

Annual Report

CANADA NORTHERN POWER
CORPORATION
LIMITED



Year ended
DECEMBER THIRTY-FIRST
1931

CANADA NORTHERN POWER CORPORATION
LIMITED

Annual Report

For the year ending December the Thirty-first, 1931

OFFICERS

President

A. J. NESBITT, Montreal

Vice-President

JAS. B. WOODYATT, Montreal

Vice-President and General Manager

B. V. HARRISON, New Liskeard

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
JAS. B. WOODYATT.....Montreal

Secretary

L. C. HASKELL

Assistant Secretary

V. J. NIXON

Treasurer

CHAS. JOHNSTONE

Assistant Treasurer

F. D. LAMONT

Assistant Secretary-Treasurer

H. A. SEYMOUR

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

P. S. ROSS & SONS

Head Office

355 ST. JAMES STREET WEST
MONTREAL
CANADA

CANADA NORTHERN POWER CORPORATION, LIMITED

Montreal, Que., March 7th, 1932.

TO THE SHAREHOLDERS:

In submitting herewith the Annual Report of your Company for the year ending December 31st, 1931, your Directors are pleased to again report further satisfactory growth and progress in the Company's business, as will be seen by examination of the Comparative Statement of Operations for the past five years.

Gross Earnings of \$3,341,964 for 1931 compare with Gross Earnings of \$3,181,504 for 1930, but the net results for the year were affected by increased income tax and the unusually high premium which prevailed for American funds in which bond interest had to be paid.

Power Demand Owing to the steady and continuous increase in the output of gold from the mines of the Kirkland Lake and Porcupine Camps in Ontario, and the Noranda-Rouyn district in Quebec, in addition to appreciable growth in the utilization of electricity for domestic and commercial purposes, the demand for power over the whole territory served by your Company continues to grow. The total kilowatt hour output for the year amounted to 418,226,810 k.w. hours, being 51,096,030 k.w. hours greater than during the preceding year, while the number of customers increased from 10,377 to 11,407, a gain of 1,030.

Construction Activities During the past year work was commenced on the construction of a second 110,000 volt transmission line from Boischatel Switching Station in the Province of Quebec to our Kirkland Lake Substation. The right-of-way has already been cleared and the erection of the line will be proceeded with during the Spring of 1932.

For the purpose of serving the new Matachewan gold area, a new 110,000-volt substation is being installed at High Falls on the Montreal River, at which point three 1,000-k.v.a. transformers will furnish current to be transmitted over the new 12,000-volt feeder to serve Ashley Gold Mines, operated by Mining Corporation of Canada at Matachewan.

A 12,000-volt feeder has also been constructed from Noranda Substation to the property of Granada Gold Mines, Limited, in Rouyn Township, Quebec.

The transmission line serving the northern section of the Township of Lebel, known as the Bidgood Line has been extended to McTavish Lake to provide power for the new pumping station, installed by the municipality of the Township of Teck for the purpose of increasing the water supply of the mines and domestic users of Kirkland Lake.

In the Porcupine area a 12,000-volt feeder has been built from our Schumacher Substation to the property of La Roche Mines in Delora Township.

At Noranda Substation additional transformer capacity has been provided by the installation of three 2,000 k.v.a. transformers, and at Kirkland Lake the substation known as No. 3 was rebuilt, and all equipment brought up to a high state of efficiency.

New Power Customers Among the mines added to our list of customers during the year are Macassa Mines, Bidgood Consolidated Mines and Kirkland Township Mines in the Kirkland Lake District, and in the Noranda-Rouyn region the Aldermac Mines have completed the construction of a 500-ton sulphite mill, the product of which is utilized in the paper industry. Other new power users who have executed contracts for the

supply of electricity are Mining Corporation of Canada for their Matachewan operations, Granada Gold Mines at Rouyn and La Roche Mines at Porcupine.

Franchise Renewal In May last the electors of the Township of Bucke approved a by-law granting the Company a renewal, for a term of ten years, of the franchise held in that township.

Merchandise Sales This Department of your Company's activities continues to meet with gratifying success. Total sales for the year amounted to \$135,986.26, as compared with sales of \$118,089.14 for the preceding year.

The Company's nine stores located in the larger centres throughout our territory, not only constitute a profitable branch of our business and furnish a great convenience to our customers, who are enabled to obtain all the advantages provided by the utilization of electricity through our generous payment plan, but they also ensure satisfaction to the customer from the knowledge that the appliances being used are of the highest quality.

That the Company's policy is appreciated is clearly shown by the substantial volume of sales.

Pulp Mill While the market for the product of the Company's pulp mill has not been as active as could be desired, the mill was operated almost continuously during the whole of 1931.

