

*Annual Report*  
CANADA NORTHERN POWER  
CORPORATION  
LIMITED



*Year ended*  
DECEMBER THIRTY-FIRST  
1947

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## 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*

L. C. HASKELL

### *Treasurer*

T. IRVING

### *Assistant Secretary*

V. J. NIXON

### *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 4th, 1948.

## TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ending December 31st, 1947, by which it will be seen that the satisfactory progress reported during the past few years has been maintained.

Regular dividends on the 7% Cumulative Preferred Stock and dividends amounting to Sixty Cents per share on the no par value Common Stock were paid.

**Power Demand** The demand for power increased slightly during the year, output being 274,144,524 kilowatt hours, compared with 248,064,944 kilowatt hours in 1946. There was an increase of 886 in the number of customers on December 31st, 1947, the figure on that date being 9,529.

**New Power Customers** During the past year contracts were entered into providing for the supply of power to three new mining properties located in Northwestern Quebec.

**Construction Activities** Transmission lines connecting the above properties with the Company's system were required, and this construction work has been completed.

The Company has completed arrangements to increase the installed capacity of its Quinze River power development by about 40,000 h.p. by raising the head of its dam to 90 ft. and installing an additional unit. The present capacity of this Power Plant is about 40,000 h.p. under a 70 ft. head.

To take care of proposed increased power demands of the mines in the Township of Louvicourt, the Company is constructing 15 miles of 110,000 volt transmission line and installing a substation with a capacity of 3,000 kva.

**Financial** On November 25th, 1947 the 7% Cumulative Preferred Shares of Canada Northern Power Corporation, Limited were called for redemption on or prior to January 15th, 1948, at \$110.00 per share plus accrued dividend to date of redemption.

New financing of the subsidiary company, Northern Quebec Power Co., Limited, was completed in December, 1947, whereby all outstanding 6% Bonds and Debenture Notes held by Canada Northern Power Corporation, Limited (\$6,000,000) were retired and cancelled and new issues of \$4,800,000 3 $\frac{3}{4}$ % 20-Year First Mortgage Bonds, Series "A", (November 15th, 1947-1967), \$1,200,000 3% First Mortgage Serial Bonds, Series "A",

(November 15th, 1950-1957), and \$3,000,000 4 $\frac{1}{2}$ % General Mortgage Bonds (November 15th, 1947-1967) were created and sold to the public. In addition, 5% Cumulative Redeemable Preferred Shares (\$100 par value) to the principal amount of \$1,000,000 were authorized by Supplementary Letters Patent dated November 12th, 1947, and these 10,000 shares were issued and sold. The proceeds of the sale of these new issues were used to retire and cancel the 6% Bonds and Debenture Notes held by Canada Northern Power Corporation, Limited, and also to provide for most of the cost of raising the head and installing an additional unit to increase the capacity of the Company's plant on the Quinze River by approximately 40,000 h.p.

**Franchise Renewal** During the year, the franchise providing for domestic, commercial and street lighting service in the Town of Lorrainville was renewed for a term of five years.

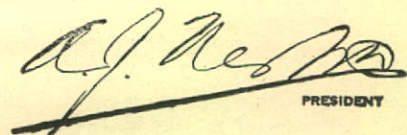
**Rates** After consultation with Provincial Electricity Board, your Company made effective a considerably reduced schedule of rates commencing July 1st, 1947. It will be seen by a comparison of the total kilowatt hour output of the Company with its gross electric revenue that the rates for power furnished 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 73 one-hundredths of a cent per kilowatt hour, which figure after deducting taxes totalling \$523,928.00 is reduced to 54 one-hundredths of a cent per kilowatt hour.

**Plants and Properties** The properties of the Company have been maintained in excellent 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.

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 23rd day of March, 1948, at 3 o'clock in the afternoon.

Respectfully submitted on behalf of the Board.

  
PRESIDENT



# CANADA NORTHERN POWER

AND SUBSIDIARIES

## *Consolidated Balance Sheet*

ASSETS	1947	1946
Plant Investment:		
Properties, Plant and Equipment, Organization, etc., at cost less net adjustment arising as a result of consolidation .....	\$9,784,702.97	
Dominion of Canada Bonds at cost, including accrued interest, held by Trustee for Bondholders for purposes of financing new construction ....	3,939,712.50	\$ 9,462,644.99
Cash in Banks (of which \$6,037,240.00 was used for redemption 7% Preferred Stock on January 15, 1948) .....	6,584,147.61	416,435.84
Investments:		
Marketable Securities .....	185,506.23	
(Market Value \$147,440.00)		
Other Investments at book value which is not in excess of cost .....	252,096.74	
Net Equity of Investment in Subsidiary Company represented by estimated proceeds on final winding-up .....	134,437.29	572,040.26
		946,290.26
Accounts Receivable including accrued revenue .....	146,356.38	152,294.23
Due from Employees on purchase of Savings Bonds .....		4,253.01
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 .....	169,095.88	90,048.33
Refundable portion of Excess Profits Tax .....	4,227.29	2,909.78
Prepaid and Deferred Charges .....	54,658.41	47,598.10
Suspense Account—re Aldermac Property .....		18,375.00
Bond Issue discount and financing expense, less amount written off	218,650.00	

