

Annual Report

CANADA NORTHERN POWER
CORPORATION
LIMITED



Year ended
DECEMBER THIRTY-FIRST
1933

CANADA NORTHERN POWER CORPORATION, LIMITED

Montreal, Que., March 12th, 1934.

TO THE SHAREHOLDERS:

Your Directors have great pleasure in presenting the following report of the operations of your Company for the year ending December 31st, 1933, which shows that the Company's business continues to progress.

As will be seen by reference to the comparative statement of operations for the past five years, both Gross and Net Earnings show a gratifying increase, in spite of the fact that the rate of exchange on New York funds was quite high during the greater part of the year, which added considerably to bond interest disbursements.

Power Demand During the year the demand for power increased from 441,150,290 kilowatt hours in the year 1932 to 474,553,410 in 1933, an increase of 33,403,120 kilowatt hours. This was mainly caused by the expansion in the Mining industry, though domestic and commercial demands also show satisfactory gains. The total number of Customers served by the Company at the end of the year was 13,530, as compared with 12,516 on December 31st, 1932.

Construction Activities In February 1933, a 33,000 volt Transmission Line for the purpose of supplying Beattie Gold Mines, Limited, in Duparquet Township, Quebec, thirty miles north-east of Noranda, was constructed, thus opening up an additional Camp.

In the Kirkland Lake district, shorter extensions to the Company's lines were made at both the east and west ends of the Camp, one of which serves the Kirkland Gold Belt Mines in Lebel Township, while the other supplies the property of Canadian Kirkland Mines.

Another short feeder was built to the workings of Arntfield Gold Mines, in Boischatel Township, Quebec.

Owing to the growth of the Town of Kirkland Lake, it was necessary to make extensions to the domestic distribution system.

New Power Customers Early in 1933, a contract was entered into for the supply of power to Beattie Gold Mines, Limited, in Quebec, and this property was connected with the Company's system in May last.

Reference has already been made to the following new Customers: Arntfield Gold Mines in Quebec, Kirkland Gold Belt Mines and Canadian Kirkland Mines in Ontario.

Macassa Gold Mines, which had already been making use of power for shaft sinking purposes, constructed a 200 ton Mill during the summer of 1933, which was placed in operation in October. The developments in the western end of the Kirkland Lake Camp, in which this property is situated, have added twenty-five percent to the length of the producing area.

In November, a contract was entered into whereby your Company will supply power to the O'Brien Mining property in Cadillac Township, Quebec. This line, which is the centre of another heavily mineralized area, will be served by a new Transmission Line, the survey of which has been completed. This line is now under construction, and power will be available in Cadillac Township not later than June, 1934.

Merchandise Department Your Company, during the year, continued its efforts to promote the use of household and labor-saving appliances, sales amounting to \$113,604.17. Undoubtedly the increased load produced from the appliances represented by this figure will be reflected in power revenue.

Provisions for Future Power Needs An agreement, which will reduce the necessity for future capital expenditures

for the generation of power, has been entered into with the Ontario Hydro Commission, whereby future growth power requirements will be purchased on satisfactory terms from that Commission for a period of at least ten years.

Sinking Fund During the year, your Company retired \$221,500 of its 5% Bonds through the operation of the Sinking Fund.

Dividend and Bonus The regular dividend of eighty cents per share per annum on the Common Stock was augmented by a bonus of ten cents per share declared at your Directors Meeting on November 28th, 1933, making total dividend and bonus for the year 1933 of ninety cents per share.

Taxation The item of taxation continues to bulk largely in the problem with which your Company has to contend. Each year the amount absorbed under this head increases, making still more apparent the **unfair discrimination endured by privately-owned companies and their customers**, who are compelled to bear a greater portion of the cost of administering the affairs of the country than do those who are served by publicly-owned institutions.