Taxation The extent to which taxation continues to increase will be seen by reference to the Comparative Operating Statement. Everyone connected with the Company whether customer, shareholder or employee,

realizes that it is our duty to cheerfully pay our share of the cost of administering the affairs of our country, but we feel that we are justified in pointing out the discrimination which results from unfair taxation, caused by the exemption of publicly-owned public utilities from Federal income taxes, which our Company is called upon to bear.

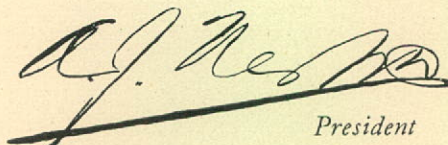
Rates Our Shareholders will no doubt be interested to know that the rates for service received by our Company are as low as those received by any similar undertaking on the continent. This fact has undoubtedly had a great bearing on the progress of the territory we serve, having made possible the development of the mining industry, which is contributing so largely to the prosperity of the north.

This fact is borne out by the figures relating to our gross electric revenue and total power output, from which it will be noted that we receive less than seventy-seven one-hundredths of a cent per kilowatt hour before taxes, and after deducting taxes amounting to \$335,000, only sixty-nine one-hundredths of a cent per kilowatt hour.

Plants and Properties The plants and properties of your Company continue to be maintained at a high standard of efficiency, and all storage reservoirs are in excellent condition.

Employees Your Directors desire to express their appreciation of the efficient and faithful efforts of the employees of your Company in the pursuit of their duties and their endeavours to promote the interests of both the customers and shareholders of the Company.

Respectfully submitted,


President

CANADA NORTHERN POWER

AND SUB

Consolidated Annual Statement,

ASSETS

	1931	1930
Plant Investment.....	\$33,864,097.02	\$33,687,921.05
Cash on Hand and in Bank.....	26,575.52	36,495.27
Call Loans.....	65,297.44
Accounts Receivable.....	348,003.47	362,430.48
Materials and Supplies.....	284,106.11	243,915.06
Mortgages Receivable.....	1,500.00	5,100.00
Deferred Charges.....	135,809.31	107,835.47
	\$34,725,388.87	\$34,443,697.33

Approved on behalf of the Board: A. J. NESBITT }
 J. B. WOODYATT } Directors.

Auditor

We have audited the books of account of Canada Northern Power
 ended 31st December, 1931, and we certify that, in our opinion, the
 relative Revenue and Profit and Loss Account as at 31st December
 date, according to the best of our information, the explanations given
 We have received all the information and explanations we have received

MONTREAL, 26th February, 1932.

R CORPORATION, LIMITED

IDIARIES

Year Ending December 31st, 1931

LIABILITIES

TO THE PUBLIC:	1931	1930
Funded Debt.....	\$17,000,000.00	\$17,000,000.00
Notes Payable.....	27,164.78
Accounts Payable and Accrued Liabilities.....	284,206.85	438,945.14
Dividends of Subsidiaries payable January, 1932.....	24,888.00	25,624.75
Preferred Dividend payable 15th January, 1932.....	96,250.00	96,250.00
Common Dividend payable 25th January, 1932.....	75,000.00	56,250.00
Customers' Deposits with Interest Accrued.....	109,884.40	103,650.63
Bond Interest Accrued.....	141,666.68	141,666.68
	<u>\$17,731,895.93</u>	<u>\$17,889,551.98</u>
TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARIES:		
Capital Stock—		
Preferred.....	\$1,466,000.00	\$1,515,100.00
Common.....	267,866.82	267,913.13
Minority Interest in Profit and Loss.....	18,166.28	19,972.79
TO THE SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION, LIMITED:		
Capital Stock—		
Preferred (7% Cum. \$100 each) Callable at 110 and accrued dividend after 60 days' notice.		
Authorized..... 75,000 shares		
Issued and Outstanding..... 55,000 shares	5,500,000.00	5,500,000.00
Common (No Par Value)		
Authorized..... 500,000 shares		
Issued and Outstanding..... 375,000 shares	1,848,796.00	1,848,796.00
Reserves—		
Depreciation.....	6,323,882.46	5,888,286.91
Miscellaneous.....	119,004.50	120,178.60
Paid in by Subscribers to Capital Stock.....	110,182.02	33,539.59
Profit and Loss.....	1,339,594.86	1,360,358.33
	<u>\$34,725,388.87</u>	<u>\$34,443,697.33</u>

Report:

Corporation, Limited, and its Subsidiary Companies for the year attached Consolidated Statement of Assets and Liabilities and 1931, shows the position of the combined Companies as at that date, as shown to us, and as shown by the books of account examined by us.

