

**MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED**

SIXTH ANNUAL REPORT

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POWER BUILDING—HEAD OFFICE

MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

SIXTH ANNUAL REPORT

1922

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 7th day of February, 1923,

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 6th to February 8th, 1923, both days inclusive.

By order of the Board,

C. S. BAGG,

Secretary-Treasurer.

MONTREAL, January 25th, 1923.

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.
HON. NARCISSE PERODEAU
HON. H. B. RAINVILLE
R. M. WILSON
C. S. BAGG Secretary-Treasurer.
G. R. WHATLEY Asst. Secretary-Treasurer.

SIXTH 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 6th Annual Meeting of the Shareholders, held
on Wednesday, February 7th, 1923.

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, 1922:

| | |
|---|---------------------|
| Gross Revenue..... | \$14,431,323.23 |
| Expenses and Taxes..... | \$6,504,717.47 |
| Depreciation and Renewal Reserve..... | 1,443,132.32 |
| | <u>7,947,849.79</u> |
| Net Revenue..... | \$ 6,483,473.44 |
| Fixed Charges..... | 1,214,785.58 |
| | <u>5,268,687.86</u> |
| Net Income..... | \$ 5,268,687.86 |
| Dividends Paid..... | \$2,690,397.92 |
| Dividend Accrued..... | 646,069.00 |
| | <u>3,336,466.92</u> |
| Surplus..... | \$ 1,932,220.94 |
| Less appropriated for Pensions..... | 20,000.00 |
| | <u>1,912,220.94</u> |
| Transferred to General Surplus, subject to Income Tax..... | \$ 1,912,220.94 |

REVENUE

The increased volume of your Company's business during the year indicates the growth of the city and suburbs and is reflected in the Gross Revenue. The Net Revenue and Surplus Earnings show substantial increases over last year and the statement should be considered a satisfactory one.

OPERATIONS

There has been little or no relief in operating conditions during the year as compared with the war period, and the costs for equipment, supplies and labour are still abnormally high, besides which supplies have been difficult to obtain in adequate quantities and as required, necessitating our having had to seek new markets for part of our raw materials. This has particular reference to coal for our Gas Department (involving upwards of 300,000 tons per annum) where, owing to the failure of United States sources by reason of mining and railroad strikes, the major portion of our supply had to be imported from England at abnormal cost and inconvenience as regards handling and utility. We are threatened with further trouble in the same direction unless the operators and miners in the United States reconcile their differences before April 1st next, the date of the termination of their existing agreement.

Notwithstanding the many operating difficulties resulting from these unsettled conditions both Gas and Electric Service were maintained without interruption throughout the year.

The taxation of your Company is comparatively heavy and in certain respects 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 appropriation for the year amounting to \$1,443,132.32 has been credited to Depreciation Account and an amount of \$984,868.06 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 5% per annum.

There were redeemed during the year \$46,000.00 of mortgage debt, as constituted by \$31,000.00 of the Montreal Light, Heat & Power Company's Lachine Division Sinking Fund bonds and \$15,000.00 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 completion of the two hydro-electric units at Cedars Rapids Plant that were unfinished at the time of our last Annual Report.

We will have the same general additions to both Gas and Electric systems during the coming year. We also plan the installation of additional units at Cedars to provide further 40,000 H.P. available there. This extension involves hydro-electric equipment only, the power and transformer houses

having been completed in connection with the last installation; the equipment has been purchased and will be installed in part during the current year and in part during next year as required. With the installation of this extra equipment our Cedars Rapids Plant will have a capacity of 220,000 H.P.

REDUCTION IN RATES

ELECTRIC SERVICE: In pursuance of the Company's adopted policy to sell its products at minimum rates, consistent with good service, and to share its earnings with its consumers, your Directors have just announced a reduction in Electric Lighting Rates effective forthwith. The reduction is equivalent to 11-2/5% and will mean an annual saving of upwards of \$300,000.00 to our consumers as compared with present rate. Incidentally this new rate is exactly one-third of the rate in vogue fifteen years ago, as illustrated below—the table indicating the periodic reductions that have been made by your Company in the meantime:

| 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 |

GAS SERVICE: Your Company has an application pending before the Quebec Public Service Commission for a revision

and reduction of Gas Rates, which, if adopted, will mean an estimated annual saving to our consumers of upwards of \$150,000.00.

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 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, 1923.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1922

ASSETS

| | | |
|--|-----------------|-----------------|
| Stocks, Bonds and Interests in other Corporations.... | \$62,005,364.35 | |
| Advances to Subsidiary Com- panies..... | 7,776,984.34 | |
| Property and Plant Invest- ment..... | 223,767.18 | |
| | <hr/> | \$70,006,115.87 |

CURRENT ASSETS

| | | |
|----------------------------|-----------------|------------------------|
| Investment Securities..... | \$ 4,931,118.66 | |
| Bills Receivable..... | 132,179.58 | |
| Accounts Collectible..... | 1,246,414.83 | |
| Stores..... | 356,287.66 | |
| Coal, Coke, Tar, etc..... | 1,578,308.19 | |
| Cash on Hand and in Bank. | 2,582,896.80 | |
| | <hr/> | 10,827,205.72 |
| | | <hr/> |
| | | <u>\$80,833,321.59</u> |