Rates It will be seen by a comparison of the total kilowatt hour output of the Company with its gross electric revenue that **the cost of power to the customers**

of this Company is as low as the cost of power to the customers of any organization furnishing similar service on this Continent, whether privately or publicly-owned. Our shareholders will be interested in knowing that we receive seventy-seven one-hundredths of a cent per kilowatt hour, which, after deducting taxes totalling \$394,467.52, brings the **figure down to sixty-nine one-hundredths of a cent per kilowatt hour.**

During the year, the Company was pleased to make the following announcement:

"In July 1930, our Company, through its Optional Residential Rate, offered our domestic customers who wished to make fuller use of the advantages of electric service, greatly reduced rates, which has enabled them to make large savings.

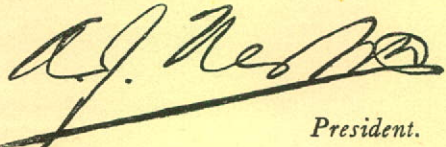
"In accordance with our policy of passing on to our customers the benefit of increased business, we now extend to our commercial customers, effective with accounts rendered after those rendered in January next, the opportunity of enjoying important average savings of 30%.

"This reduction, which is entirely voluntary on the Company's part, will enable our commercial customers to make fuller use of electricity, and at the same time save money, and we hope with increased usage of electricity to be able at no distant date to make reductions in our other rates."

Plants and Properties The Company's plants and properties have been maintained at a high standard of efficiency and are all in excellent condition. All storage reservoirs are also in first-class condition.

Employees Your Directors wish to record their appreciation of the loyal and faithful service of the employees, many of whom are shareholders of the Company.

Respectfully submitted on Behalf of the Board.


President.

CANADA NORTHERN POWER
AND SUBS

Consolidated Annual Statement,

ASSETS

	1933	1932
Plant Investment.....	\$34,247,885.10	\$34,195,845.87
Cash on Hand and in Bank.....	576,377.48	52,352.52
Call Loans.....	300,000.00
Accounts Receivable.....	364,874.04	345,762.06
Investments at Cost Value.....	303,400.00	361,660.00
Bonds Purchased in anticipation of Sinking Fund Requirements	114,453.75
Merchandise, Materials and Supplies.....	228,453.24	280,230.57
Deferred Charges.....	150,544.19	99,253.03
	\$36,285,987.80	\$35,335,104.05

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

Auditors'
 We have audited the books of account of Canada Northern Power
 December 31st, 1933, and have received all the information and e
 The attached Consolidated Balance Sheet and relative Revenue a
 the financial position of the combined Companies at December
 December 31st, 1933, according to the information and explanatio

Montreal, February 26th, 1934.

ER CORPORATION, LIMITED

IDIARIES

Year Ending December 31st, 1933

LIABILITIES

TO THE PUBLIC:	1933	1932
Funded Debt.....	\$16,778,500.00	\$17,000,000.00
Accounts Payable and Accrued Liabilities.....	410,468.81	297,160.26
Dividends of Subsidiaries payable January 1934.....	24,783.50	24,771.00
Preferred Dividend payable 15th January 1934.....	96,250.00	96,250.00
Common Dividend payable 25th January 1934.....	120,000.00	75,000.00
Bond Interest Accrued.....	138,629.17	141,041.66
Customers' Deposits with Interest Accrued.....	131,010.72	120,343.82
	<u>\$17,699,642.20</u>	<u>\$17,754,566.74</u>
TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARIES:		
Capital Stock—		
Preferred (6% Cumulative Convertible. Redeemable at 110% and Accrued Dividends after 60 days' notice).....	1,466,000.00	1,466,000.00
Common.....	257,003.50	257,053.50
Minority Interest in Profit and Loss.....	17,406.10	17,275.06
TO THE SHAREHOLDERS—CANADA NORTHERN POWER CORPORATION, LIMITED:		
Capital Stock—		
Preferred (7% Cumulative Shares of \$100.00 each par value) (Redeemable at \$110.00 and Accrued Dividend after 60 days' notice).		
Authorized.....	75,000 shares	
Issued and Outstanding.....	55,000 shares	
Common (No Par Value)		
Authorized.....	500,000 shares	
Issued and Outstanding.....	400,000 shares	
(25,000 shares at \$12.00 each have been issued during the period)—representing equity in Capital and Surplus.	3,626,652.68	3,226,866.44
Paid in by Subscribers to Capital Stock.....	3,085.00	84,865.86
Reserves—		
Depreciation.....	7,594,681.72	6,908,972.31
Miscellaneous.....	121,516.60	119,504.14
	<u>\$36,285,987.80</u>	<u>\$35,335,104.05</u>

Report

er Corporation, Limited, and its subsidiaries for the year ended
planations required.

nd Profit and Loss Accounts, in our opinion, set forth correctly
31st, 1933, and the result of the operations for the year ended
as received by us and as shown by the books of the Companies.