P. S. ROSS & SONS,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARIES

Revenue Account

For Year Ending December 31st, 1931

Gross Earnings.....		\$3,341,963.91
Expenses.....	\$1,061,859.77	
Interest (including U.S. Exchange thereon).....	902,302.10	
Bad Debts.....	9,031.30	
Balance.....	1,368,770.74	
	<u>\$3,341,963.91</u>	<u>\$3,341,963.91</u>

Profit and Loss Account

Balance at Credit 31st December, 1930.....		\$1,360,358.33
DEDUCT: Prior Year Adjustments.....	\$ 5,169.97	
Minority Interest Adjustment in previous Profit and Loss.....	167.18	5,337.15
		<u>1,355,021.18</u>
Earnings for the year ended 31st December, 1931.....		1,368,770.74
Minority Interest of Subsidiary in Annual Profit and Loss.....		1,973.69
Dividends on Preferred Stock of Subsidiary Company.....	89,581.50	
Dividends on Common Stock of Subsidiary Company.....	11,589.25	
Dividends on Preferred Stock.....	385,000.00	
Dividends on Common Stock.....	300,000.00	
Depreciation.....	600,000.00	
Balance at Credit 31st December, 1931.....	1,339,594.86	
	<u>\$2,725,765.61</u>	<u>\$2,725,765.61</u>

Audited and Certified, in accordance with our attached Certificate.

Montreal, 26th February, 1932.

