

**MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED**

SEVENTH ANNUAL REPORT

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POWER BUILDING—HEAD OFFICE

MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

SEVENTH ANNUAL REPORT

1923

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 317, Power Building, Montreal, Que., on

Wednesday, the 6th day of February, 1924,

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 5th to February 7th, 1924, both days inclusive.

By order of the Board,

C. S. BAGG,

Secretary-Treasurer.

MONTREAL, January 25th, 1924.

DIRECTORS

SIR HERBERT S. HOLT	President.
J. 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	
G. H. MONTGOMERY, K.C.	
HIS HONOUR NARCISSE PERODEAU	
	Lieutenant-Governor Province of Quebec.
HON. H. B. RAINVILLE	
R. M. WILSON	
C. S. BAGG	Secretary-Treasurer.
G. R. WHATLEY	Asst. Secretary-Treasurer.

SEVENTH 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.

REPORT

OF THE

PRESIDENT AND DIRECTORS

Submitted at the 7th Annual Meeting of the Shareholders, held
on Wednesday, February 6th, 1924.

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, 1923:

Gross Revenue.....		\$16,140,960.98
*Expenses and Taxes.....	\$7,113,960.47	
Depreciation and Renewal Reserve.....	1,614,096.09	
		<u>8,728,056.56</u>
Net Revenue.....	\$	7,412,904.42
Fixed Charges.....		<u>1,211,654.68</u>
Net Income.....	\$	6,201,249.74
Dividends Paid.....	\$3,231,767.00	
Dividend Accrued.....	754,041.16	
		<u>3,985,808.16</u>
Surplus.....	\$	2,215,441.58
Less appropriated for Pensions.....		<u>20,000.00</u>
Transferred to General Surplus, subject to Income Tax.....	\$	2,195,441.58

*not including Income Tax

REVENUE

The Gross and Net Revenues and Surplus Earnings, it will be noted on comparison, show substantial and satisfactory increases over the previous year, notwithstanding the liberal reduction made in rates for service during the year; the increased volume of business reported indicates the continued growth of the city and suburbs.

OPERATIONS

There has been little or no relief in operating conditions, and the costs for equipment, supplies and labour are still abnormally high; the wages for labour were again increased during the year.

The above has particular reference to the Gas Department, where the cost of labour and raw materials is now more than double pre-war costs.

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, 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. These taxes unfavourably handicap Montreal and the Province of Quebec, and retard the attraction of new industries.

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 \$995,775.72 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 6% per annum.

There were redeemed during the year \$57,000.00 of mortgage debt, as constituted by \$31,000.00 of the Montreal Light, Heat & Power Company's Lachine Division Sinking Fund bonds and \$26,000.00 of Provincial Light, Heat & Power Company's Sinking Fund bonds.

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; the additions in the Electric Department included the installation of two hydro-electric units at Cedars Rapids Plant.

We will have the same general additions to both Gas and Electric systems during the coming year. We are installing the two final hydro-electric units at Cedars, which brings that plant to its ultimate capacity of 220,000 H.P. We are also installing carburetted water-gas and subsidiary equipment at Lasalle Gas Works of a capacity of 8,000,000 cubic feet per diem, including a gasholder of 6,000,000 cubic feet, also large distributing mains to reinforce existing connections between our manufacturing stations and district holders. All these additions are contemplated for completion for our fall load.

REDUCTION IN RATES

ELECTRIC SERVICE: In pursuance of the Company's adopted policy to sell its products at minimum rates, consistent with good service, your Directors have just announced a reduction in the net rate for Electric Lighting Service under five-year contracts to 4c. per KWH, representing nearly 6%. 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

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.

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.

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 25th, 1924.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1923

ASSETS

Stocks, Bonds and Interests in other Corporations.....	\$61,100,105.89	
Advances to Subsidiary Com- panies.....	9,401,694.02	
Property and Plant Invest- ment.....	223,790.90	
		<hr/>
		\$70,725,590.81

CURRENT ASSETS

Investment Securities.....	\$6,710,628.34	
Bills Receivable.....	110,400.00	
Accounts Collectible.....	1,192,910.12	
Stores.....	363,850.21	
Coal, Coke, Tar, etc.....	1,581,185.64	
Cash on Hand and in Bank..	2,627,616.06	
		<hr/>
		\$12,586,590.37
		<hr/>
		<u>\$83,312,181.18</u>

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1923

LIABILITIES

Capital Stock.....	\$64,632,100.00	
Reserves, inc. Subsidiary Companies:		
Insurance.....	491,956.30	
Contingent.....	534,002.87	
Depreciation and Re- newal.....	8,310,818.20	
	<u> </u>	\$73,968,877.37

CURRENT LIABILITIES

Accounts Payable.....	\$1,056,955.19	
Customers' Deposits.....	469,730.26	
Accrued Interest on Bonds....	43,004.82	
General Suspense Account....	687,760.83	
Dividend Accrued.....	754,041.16	
	<u> </u>	\$ 3,011,492.26
		<u> </u>
		\$76,980,369.63
Surplus Jan. 1st, 1923.....	\$ 4,696,070.49	
Less Income Taxes Paid.....	559,700.52	
	<u> </u>	
Balance.....	\$ 4,136,369.97	
Add Surplus for Year.....	2,195,441.58	
	<u> </u>	
Total Surplus (subject to Income Tax for 1923)		6,331,811.55
		<u> </u>
		<u> </u>
		\$83,312,181.18

Approved on behalf of the Directors,
H. S. HOLT, President.
J. S. NORRIS, Vice-President.