P. S. Ross & Sons,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARIES

Revenue Account

For Year Ending December 31st, 1933

Gross Earnings.....		\$3,690,284.94
Expenses.....	\$1,099,472.15	
Interest (including U.S. Exchange thereon).....	934,561.26	
Bad Debts.....	4,282.25	
Balance.....	1,651,969.28	
	\$3,690,284.94	\$3,690,284.94
	\$3,690,284.94	\$3,690,284.94

Profit and Loss Account

Balance at Credit December 31st, 1932.....		\$1,378,070.44
DEDUCT: Prior Year Adjustments.....		2,895.50
		\$1,375,174.94
Earnings for the Year ended December 31st, 1933.....		1,651,969.28
Adjustment of Minority Interest of Subsidiary in Profit and Loss.....	131.04	
Dividends on Preferred Stock of Subsidiary Company.....	87,960.00	
Dividends on Common Stock of Subsidiary Company.....	11,196.50	
Dividends on Preferred Stock.....	385,000.00	
Dividends on Common Stock.....	345,000.00	
Depreciation.....	720,000.00	
Balance at Credit December 31st, 1933.....	1,477,856.68	
	\$3,027,144.22	\$3,027,144.22
	\$3,027,144.22	\$3,027,144.22

Audited and Certified in accordance with our attached Certificate.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 26th, 1934.

CANADA NORTHERN POWER CORPORATION, LIMITED

Consolidated Operating Statement

For Years Ending December 31st

	1929	1930	1931	1932	1933
Electric Revenue.....	\$2,959,663	\$2,984,347	\$3,218,832	\$3,423,978	\$3,660,495
xMiscellaneous Revenue.....	156,934	197,157	123,132	32,794	29,789
Gross Earnings.....	\$3,116,597	\$3,181,504	\$3,341,964	\$3,456,772	\$3,690,284
Operation.....	522,965	584,043	595,689	590,060	594,845
Maintenance.....	118,861	132,709	131,171	112,440	110,160
Taxes.....	296,351	304,275	335,000	365,191	394,467
Net Earnings.....	\$ 938,177	\$1,021,027	\$1,061,860	\$1,067,691	\$1,099,472
Bad Debts.....	12,143	7,940	9,031	4,141	4,282
Interest.....	820,018	810,769	902,302	960,189	934,561
	\$ 832,161	\$ 818,709	\$ 911,333	\$ 964,330	\$ 938,843
Surplus for Year.....	1,346,259	1,341,768	1,368,771	1,424,751	1,651,969
Surplus brought forward.....	A 1,200,719	A 1,331,900	A 1,355,021	A 1,337,393	A 1,375,174
	\$2,546,978	\$2,673,668	\$2,723,792	\$2,762,144	\$3,027,143
Preferred Dividends Paid.....	468,577	475,750	474,582	472,960	472,960
Common Dividends Paid.....	124,610	236,914	311,589	311,241	356,196
Minority Interest in Surplus.....	115	646	B 1,974	B 128	131
Transferred to Depreciation Reserve.....	600,000	600,000	600,000	600,000	720,000
	\$1,193,302	\$1,313,310	\$1,384,197	\$1,384,073	\$1,549,287
Surplus Carried Forward.....	1,353,676	1,360,358	1,339,595	1,378,071	1,477,856
Customers Connected.....	9,980	10,377	11,407	12,516	13,530
Shareholders.....	2,870	3,346	3,791	3,710	4,130
Kilowatt Hours Output.....	347,827,680	367,130,780	418,226,810	441,150,290	474,553,410

A—Adjusted.

B—Minority Loss.

x—Miscellaneous Revenue includes compressed air gross earnings, pulp and merchandise net profits and earnings from investments, etc.

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