

**MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED**

NINTH ANNUAL REPORT

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MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

NINTH ANNUAL REPORT

1925

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

NOTICE OF MEETING

The Annual General Meeting of Shareholders of Montreal Light, Heat & Power Consolidated will be held at the Company's Offices, Room 319, Power Building, Montreal, Que., on

Wednesday, the 3rd day of February, 1926,

at twelve o'clock noon, for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

The Transfer Books of the Company will be closed from February 2nd to February 4th, 1926, both days inclusive.

By order of the Board,

C. S. BAGG,
Secretary-Treasurer.

MONTREAL, January 20th, 1926.

DIRECTORS

SIR HERBERT S. HOLT President.

JOHN S. NORRIS Vice-President.

J. E. ALDRED

SIR H. MONTAGU ALLAN, C.V.O.

GEORGE CAVERHILL

SIR LOMER GOUIN, K.C.M.G.

CHAS. R. HOSMER

T. B. MACAULAY

J. W. McCONNELL

G. H. MONTGOMERY, K.C.

HIS HONOUR NARCISSE PERODEAU

 Lieutenant-Governor Province of Quebec

HON. H. B. RAINVILLE

C. S. BAGG Secretary-Treasurer.

G. R. WHATLEY Asst. Secretary-Treasurer.

NINTH ANNUAL REPORT

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

OPERATING

The Montreal Light, Heat & Power Co., The Montreal Gas Co., The
Cedars Rapids Manufacturing & Power Co., The Royal
Electric Co., Lachine Rapids Hydraulic and Land
Co., Provincial Light, Heat & Power Co.,
Standard Light & Power Co.,
Montreal Public Service Corp., etc.

REPORT

OF THE

PRESIDENT AND DIRECTORS

Submitted at the 9th Annual Meeting of the Shareholders,
held on Wednesday, February 3rd, 1926

TO THE SHAREHOLDERS:

Your Directors beg to submit the following Report and Financial Statement of the Company's operations for fiscal year ended December 31st, 1925:

Gross Revenue.....	\$18,348,806.19
Expenses:	
Operating.....	\$7,349,243.33
Taxes.....	1,274,655.56
Depreciation and Renew- al Reserve.....	1,834,880.62
	10,458,779.51
Net Revenue.....	\$ 7,890,026.68
Fixed Charges.....	1,213,650.16
	Net Income..... \$ 6,676,376.52
Dividends Paid.....	\$4,256,638.84
Dividend Accrued.....	862,452.00
	5,119,090.84
Surplus.....	\$ 1,557,285.68
Less appropriated for Pensions.....	20,000.00
	Transferred to General Surplus..... \$ 1,537,285.68

REVENUE

The Gross and Net Revenues and Surplus Earnings for the year should be considered satisfactory in view of the industrial depression that prevailed during the period and the liberal reduction made in rates for service in the early part of the year. The increase in revenues is almost exclusively accounted for by additional residential business in new districts into which the Company has recently extended its gas and electric mains, indicating the continued growth of the city and suburbs. Due to unsettled conditions, industrial business, with few exceptions, as intimated, has been more or less stagnant in our territory as in other parts of the country.

OPERATIONS

There has been little or no change in operating conditions, and the costs for equipment, supplies and labour are still abnormally high. There has been a slight reduction in the cost of coal at the mines, notwithstanding the present cost of coal delivered is still 75% above pre-war costs, while the cost of gas-oil and the rates for labour generally are upwards of 100% higher than those prevailing prior to 1915.

The taxation of your Company is excessively heavy and openly discriminatory, as our operations are subject to heavy Federal Income Taxes, whereas the Provincial and Municipal undertakings of Ontario and other Provinces, although on a similar commercial basis, not only enjoy immunity from Provincial and Municipal taxation, but under the Federal law are exempted entirely from Income taxation.

Incidentally your Company will this year pay the Federal Exchequer approximately \$783,000.00 for Income Tax on its business for 1925, which, of course, is included in our rates for service and suggests if there were no Income Tax to pay our present retail rate of 3½c. per KWH for electricity could be reduced to 2.88c. per KWH, or, if applied to our gas business, the present retail rate of \$1.10 per M cubic feet could be reduced to 91c. per M cubic feet.

It is significant, as stated, that consumers of electricity in Ontario and other Provinces where the utilities are publicly

owned are exempt from this taxation. Our consumers, we are sure, do not object to paying their proportion of the running expenses of the country; they do, however, object (and rightly so) to paying the proportion of Toronto, Winnipeg and other cities where the utilities are publicly owned and operated. Our protestations, as well as the able and well defined representations of the Montreal Board of Trade to the Federal Government, anent this question have so far been without avail, and your Directors feel that the consumers of electricity in this Province should take some more effectual steps to correct this discrimination. Meantime this open discrimination in taxation undoubtedly handicaps Montreal and the Province of Quebec.