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

MONTREAL, January 25th, 1924.

To the President and Directors of

Montreal Light, Heat and Power Consolidated,
Montreal.

GENTLEMEN:

We beg to report having audited the financial transactions of your Company for year ended December 31st, 1923, and have verified the following statements, viz.:

1. Revenue Accounts.
2. Assets and Liabilities.
3. Investment Securities.

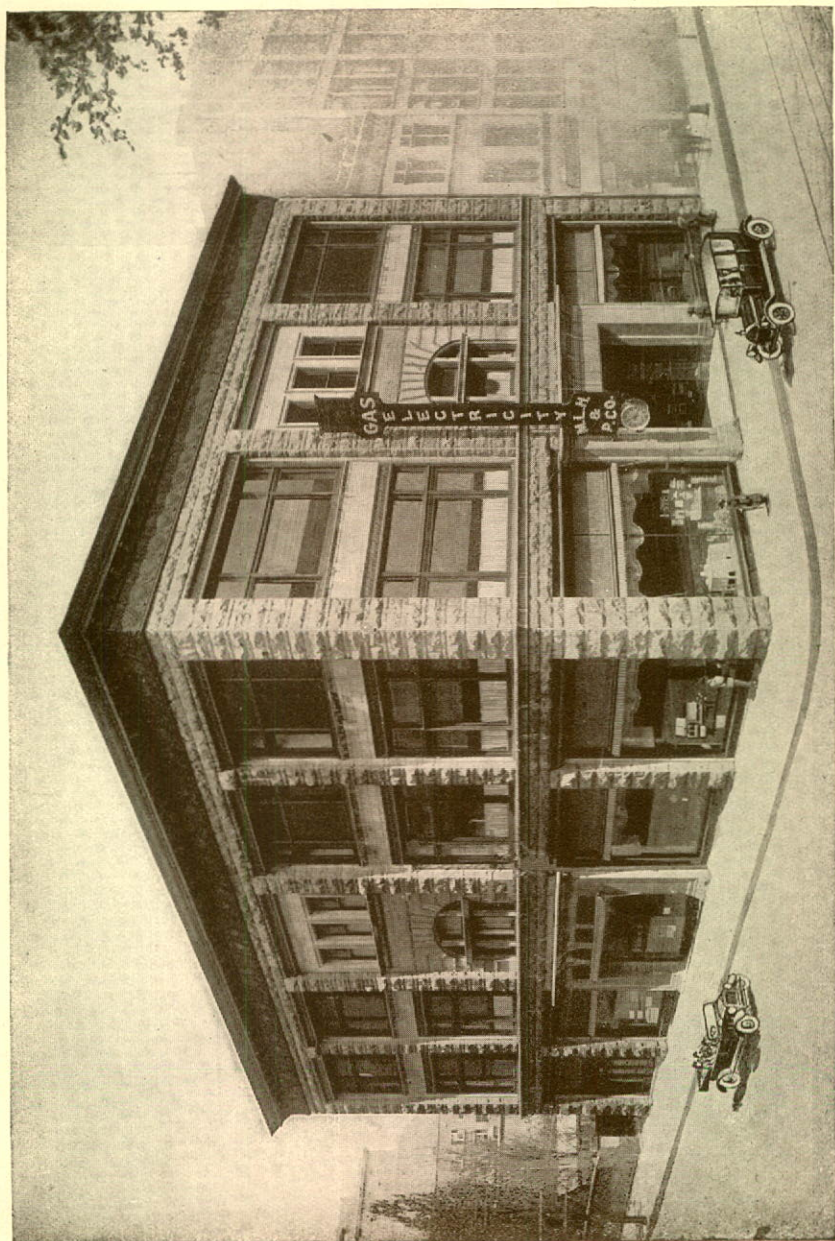
We have carefully followed up the Revenue Accounts for the year and find them to be correctly recorded, and have seen satisfactory vouchers for the Disbursements.

The Bank and Cash balances have been verified by us as of December 31st, 1923.

The inventories of Material and Stock on Hand have been certified by your Storekeeper, and have been accepted by us as correct.

We have obtained all information and explanations that we have asked, and all the requirements of our audit have been complied with.

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



UPTOWN POWER BUILDING