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

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1922

LIABILITIES

| | |
|---|-----------------|
| Capital Stock..... | \$64,606,900.00 |
| Reserves, inc. Subsidiary Companies: | |
| Insurance..... | 491,956.30 |
| Contingent..... | 534,002.87 |
| Depreciation and Re- newal..... | 7,692,497.83 |
| | <hr/> |
| | \$73,325,357.00 |

CURRENT LIABILITIES

| | |
|-----------------------------|-----------------|
| Accounts Payable..... | \$ 1,026,202.56 |
| Customers' Deposits..... | 402,755.19 |
| Accrued Interest on Bonds.. | 43,629.30 |
| General Suspense Account.. | 693,238.05 |
| Dividend Accrued..... | 646,069.00 |
| | <hr/> |
| | \$ 2,811,894.10 |

\$76,137,251.10

| | |
|-----------------------------|-----------------|
| Surplus Jan. 1st, 1922..... | \$ 3,455,891.34 |
| Less Income Taxes Paid.... | 672,041.79 |
| | <hr/> |

| | |
|---------------------------|--------------|
| Balance..... | 2,783,849.55 |
| Add Surplus for Year..... | 1,912,220.94 |
| | <hr/> |

Total Surplus (subject to Income Tax for 1922) 4,696,070.49

\$80,833,321.59

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, 1923.

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, 1922, and have verified the following statements, viz.:

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

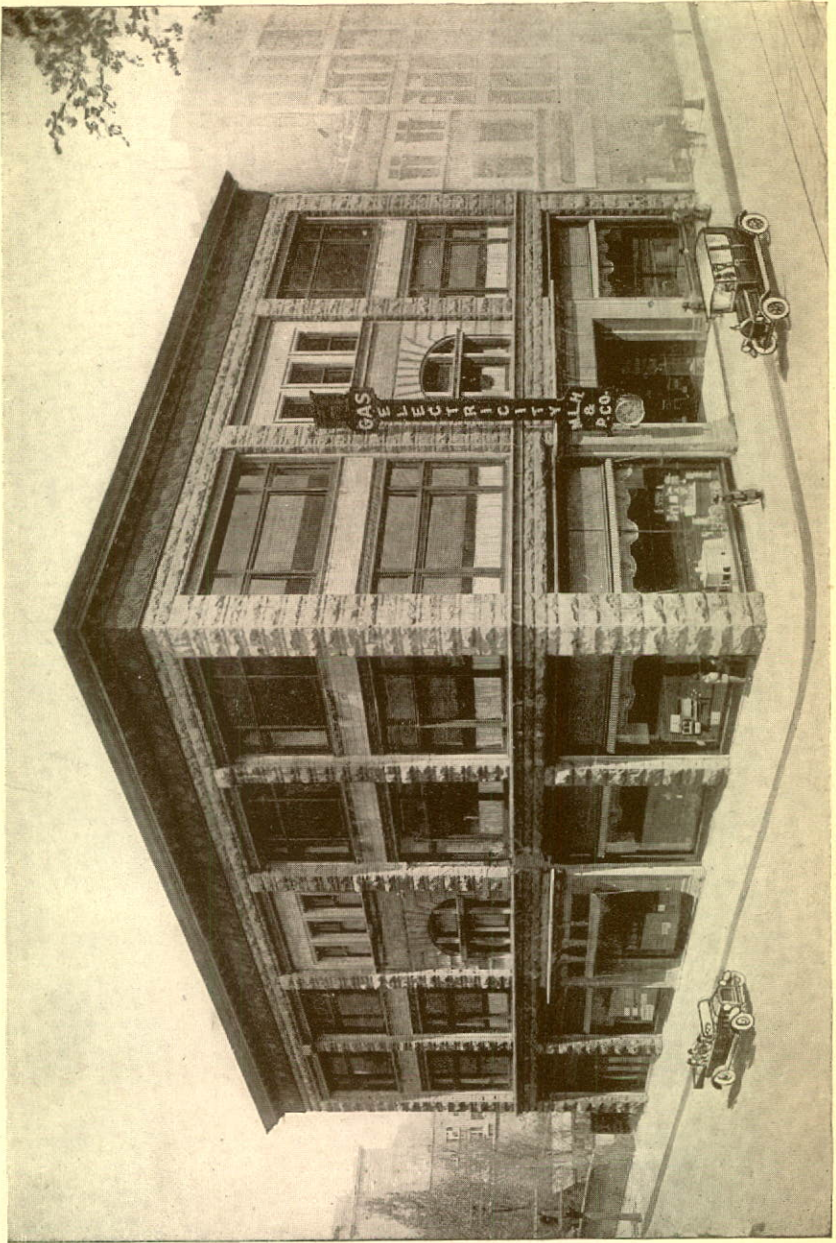
We have carefully followed up the Revenue Accounts for the year and find them to be correctly recorded, and have seen satisfactory vouchers for the Disbursements.

The Bank and Cash balances have been verified by us as of December 31st, 1922.

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