The continued increase in the disbursements for taxes—Municipal, Provincial and Federal—reflect the national situation with respect to the present habit of lavish expenditures by governmental agencies. It is a question that calls for serious individual thought when a business such as yours, furnishing public necessities, is called upon to disburse in taxes the sum of \$1,274,655.56, upwards of nineteen per cent. of the Company's Net Income.

DEPRECIATION

The policy of your Directors in this respect has continued on lines that are recognized as sound and reasonable and in the interests of both shareholders and consumers. The regular appropriation for the year has been credited to Depreciation Account, and an amount of \$1,090,959.74 has been charged to the account to partially take care of depreciated and discarded plant of our various subsidiary companies.

This, with other reserves, is invested in productive plant, thus being employed as capital on which no dividends or interest charges have to be paid.

FINANCIAL

Regular quarterly dividends have been declared and paid on the stock of the Company at the rate of 7% per annum for

the first quarter and at the rate of 8% per annum for the remainder of the year.

There were redeemed during the year \$209,000.00 of mortgage debt, as constituted by \$150,000.00 bonds of the Cedars Rapids Manufacturing & Power Company, \$30,000.00 bonds of the Montreal Light, Heat & Power Company (Lachine Division) and \$29,000.00 bonds of Provincial Light, Heat & Power Company.

ADDITIONS AND BETTERMENTS

During the year there have been numerous and considerable additions to generation and distribution systems of both Gas and Electric Departments in order to meet the demand for service consequent upon the rapid development of the city and suburbs; these additions represent no less a sum than \$2,383,882.20. Notable amongst these additions are (a) new Vallee Street Sub-Station (located in the centre of our distributing area), designed for the reception and re-distribution of 60,000-KW of electricity—this station is being fitted with the most modern and improved equipment to ensure safe and reliable service; (b) 60,000-V transmission lines encircling the city, to permit of interchange of power from our different generating stations; (c) 4,000,000 cubic feet per diem gas generating and subsidiary equipment at our Lasalle Plant; and (d) 65.3 miles of gas distributing mains—these mains are in new territory, and while unproductive in part at present, are hopeful for the future, meantime extending an essential utility to many people heretofore without service of the kind.

REDUCTION IN RATES

ELECTRIC SERVICE: In pursuance of the Company's adopted policy to sell its products at minimum rates, consistent with good service, early in the year a reduction of 12½% was announced in the rate for Electric Lighting Service, thereby reducing the retail rate to 3½c. per KWH; it is estimated our consumers will benefit by this reduction to the amount of no less than \$650,000.00 per year.

The following table graphically illustrates how your Company has consistently reduced rates and shared its prosperity with its consumers:—

Year	Net Rate per Kw. Hr. (cents)
1908.....	12.75
1909.....	10.00
1910.....	9.00
1911.....	7.50
1912.....	7.00
1913.....	6.40
1914.....	6.00
1915.....	6.00
1916.....	5.00
1917.....	5.00
1918.....	5.00
1919.....	4.80
1920.....	4.80
1921.....	4.80
1922.....	4.80
1923.....	4.25
1924.....	4.00
1925.....	3.50

It will be pleasing to the Shareholders, as it is to the Directors, to know that your Company enjoys an unrivalled position for minimum rates in respect of both gas and electricity throughout the Continent of America—the more remarkable when it is considered, on the one hand, that we are farther afield than others from the source of our raw materials, involving long freights and import duties, and on the other hand, that our climate, from the standpoint of adverse operating conditions during the winter, has no parallel.

It has always been our policy to share our prosperity with our consumers as conditions warranted, and your Directors are hopeful, if trade revives, they will be able to make a further reduction in rates.

PROPERTIES AND PLANT

The properties and plant of the Company and its subsidiaries have been maintained in the same high state of efficiency as heretofore.

BOARD OF DIRECTORS

The vacancy on the Board created by the resignation of Mr. R. M. Wilson, due to ill health, was filled by the appointment of Mr. J. W. McConnell.

AUDIT OF ACCOUNTS

The accounts of the Company have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, of Montreal, and their certificate is appended hereto.

Submitted on behalf of the Directors,

H. S. HOLT,
President.

MONTREAL, January 20th, 1926.