P. S. ROSS & SONS,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED

Consolidated Operating Statement

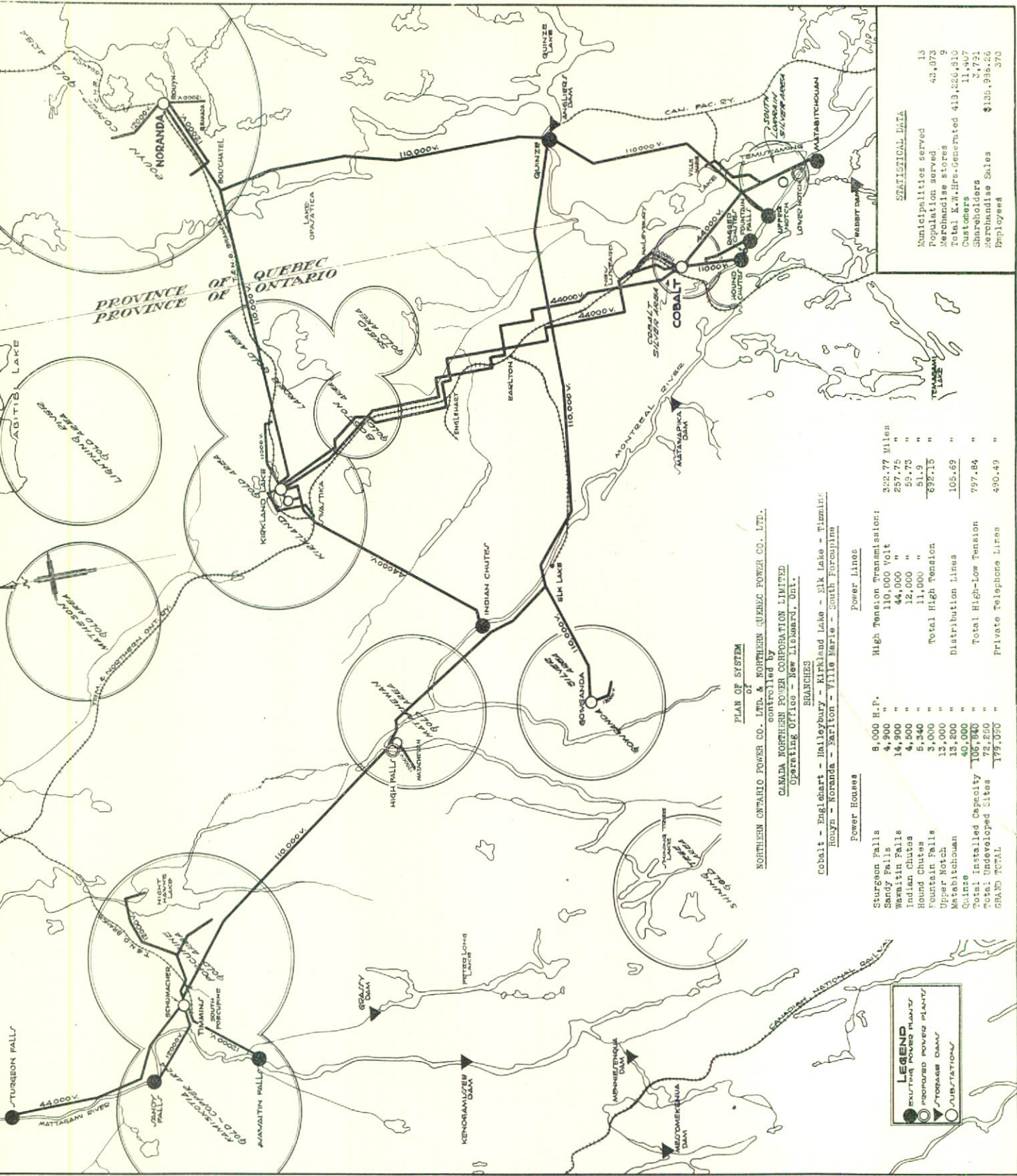
For Years Ending December 31st

	1927	1928	1929	1930	1931
Electric Revenue.....	\$2,552,222	\$2,894,420	\$2,959,663	\$2,984,347	\$3,218,832
*Miscellaneous Revenue.....	260,292	194,109	156,934	197,157	123,132
Gross Earnings.....	\$2,812,514	\$3,088,529	\$3,116,597	\$3,181,504	\$3,341,964
Operation.....	453,974	474,044	522,965	584,043	595,689
Maintenance.....	139,749	134,171	118,861	132,709	131,171
Taxes.....	257,090	281,576	296,351	304,275	335,000
	\$ 850,813	\$ 889,791	\$ 938,177	\$1,021,027	\$1,061,860
Net Earnings.....	1,961,701	2,198,737	2,178,420	2,160,477	2,280,104
Bad Debts.....	2,174	1,485	12,143	7,940	9,031
Interest.....	898,337	787,034	820,018	810,769	902,302
	\$ 900,511	\$ 788,519	\$ 832,161	\$ 818,709	\$ 911,333
Surplus for Year.....	1,061,190	1,410,217	1,346,259	1,341,768	1,368,771
Surplus brought forward.....	A 705,660	A 817,614	A 1,200,719	A 1,331,900	A 1,355,021
	\$1,766,850	\$2,227,832	\$2,546,978	\$2,673,668	\$2,723,792
Preferred Dividends Paid.....	465,512	456,827	468,577	475,750	474,582
Common Dividends Paid.....	34,494	21,774	124,610	236,914	311,589
Minority Interest in Surplus.....	850	3	115	646	B 1,974
Transferred to Depreciation Reserve...	476,000	558,767	600,000	600,000	600,000
	\$ 976,856	\$1,037,372	\$1,193,302	\$1,313,310	\$1,384,197
Surplus Carried Forward.....	789,994	1,190,460	1,353,676	1,360,358	1,339,595
Customers Connected.....	8,742	9,524	9,980	10,377	11,407
Shareholders.....	2,054	2,229	2,870	3,346	3,791
Kilowatt Hours Output.....	303,415,945	343,930,010	347,827,680	367,130,780	418,226,810

A—Adjusted.

B—Minority Loss.

*—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).



PLAN OF SYSTEM
 NORTHERN ONTARIO POWER CO. LTD. & NORTHERN QUEBEC POWER CO. LTD.
 controlled by
 CANADA NORTHERN POWER CORPORATION LIMITED
 Operating Office - New Liskeard, Ont.

BRANCHES
 Cobalt - Englehart - Halleybury - Kirkland Lake - Elk Lake - Timmins
 Rouyn - Noranda - Yarlton - Villie Marie - South Porcupine

Power Houses	Power Lines
Sturgeon Falls 8,000 H.P.	High Tension Transmission: 322.77 Miles
Sandy Falls 4,900 "	110,000 Volt 257.75 "
Warman Falls 16,900 "	44,000 " 59.75 "
Indian Chutes 4,500 "	12,000 " 51.9 "
Hound Chutes 5,360 "	Total High Tension 692.15 "
Fountain Falls 3,000 "	Distribution Lines 105.69 "
Upper Noxch 13,000 "	Total High-Low Tension 797.84 "
Asabitchouan 13,600 "	Total Underdeveloped Sites 72,850 "
Quire 4,000 "	GRAND TOTAL 179,650 "
Total Installed Capacity 100,000 "	
Total Underdeveloped Sites 72,850 "	
GRAND TOTAL 179,650 "	Private Telephone Lines 490.49 "

STATISTICAL DATA

Municipalities served	13
Population served	43,973
Merchandise stores	9
Total K.W.Hrs. Generated	413,256,310
Customers	11,407
Shareholders	2,791
Merchandise Sales	\$135,935.26
Employees	370

