

ANNUAL REPORT
CANADA NORTHERN POWER
CORPORATION, LIMITED

S

YEAR ENDED DECEMBER 31ST
1929

CANADA NORTHERN POWER CORPORATION, LIMITED



President

A. J. NESBITT, Montreal

Vice-President

JAS. B. WOODYATT, Montreal

Directors

J. H. BLACK.....	Toronto
F. O. BLACKWELL.....	New York
B. V. HARRISON.....	New Liskeard
DAN. McLACHLIN.....	Arnprior
MAJ.-GEN. THE HON. S. C. MEWBURN, C.M.G.....	Hamilton
A. J. NESBITT.....	Montreal
P. A. THOMSON.....	Montreal
N. A. TIMMINS.....	Montreal
E. R. WOOD.....	Toronto
JAS. B. WOODYATT.....	Montreal

General Manager

B. V. HARRISON, New Liskeard

Secretary

L. C. HASKELL, Montreal

Treasurer

CHAS. JOHNSTONE, Montreal

Assistant Secretary-Treasurer

H. A. SEYMOUR, New Liskeard

Assistant Secretaries

M. M. COX, Montreal

V. J. NIXON, Montreal

Assistant Treasurer

F. D. LAMONT, Montreal

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

MESSRS. P. S. ROSS & SONS

Head Office

355 ST. JAMES STREET WEST, MONTREAL

Canada Northern Power Corporation, Limited

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ending December 31st, 1929, which shows that the growth and expansion of your Company continues to be satisfactory, as may be judged by the statement of Assets and Liabilities, together with the comparative statement for the last five years submitted herewith.

Construction Activities Serving, as it does, a territory that is constantly developing, your Company must constantly improve and add to its facilities to take care of normal growth as well as provide for future development of the area served.

During the year a new power development was undertaken at the Upper Notch, on the Montreal River, 5 miles below Fountain Falls. The work is progressing satisfactorily and should be completed some time in November. The new plant will have an installed capacity of 13,000 H.P., bringing our total installed capacity up to 114,000 H.P.

At New Liskeard a complete new outdoor type of substation was installed with three 400 K.V.A. transformers. At Haileybury the substation was increased from 450 K.V.A. to 750 K.V.A. An additional transmission line from our Rouyn Substation to the Amulet Mines has been built. The installation of considerable additional transformer capacity at our Kirkland Lake and Noranda Substations is practically completed. In Gowganda, a transmission line has been constructed to the Capitol workings of the Castle-Trethaway Mine. Many minor extensions and improvements, too numerous to mention here, are either planned or in course of completion.

New Franchises and Renewals By a substantial majority, the citizens of Elk Lake and Earlton approved the granting of franchises for the supply of power and light to their respective towns. During the year we also added Ville Marie (Quebec) to the list of towns we serve.

Merchandise Sales Activities Your Company, during the year, continued its efforts to promote the use of household and labor-saving appliances and sales through the Company's eight stores reached a total of \$161,137.79 as compared

with \$134,891.85 last year. This is very satisfactory, both from the point of view of increased load and satisfaction to our customers.

New Power Customers Mining progress throughout the territory continues to be steady. Among the mines added to our list of customers during the year are the Hayden Gold Mines, in the Porcupine district; the Morrison Mines, operating in Gowganda; the Agaunico Mines, on the shore of Lake Temiskaming in the Township of Bucke. The Horne Copper Corporation have, during the year, made extensive additions to their plant which have considerably increased their power requirements, and, in Kirkland Lake increases have been made at most of the properties, thus favorably affecting the demand for our power.

Customer Ownership Campaign In September, a Customer Ownership Campaign was launched by your Company, during which 1539 customers purchased approximately 5000 shares. This proves the high regard in which your Company and its securities are held by those it serves. As is usually the case in Customer Ownership Campaigns, much of this stock was purchased on the deferred payment plan so that the subscribers will not be counted as shareholders until they have completed their payments, therefore many of these new customer-owners could not be taken into account in compiling the number of shareholders for 1929, shown in our Comparative Statement.