P. S. ROSS & SONS,
CHARTERED ACCOUNTANTS,
MONTREAL

MONTREAL, January 20th, 1926.

To the Shareholders of

Montreal Light, Heat and Power Consolidated,
Montreal.

GENTLEMEN:

We have examined the books and accounts of the Montreal Light, Heat & Power Consolidated and its subsidiary Companies, for the year ended December 31st, 1925, and we have obtained all the information and explanations which we required.

The charges during the year to the Property Accounts represent only actual additions, extensions or permanent improvements.

The inventories of Material, Supplies, were taken in accordance with the Company's usual custom, and have been certified to by responsible officials.

The Cash on Hand, Investments and Bank Balances, have been verified by actual inspection or by properly certified statements.

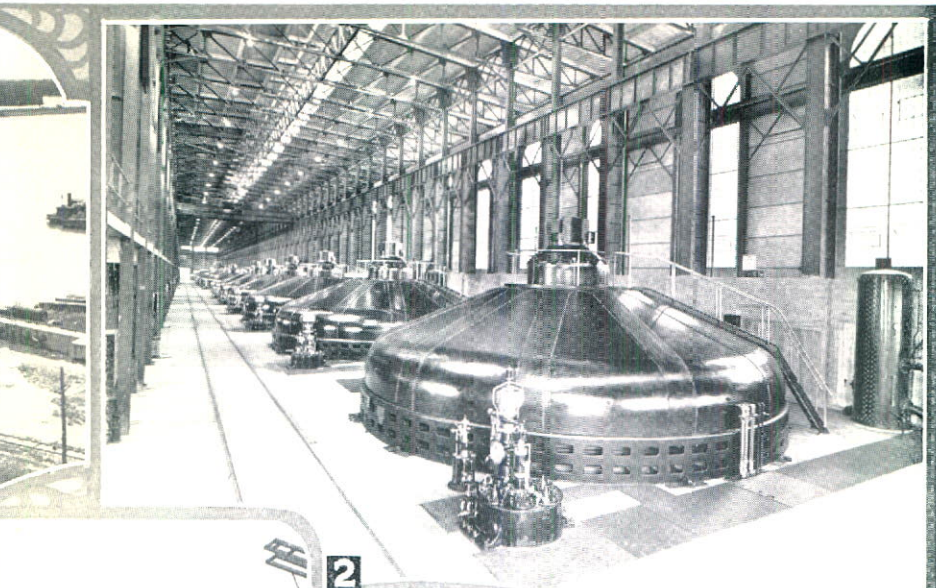
We certify that in our opinion the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

Respectfully submitted,

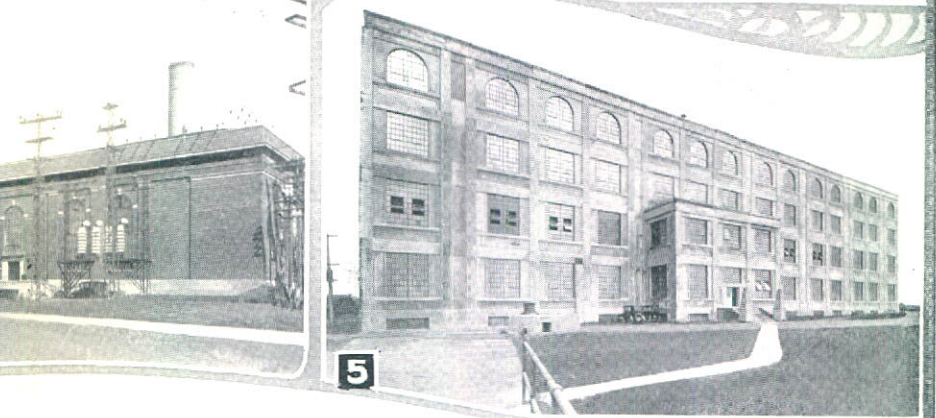
(Sgd.) P. S. ROSS & SONS,
Chartered Accountants.