Approved on behalf of the Board:

A. J. NESBITT JAS. B. WOODYATT	}	Directors.
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\$21,473,591.30	\$11,140,849.54
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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 Pursuant to Supplementary Letters Patent dated November 12, 1947 issued to Northern Quebec Power Company, Limited. Cumulative Redeemable Preferred Stock of \$100.00 each. Under date of December 8, 1947 the outstanding 6% First Mortgage authorized by the Directors on November 25, 1947 and by Order No. 291 of the Provincial Electricity Board.

Pursuant to notice of redemption dated November 25, 1947 the Corporation has given notice of its intention to redeem its 6% First Mortgage Preferred Stock and estimated expenses of such redemption has been recorded in the attached statements as at December 31, 1947.

We report that, in our opinion, the accompanying Consolidated Balance Sheet and related Consolidated Statements of Income of the Companies at December 31, 1947 and the results of their operations for the year ended that date according to the best of our knowledge and belief.

Montreal, February 12, 1948.



# ER CORPORATION, LIMITED

ARY COMPANY

et as at December 31, 1947

## LIABILITIES

	1947	1946
<b>TO THE PUBLIC:</b>		
Funded Debt—Subsidiary Company		
First Mortgage Bonds—authorized \$7,500,000.		
Issued—		
3% Serial Bonds Series "A" maturing		
November 15, 1950-1957.....	\$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	\$ .....
Accounts Payable and Accrued Liabilities.....	129,786.79	67,993.35
Provision for Taxes.....	255,360.00	301,916.39
Bond Interest accrued.....	43,875.00	.....
Subsidiary Company Dividends payable.....	3,205.13	.....
Preferred Dividend payable.....	112,005.36	96,250.00
Common Dividend payable.....	60,000.00	60,000.00
Customers' Deposits including interest.....	98,635.49	111,854.75
	<u>\$ 9,702,867.77</u>	<u>\$ 638,014.49</u>
<b>TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARY:</b>		
5% Cumulative Redeemable Preferred Shares of \$100. each		
(Redeemable at \$103.50 upon 30 days' notice)		
Authorized and issued during the year 10,000 shares.....	1,000,000.00	.....
Common Shares—No Par Value—Net Equity.....	2,141.29	2,141.29
<b>TO THE SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION LIMITED:</b>		
Capital Stock—		
7% Cumulative Preferred Shares of \$100. each		
(called for redemption on January 15, 1948)		
Authorized.....	75,000 Shares	
Issued.....	55,000 Shares	\$5,500,000.00
Less: Redeemed during year	116 Shares	11,600.00
	<u>54,884 Shares</u>	<u>5,488,400.00</u>
Provision for premium payable on redemption	548,840.00	6,037,240.00
		5,500,000.00
Common Shares of No Par Value—		
Authorized.....	500,000 Shares	
Issued.....	400,000 Shares	2,148,796.00
		2,148,796.00
Reserves—		
Depreciation.....	4,512,200.37	4,320,990.91
Bad Debts.....	16,347.73	13,962.81
Miscellaneous.....	2,164.00	1,414.00
Surplus—Balance as at December 31.....	509,887.90	973,583.80
Capital Deficit—(no change during period)..... (Dr.)	2,458,053.76	2,458,053.76
	<u>\$21,473,591.30</u>	<u>\$11,140,849.54</u>

to the Shareholders

subsidiary for the year ended December 31, 1947 and have obtained all the information and explanations which we have required. Limited, the subsidiary company, the authorized and issued share capital of the company was increased by 10,000 shares of 5% Bonds and Debenture Notes were redeemed and new issues of First Mortgage and General Mortgage Bonds were made as the 7% Cumulative Preferred Shares on January 15, 1948 at 110 and accrued dividends. Provision for the premium, accrued surplus and of 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, 1947*