Financing On March 28th, 1929, your Directors passed a resolution, which was approved at the General Meeting of Shareholders held on April 23rd, 1929, to the effect that the Common Shares be split five for one and that the capital be increased to 500,000 Common Shares. This was authorized by Supplementary Letters Patent issued by

the Secretary of State of Canada on May 4th, 1929.

During the year regular dividends on the Common Stock were inaugurated by the payment of a quarterly dividend of 15c. per share on October 25th, 1929.

Pulp Operations The Company's Pulp Mill at Haileybury has been operating at full capacity during the year, the market for pulp being very active, thus giving your Company a steady power load.

Taxation The Comparative Operating Statement shows the increasing burden of taxation to which your Company is subjected. The application of Income Tax by the Federal Government to privately-owned public utilities, while publicly-owned utilities are tax exempt, is unjust and unreasonable. Practically 10% of the revenue collected from customers is returned to the public through the various Governmental authorities. We know it is the desire of all connected with the Company—our Customers, Shareholders and Employees—to cheerfully pay their share of the cost of administering our Country, but we also believe that we are justified in asking that all public utilities be taxed fairly and without discrimination, regardless of ownership.

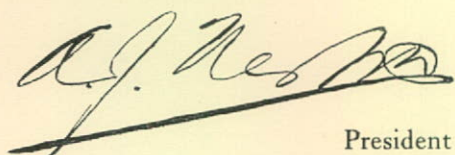
Rates The attention of our shareholders is directed to the very low rates which your Company receives for the service sup-

plied, which service is without doubt an important factor in assisting in the upbuilding, growth and prosperity of the great mining industry which your Company serves. It is to be noted that the gross electric revenue is less than eighty-five one hundredths of a cent (.85c) per kilowatt hour, which after taxes is reduced to about three-quarters of a cent (.75c) per kilowatt hour. This figure compares more than favourably with the revenue received from any similar undertaking on the Continent, and it should be a source of pride to all our shareholders to know that your Company is thus able to do its part toward the development of the territory served. From time to time our rates are criticised, but the criticism is not substantiated by the facts, and it is with pleasure that the facts are drawn to the attention of our shareholders, that they may be in a position to refute unfair and unjust criticism.

Plants and Properties The plants and properties of your Company have been maintained in excellent condition and at a high standard of efficiency throughout the year.

Employees It is a pleasure to call your attention to the excellent and enthusiastic efforts of all employees of the Company—so many of whom are stockholders in your enterprise—and to their loyal and zealous efforts to promote and safeguard the interests of both the customers and shareholders of the Company.

Respectfully submitted on behalf of the Board,



A. J. Nesbitt

President

CANADA NORTHERN POWER CORPORATION

AND SUBSIDIARIES

Consolidated Assets and Liabilities
Year Ending December 31, 1929

ASSETS

	Dec. 31, 1929	Dec. 31, 1928
Plant Investment.....	\$31,964,723.15	\$31,179,728.12
Cash on Hand and in Bank.....	45,869.14	74,636.70
Accounts Receivable.....	450,444.29	376,534.68
Materials and Supplies.....	246,563.25	259,660.36
Mortgages Receivable.....	8,200.00
Deferred Charges.....	78,103.93	53,806.17

\$32,793,903.76 \$31,944,366.03

Auditors' Report

We have audited the books of account of the Canada Northern Power Corporation, Limited, and its Subsidiary Companies, for the year ending 31st December, 1929, and we certify that in our opinion, the attached Consolidated Statement of Assets and Liabilities and relative Revenue and Profit and Loss Accounts as at 31st December, 1929, show the position of the combined Companies as at that date, according to the best of our information, the explanations given to us and as shown by the books of account examined by us.

We have received all the information and explanations we have required.

MONTREAL, 24th FEBRUARY, 1930.

