

Annual Report
CANADA NORTHERN POWER
CORPORATION
LIMITED



Year ended
DECEMBER THIRTY-FIRST
1932

CANADA NORTHERN POWER CORPORATION, LIMITED

Montreal, Que., March 13th, 1933.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ending December 31st, 1932, by which it will be seen that the satisfactory progress reported during the past few years has been maintained.

Both Gross and Net Earnings show a substantial increase, as will be seen by reference to the comparative Statement of Operations for the past five years. This improvement would have been still greater had it not been for the heavy premium on American funds, amounting to \$88,950., required for bond interest disbursements, and the increased rate of taxation.

Power Demand The demand for power for the Mines continues to grow, owing to the expansion in the scope of operations at the Mines of the Kirkland Lake, Porcupine and Noranda-Rouyn districts, augmented by the growth in the domestic demand in the towns served by your Company. This is clearly shown by the increase in the number of customers on our lines, which has grown from 11,407 at the end of 1931 to 12,516 on December 31st, 1932, a gain of 1,109 during the year.

Construction Activities The year 1932 has been marked by the construction of another 110,000 volt transmission line from Provencher Switching Station in Boischatel Township, Quebec, to Kirkland Lake. By the placing in service of this line, the Kirkland Lake Camp is now supplied with power over five transmission lines, thus greatly adding to the safeguards ensuring perfect service.

Connection was also made in the early part of the year between our Quinze-Schumacher 110,000 volt line and the Matachewan gold area, by the construction of a 12,000 volt line from High Falls to the property of Ashley Gold Mines, operated by Mining Corporation of Canada. This extension entailed the construction of a Substation at High Falls.

A short extension was added to our distribution system in the Township of Tisdale, by which the section of Schumacher known as Gold Centre has been provided with electric service.

New Power Customers In March, 1932, power was turned on at the Ashley Gold Mines in the Matachewan area, thus adding a new mining camp to those served by your Company. This property became a gold producer on completion of the Mill in September.

In Quebec, Granada Gold Mines, Limited, also commenced to utilize power from our lines early in the year.

While not strictly new power customers, as power was being used for mining purposes, Toburn Mines, whose property lies in the eastern end of the Kirkland Lake Camp, and Hayden Gold Mines, located in the Porcupine Camp, both placed their mills in operation during 1932.

A great deal of exploration and development work is taking place all over the Northern Quebec and Ontario mining district, but particularly in Quebec, and your Company is keeping in close contact with the situation with a view to taking care of the market by extending its lines whenever the situation warrants.

Merchandise Department Sales in this Department were again satisfactory, amounting to the substantial sum of \$121,750.85. As prices of all appliances were greatly reduced, this figure represents a greater volume of merchandise than in past years, and naturally accounts for a considerable portion of the gain in our domestic demand for power. We also have the satisfaction of knowing that our Customers are supplied with efficient equipment.

New York Exchange As our Bond Interest is payable in New York, we suffered a charge of \$88,950.00 owing to exchange on the payments which became due on May 1st and November 1st, and this is shown in increased interest charges for the year.

Taxation The problem of increased taxation again forcibly brings up the injustice of the present policy of discrimination against privately owned public utilities such as ours, whereby Federal Income Taxes, from which publicly owned systems are exempt, are imposed upon our Company and its Customers. In these days, when Governments are perforce seeking means of collecting additional taxes, the unfairness of adding additional burdens to those borne by present

taxpayers and exempting others furnishing similar service should be apparent.

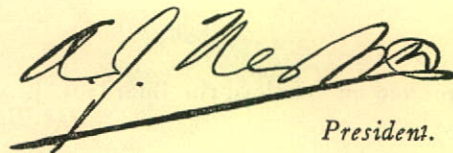
Rates It will be of interest to our Shareholders to know that the rates for electric power received by the Company, in spite of statements to the contrary, compare more than favorably with those paid to any undertaking, either privately or publicly owned, furnishing electricity on the Continent. The correctness of this statement is shown by the figures covering our Gross Revenue and Power Output.

By reference to these figures it will be seen that we receive seventy-seven one-hundredths of a cent per kilowatt hour before taxes, and after deducting taxes amounting to \$365,191.00, only sixty-nine one-hundredths of a cent per kilowatt hour.

Plants and Properties The plants and properties of the Company have been maintained in excellent condition, and are at present at a high standard of efficiency. All storage reservoirs are in first class condition.

Employees Your Directors are pleased to testify to the loyal and enthusiastic service of the employees, many of whom are stockholders.

Respectfully submitted on behalf of the Board,


President.