Gross Earnings from Operations.....		\$2,068,715.73
DEDUCT:		
Operating Expenses.....	\$806,831.90	
Directors' Fees.....	10,150.00	
Executive Officers Salaries.....	17,572.00	
Legal Fees.....	6,549.49	
Contribution to Pension Fund.....	13,750.00	
Provision for Bad Debts.....	2,012.60	856,865.99
Net Operating Profit before interest, depreciation and income and excess profits taxes.....		1,211,849.74
Income from Investments.....		21,103.90
DEDUCT:		
Interest on—Bonds—Subsidiary Company.....	21,757.20	1,232,953.64
—Consumers' Deposits.....	3,166.22	
Amortization of Bond Discount and expense.....	1,350.00	
Provision for—Depreciation.....	204,000.00	
—Income and Excess Profits Taxes.....	353,029.56	583,302.98
Net Income for the year transferred to Surplus.....		\$ 649,650.66

*Consolidated Statement of Surplus*  
*For the Year Ended December 31, 1947*

Balance at Credit, January 1, 1947.....		\$ 973,583.80
ADD:		
Prior period adjustment—Refund of U.S. Premium not required for Bonds called for redemption in 1945.....		103,970.49
Net Income for the year transferred from Statement of Income and Expenditure.....	\$649,650.66	1,077,554.29
LESS: Loss on sale of assets.....	7,125.00	642,525.66
DEDUCT:		
Dividends on—		1,720,079.95
Capital Stock of Subsidiary held by public—Preferred . . . \$3,205.13		
—Common . . . . . 102.00	3,307.13	
7% Cumulative Preferred Stock.....	400,884.92	
Common Stock.....	240,000.00	644,192.05
DEDUCT:		
Premium payable January 15, 1948 on redemption of Preferred Shares.....	550,000.00	
Provision for estimated expense of redemption.....	10,000.00	
Expenses incurred in connection with the issue of New Preferred Shares of Subsidiary Company.....	6,000.00	566,000.00
Balance at credit, December 31, 1947.....		\$ 509,887.90

This is the statement referred to in our accompanying report dated February 12, 1948.

P. S. ROSS & SONS,  
Chartered Accountants.



CANADA NORTHERN POWER CORPORATION, LIMITED  
AND SUBSIDIARY COMPANY

*Consolidated Operating Statement*

*For Years Ending December 31st*

	1943	1944	See Note (C) 1945	1946	1947
Electric Revenue.....	\$4,070,001	\$3,844,008	\$1,688,778	\$1,932,776	\$2,012,613
(B) Miscellaneous Revenue.....	163,228	178,207	183,384	77,911	70,082
Gross Revenue.....	4,233,229	4,022,215	1,872,162	2,010,687	2,082,695
Purchased Power.....	545,471	362,773	89,790	153,930	297,019
Operation.....	726,474	729,495	266,465	266,798	313,626
Maintenance.....	111,530	106,665	34,228	50,295	59,560
Taxes (Excluding Income and Profits).....	259,109	244,036	137,103	161,364	170,898
Total Operation, Maintenance and Taxes.....	1,642,584	1,442,969	527,586	632,387	841,103
Net Earnings.....	2,590,645	2,579,246	1,344,576	1,378,300	1,241,592
Bad Debts.....	4,926	4,108	1,762	1,933	2,013
Interest.....	704,499	709,491	238,931	2,809	24,923
Depreciation.....	732,000	688,000	204,000	204,000	204,000
Employees' Pension Fund.....	26,850	26,000	8,750	11,700	13,750
Net Loss on Sale of Merchandise and Power Stores.....		62,902			
Amortization of Bond Discount.....					1,350
Total Deductions.....	1,468,275	1,490,501	453,443	220,442	246,036
Net Earnings after Deductions...	1,122,370	1,088,745	891,133	1,157,858	995,556
Income and Excess Profits Taxes.....	455,856	455,201	398,201	499,480	353,030
Surplus for Year.....	666,514	633,544	492,932	658,378	642,526
(A) Surplus brought forward.....	2,726,156	2,699,644	2,632,178	940,319	973,584
Preferred Dividends Paid.....	3,392,670	3,333,188	3,125,110	1,598,697	1,616,110
Common Dividends Paid.....	451,789	450,965	398,285	385,000	404,090
Net Adjustment re Financing.....	242,125	240,822	240,100	240,113	240,102
			1,546,406		462,030
Surplus Carried Forward	693,914	691,787	2,184,791	625,113	1,106,222
Surplus Carried Forward	\$2,698,756	\$2,641,401	\$ 940,319	\$ 973,584	\$ 509,888
Sinking Fund Instalments Paid..	\$ 318,500				
Customers Connected.....	23,249	24,148	7,310	8,643	9,529
Shareholders.....	4,075	4,187	3,921	3,855	2,986
Kilowatt Hour Output.....	568,162,306	546,581,153	227,306,788	248,064,944	274,144,524

(A) Adjusted for prior year charges.

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

(C) After sale of physical assets of Northern Ontario Power Co., Ltd.