P. S. ROSS & SONS,
Chartered Accountants.

ER CORPORATION, LIMITED

IDIARIES

Annual Statement

December 31st, 1929

LIABILITIES TO THE PUBLIC:

	Dec. 31, 1929	Dec. 31, 1928
Funded Debt.....	\$15,000,000.00	\$15,000,000.00
Notes Payable.....	787,308.50	1,091,503.88
Accounts Payable and Accrued Liabilities.....	405,307.67	275,618.79
Dividends of Subsidiaries payable 25th January 1930.....	25,969.00	52,719.00
Preferred Dividends payable 15th January 1930.....	96,250.00	90,210.75
Common Dividends payable 25th January 1930.....	56,250.00
Customers Deposits with Interest Accrued.....	114,362.91	122,232.01
Bond Interest Accrued.....	125,000.00	125,000.00
	<u>\$16,610,448.08</u>	<u>\$16,757,284.43</u>

TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARIES:

Capital Stock—		
Preferred.....	\$1,530,900.00	\$1,655,400.00
Common.....	319,287.74	345,842.50
Minority Interest in Surplus.....	25,092.02	25,064.00
	<u>\$1,875,279.76</u>	<u>\$2,026,306.50</u>

TO THE SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION, LIMITED:

Capital Stock—		
Preferred (7% Cum. \$100 each) Authorized 75,000 Shs. Issued 55,000 Shs.....	\$5,500,000.00	\$5,154,900.00
Common (No Par Value) Authorized 500,000 Shs. Issued 375,000 Shs.....	1,848,796.00	1,848,796.00
Paid in by Subscribers to Capital Stock-Preferred.....	91,459.00	83,311.17
Reserves:		
Depreciation.....	5,339,378.06	4,734,400.23
Miscellaneous.....	174,866.04	148,907.42
Profit and Loss.....	1,353,676.82	1,190,460.28
	<u>\$32,793,903.76</u>	<u>\$31,944,366.03</u>

Approved on behalf of the Board:

A. J. NESBITT }
JAS. B. WOODYATT } Directors

Canada Northern Power Corporation, Limited and Subsidiaries

Revenue Account

For Year Ending December 31st, 1929.

Gross Earnings.....		\$3,116,597.16
Expenses.....	\$938,177.48	
Interest.....	820,017.92	
Bad Debts.....	12,142.80	
Balance.....	1,346,258.96	
	\$3,116,597.16	\$3,116,597.16
	\$3,116,597.16	\$3,116,597.16

Profit and Loss Account

Balance at Credit 31st December, 1928.....		\$1,190,460.28
ADD—Prior year adjustments.....		10,172.10
Minority Interest Adjustment in previous Surplus..		87.07
		\$1,200,719.45
Earnings for year ending 31st December, 1929.....		1,346,258.96
Dividends on Preferred Stocks of Subsidiaries.....	\$ 93,933.00	
Dividends on Common Stocks of Subsidiaries.....	12,110.00	
Dividends on Preferred Stock.....	374,643.50	
Dividends on Common Stock.....	112,500.00	
Minority Interest in Annual Surplus of Subsidiaries.....	115.09	
Depreciation.....	600,000.00	
Balance at 31st December, 1929.....	1,353,676.82	
	\$2,546,978.41	\$2,546,978.41
	\$2,546,978.41	\$2,546,978.41

Audited and Certified, in accordance with our attached Certificate.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, 24th February, 1930.

Canada Northern Power Corporation, Limited

Consolidated Operating Statement

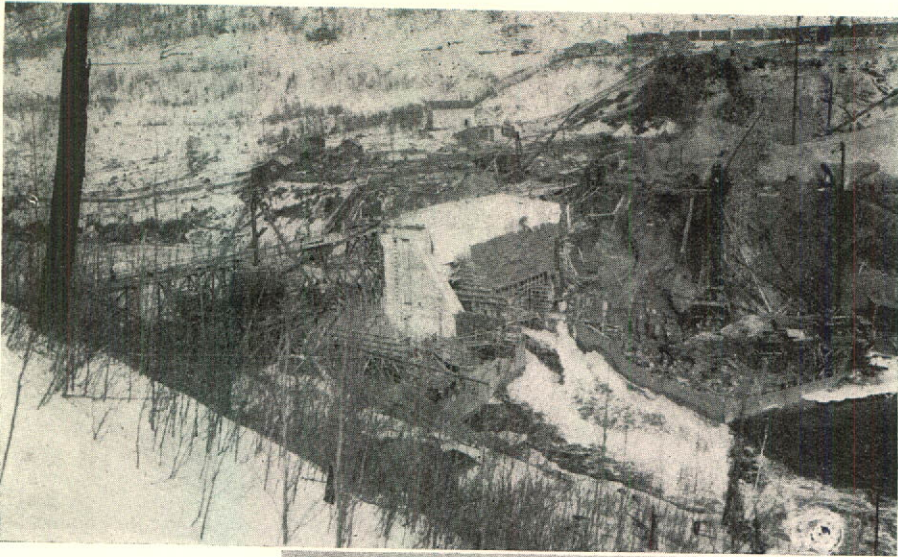
For Years Ending December 31st.

