	10,506.54			308,224.20
				804,002.59
DEDUCT:				
Net Loss on disposal of investments				37,639.79
				766,362.80
DEDUCT:				
Dividends on —				
Capital Stock of Subsidiary held by the Public	50,045.00			
Common Stock	240,000.00			290,045.00
Balance at Credit, December 31, 1949				\$ 476,317.80

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANY

Consolidated Operating Statement

For Years Ending December 31st

	1945	1946	1947	1948	1949
Electric Revenue	\$1,688,778	\$1,932,776	\$2,012,613	\$2,043,737	\$2,434,970
(B) Miscellaneous Revenue	183,384	77,911	70,082	64,215	25,874
Gross Revenue	1,872,162	2,010,687	2,082,695	2,107,952	2,460,844
Purchased Power	89,790	153,930	297,019	316,714	617,797
Operation	266,465	266,798	313,626	343,612	365,763
Maintenance.....	34,228	50,295	59,560	80,794	106,723
Taxes (Excluding Income and Profits)	137,103	161,364	170,898	212,277	255,225
Total Operation, Maintenance and Taxes	527,586	632,387	841,103	953,397	1,345,508
Net Earnings	1,344,576	1,378,300	1,241,592	1,154,555	1,115,336
Bad Debts	1,762	1,933	2,013	2,002	2,425
Interest	238,931	2,809	24,923	277,017	284,299
Depreciation	204,000	204,000	204,000	275,335	277,460
Employees' Pension Fund	8,750	11,700	13,750	16,650	18,200
Amortization of Bond Discount			1,350	11,063	11,076
Total Deductions	453,443	220,442	246,036	582,067	593,460
Net Earnings after Deductions	891,133	1,157,858	995,556	572,488	521,876
Income and Excess Profits Taxes	398,201	499,480	353,030	224,220	224,158
Surplus for Year	492,932	658,378	642,526	348,268	297,718
(A) Surplus brought forward	2,632,178	940,319	973,584	516,888	506,285
	3,125,110	1,598,697	1,616,110	865,156	804,003
Preferred Dividends Paid	398,285	385,000	404,090	50,000	50,000
Common Dividends Paid	240,100	240,113	240,102	240,000	240,045
Net Adjustment re Financing	1,546,406		462,030		
Net Loss on Investments				79,378	37,640
	2,184,791	625,113	1,106,222	369,378	327,685
Surplus Carried Forward	\$ 940,319	\$ 973,584	\$ 509,888	\$ 495,778	\$ 476,318
Customers Connected	7,310	8,643	9,529	10,329	11,303
Shareholders	3,921	3,855	2,986	1,595	1,538
Kilowatt Hour Output	227,306,788	248,064,944	274,144,524	295,824,896	382,539,772

(A) Adjusted for prior year charges.

(B) Miscellaneous Revenue includes merchandise net profits, and earnings from investments, etc.