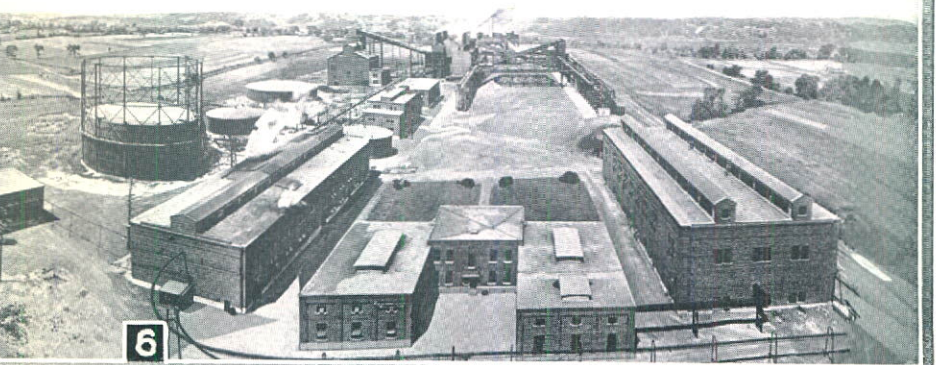
Exteriors & Interiors
of some of the
9 Branches serving
Montreal & District



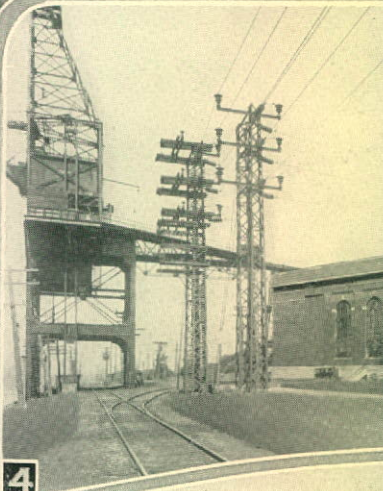
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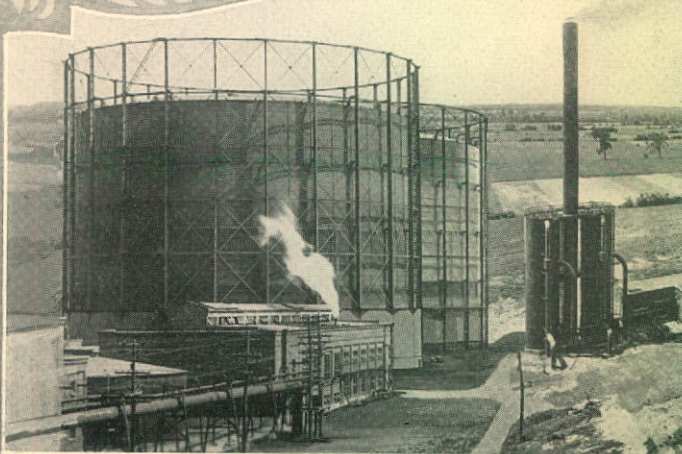
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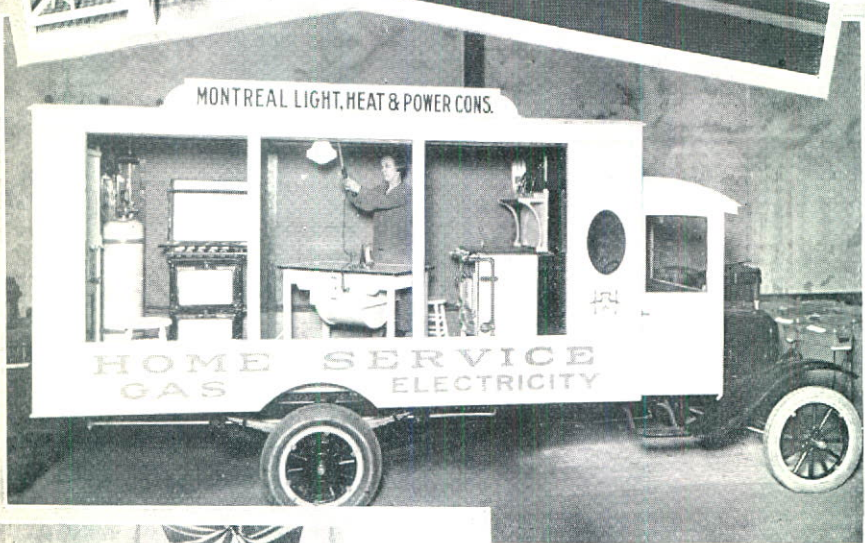


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- 1. Cedars Hydro-Plant
- 2. Interior, Cedars Plant
- 3. Control Board,
Cedars Power House
- 4. Electrical (Emergency)
Steam Plant
- 5. Transformer House,
Cedars
- 6. La Salle Gas Plant







DUAL SERVICE
MONTREAL LIGHT, HEAT & POWER CONS.

*That the Public
may know*

Our Employees

CHEERFUL service,
combined with a
desire to go a long way
toward meeting the
wishes of the public and
of fellow-employees is
the moving spirit of
every man and woman
in our Company.

Montreal Light, Heat & Power Consolidated

J. S. Brown
The President