	1926	1927	1928	1929
Electric Revenue	\$2,213,484	\$2,552,222	\$2,894,420	\$2,959,663
*Miscellaneous Revenue	348,701	260,292	194,109	156,934
Gross Earnings	\$2,562,185	\$2,812,514	\$3,088,529	\$3,116,597
Operation	518,797	453,974	474,044	522,965
Maintenance (incl. in Operation 1925-1926)		139,749	134,171	118,861
Taxes	227,641	257,090	281,576	296,351
	\$ 746,439	\$ 850,813	\$ 889,791	\$ 938,177
Net Earnings	1,815,746	1,961,701	2,198,737	2,178,420
Bad Debts	105	2,174	1,485	12,143
Interest	823,355	898,337	787,034	820,018
	\$ 823,461	\$ 900,511	\$ 788,519	\$ 832,161
Surplus for Year	992,284	1,061,190	1,410,217	1,346,259
Surplus brought forward	A 655,780	B 705,660	B 817,614	B 1,200,719
	\$1,648,065	\$1,766,850	\$2,227,832	\$2,546,978
Preferred Dividends Paid	449,309	465,512	456,827	468,577
Common Dividends Paid	79,238	34,494	21,774	124,610
Minority Interest in Surplus	104	850	3	115
Transferred to Depreciation Reserve	425,000	476,000	558,767	600,000
	\$ 953,651	\$ 976,856	\$1,037,372	\$1,193,302
Surplus Carried Forward	694,413	789,994	1,190,460	1,353,676
Customers Connected	7,510	8,742	9,524	9,980
Shareholders	1,691	2,054	2,229	2,870
Kilowatt Hours Output	220,043,590	303,415,945	343,930,010	347,827,680

A—Includes Surplus of Additional Companies acquired during the year 1926.

B—Adjusted.

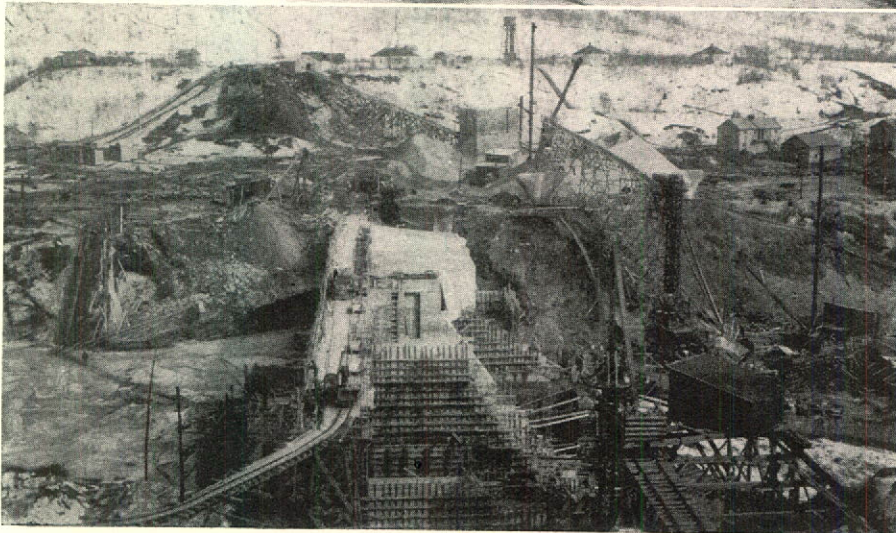
*—Miscellaneous Revenue includes compressed air and telephone gross earnings, pulp and merchandise net profits and earnings from investments, etc. (Telephone Department sold February 28, 1928).



*View
from
below
the
dam*



*View
from
above
the
dam*



*View
across
the
dam*

*Views showing progress of the Power Development at the Upper Notch,
Montreal River, February 22nd, 1930.*