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IDIARIES

Year Ending December 31st, 1932

LIABILITIES

	1932	1931
TO THE PUBLIC:		
Funded Debt	\$17,000,000.00	\$17,000,000.00
Accounts Payable and Accrued Liabilities	297,160.26	284,206.85
Dividends of Subsidiaries payable January 1933	24,771.00	24,888.00
Preferred Dividend Payable 15th January 1933	96,250.00	96,250.00
Common Dividend payable 25th January 1933	75,000.00	75,000.00
Bond Interest Accrued	141,041.66	141,666.68
Customers' Deposits with Interest Accrued	120,343.82	109,884.40
	<u>\$17,754,566.74</u>	<u>\$17,731,895.93</u>
TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARIES:		
Capital Stock—		
Preferred	1,466,000.00	\$1,466,000.00
Common	257,053.50	267,866.82
Minority Interest in Profit and Loss	17,275.06	18,166.28
TO THE SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION, LIMITED:		
Capital Stock—		
Preferred (7% Cumulative Shares of \$100. each par value) (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	6,908,972.31	6,323,882.46
Miscellaneous	119,504.14	119,004.50
Paid in by Subscribers to Capital Stock	84,865.86	110,182.02
Profit and Loss	1,378,070.44	1,339,594.86
	<u>\$35,335,104.05</u>	<u>\$34,725,388.87</u>

Report:

r Corporation, Limited, and its Subsidiary Companies for the year
e attached Consolidated Statement of Assets and Liabilities and
1932, shows the position of the combined Companies as at that
ven to us, and as shown by the books of account examined by us.
quired.

P. S. ROSS & SONS,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARIES

Revenue Account
For Year Ending December 31st, 1932

Gross Earnings.....		\$3,456,771.65
Expenses.....	\$1,067,691.27	
Interest (including U.S. Exchange thereon).....	960,189.12	
Bad Debts.....	4,141.00	
Balance.....	1,424,750.26	
	<u>\$3,456,771.65</u>	<u>\$3,456,771.65</u>

Profit and Loss Account

Balance at Credit December 31st, 1931.....		\$1,339,594.86
DEDUCT: Prior Year Adjustments.....	\$ 2,964.90	
LESS: Minority Interest adjustment in previous Profit and Loss.....	763.37	2,201.53
		<u>1,337,393.33</u>
Earnings for the year ended December 31st, 1932.....		1,424,750.26
Minority Interest of Subsidiary in Annual Profit and Loss.....		127.85
Dividends on Preferred Stock of Subsidiary Company.....	87,960.00	
Dividends on Common Stock of Subsidiary Company.....	11,241.00	
Dividends on Preferred Stock.....	385,000.00	
Dividends on Common Stock.....	300,000.00	
Depreciation.....	600,000.00	
Balance at Credit December 31st, 1932.....	1,378,070.44	
	<u>\$2,762,271.44</u>	<u>\$2,762,271.44</u>

Audited and Certified, in accordance with our attached Certificate.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, March 8th, 1933.

CANADA NORTHERN POWER CORPORATION, LIMITED

Consolidated Operating Statement

For Years Ending December 31st

	1928	1929	1930	1931	1932
Electric Revenue	\$2,894,420	\$2,959,663	\$2,984,347	\$3,218,832	\$3,423,978
xMiscellaneous Revenue	194,109	156,934	197,157	123,132	32,794
Gross Earnings	\$3,088,529	\$3,116,597	\$3,181,504	\$3,341,964	\$3,456,772
Operation	474,044	522,965	584,043	595,689	590,060
Maintenance	134,171	118,861	132,709	131,171	112,440
Taxes	281,576	296,351	304,275	335,000	365,191
Net Earnings	\$ 889,791 2,198,737	\$ 938,177 2,178,420	\$1,021,027 2,160,477	\$1,061,860 2,280,104	\$1,067,691 2,389,081
Bad Debts	1,485	12,143	7,940	9,031	4,141
Interest	787,034	820,018	810,769	902,302	960,189
	\$ 788,519	\$ 832,161	\$ 818,709	\$ 911,333	\$ 964,330
Surplus for Year	1,410,217	1,346,259	1,341,768	1,368,771	1,424,751
Surplus brought forward	A 817,614	A 1,200,719	A 1,331,900	A 1,355,021	A 1,337,393
	\$2,227,832	\$2,546,978	\$2,673,668	\$2,723,792	\$2,762,144
Preferred Dividends Paid	456,827	468,577	475,750	474,582	472,960
Common Dividends Paid	21,774	124,610	236,914	311,589	311,241
Minority Interest in Surplus	3	115	646	B 1,974	B 128
Transferred to Depreciation Reserve	558,767	600,000	600,000	600,000	600,000
	\$1,037,372	\$1,193,302	\$1,313,310	\$1,384,197	\$1,384,073
Surplus Carried Forward	1,190,460	1,353,676	1,360,358	1,339,595	1,378,071
Customers Connected	9,524	9,980	10,377	11,407	12,516
Shareholders	2,229	2,870	3,346	3,791	3,710
Kilowatt Hours Output	343,930,010	347,827,680	367,130,780	418,226,810	441,150,290

A—Adjusted.

B—Minority Loss.

x—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).

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

Treasurer

CHAS. JOHNSTONE

Assistant Secretary

V. J. NIXON

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