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35th annual report 1957

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LOWER ST. LAWRENCE POWER COMPANY

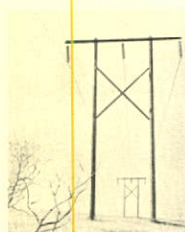
HIGHLIGHTS OF 1957

| | 1957 | 1956 | Per Cent Increase |
|---|-------------|------------|-------------------|
| Power generated and purchased — (in 1000 Kw-hr).... | 115,174 | 99,541 | 15.7 |
| Kilowatt-hour sales (in 1000)..... | 97,086 | 83,716 | 15.9 |
| Peak load — kilowatts..... | 29,400 | 23,600 | 24.5 |
| Average residential use — Kw - hr..... | 1,945 | 1,682 | 15.6 |
| Meters in service..... | 30,941 | 30,395 | 1.8 |
| Gross construction expenditures..... | \$1,125,015 | \$ 706,747 | 59.1 |
| Wages and salaries — including payroll charged to construction..... | \$ 967,844 | \$ 863,976 | 12.0 |

A BRIEF EARNINGS REPORT

| | 1957 | 1956 | Per Cent Increase |
|---|--------------------|--------------------|-------------------|
| GROSS REVENUES..... | <u>\$2,811,004</u> | <u>\$2,534,897</u> | <u>10.9</u> |
| Expenses and taxes (other than income taxes)..... | 1,470,486 | 1,344,869 | 9.3 |
| Interest and other deductions..... | 604,705 | 578,884 | 4.5 |
| Balance of revenue before income taxes..... | 735,813 | 611,144 | 20.4 |
| Provision for income taxes..... | 334,077 | 277,188 | 20.5 |
| NET PROFIT..... | <u>\$ 401,736</u> | <u>\$ 333,956</u> | <u>20.3</u> |
| Earned per preferred share..... | \$ 3.56 | \$ 2.93 | 21.5 |
| Earned per common share..... | <u>\$ 1.49</u> | <u>\$ 1.15</u> | <u>29.5</u> |

LOWER ST. LAWRENCE POWER COMPANY



ANNUAL REPORT 1957

TO THE SHAREHOLDERS:

We are pleased to review once more the operations of the Company and to report the significant factors affecting its continued progress during 1957 in this thirty-fifth Annual Report.

REVENUES AND EXPENSES

Gross revenue was \$2,811,004 as against \$2,534,897 in 1956, an increase of 10.9 per cent. Sales of electricity continued their steady improvement and in 1957 reached a total of \$2,613,356, an increase of \$302,228, or 13.07 per cent. Residential and rural revenues, which composed 54.2 per cent of power sales, gained \$191,211 or 15.6 per cent. Commercial and power revenues, which were 34.1 per cent of the total, increased \$73,205 or 8.9 per cent over 1956. The increase of revenue from sales to other utilities was 24.9 per cent.

Operating and maintenance expenses for 1957 were \$1,470,486, compared with \$1,344,869 in 1956, an increase of \$125,617 or 9.3 per cent. Purchases of power increased to \$430,037, as compared with \$322,345 in 1956, an increase of 33.4 per cent. This was principally due to adverse water conditions last winter and to the general growth in demand for electricity in our area.

DISTRIBUTION OF SALES OF ELECTRICITY

| Class of Service | REVENUES | | | | KILOWATT-HOUR SALES (000) | | | |
|--------------------------|--------------------|-------------------|--------------------|-------------------|---------------------------|-------------------|---------------|-------------------|
| | 1957 | Per Cent of Total | 1956 | Per Cent Increase | 1957 | Per Cent of Total | 1956 | Per Cent Increase |
| Residential..... | \$1,073,424 | 41.0 | \$ 927,232 | 15.76 | 35,930 | 37.0 | 29,666 | 21.11 |
| Farm..... | 344,492 | 13.2 | 299,473 | 15.03 | 7,175 | 7.4 | 5,859 | 28.46 |
| Commercial..... | 622,069 | 23.8 | 552,964 | 12.49 | 19,333 | 19.9 | 16,804 | 15.04 |
| Industrial..... | 268,541 | 10.3 | 264,441 | 1.55 | 11,472 | 11.8 | 10,809 | 6.13 |
| Municipal..... | 60,372 | 2.3 | 52,710 | 14.53 | 2,591 | 2.7 | 2,315 | 11.92 |
| Town of Campbellton..... | 142,740 | 5.5 | 133,866 | 6.62 | 14,274 | 14.7 | 13,386 | 6.66 |
| Other utilities..... | 85,096 | 3.3 | 68,115 | 24.93 | 6,311 | 6.5 | 4,785 | 31.89 |
| Miscellaneous..... | 16,622 | 0.6 | 12,327 | 34.83 | — | — | 92 | — |
| TOTAL..... | \$2,613,356 | 100.0 | \$2,311,128 | 13.07 | 97,086 | 100.0 | 83,716 | 15.96 |

Higher labor costs and rising prices for materials and services also contributed to the increase in operating expenses. The amount paid to employees, including benefits, was \$688,087, representing an increase of 2.9 per cent. Depreciation charges increased \$28,825 during the year.

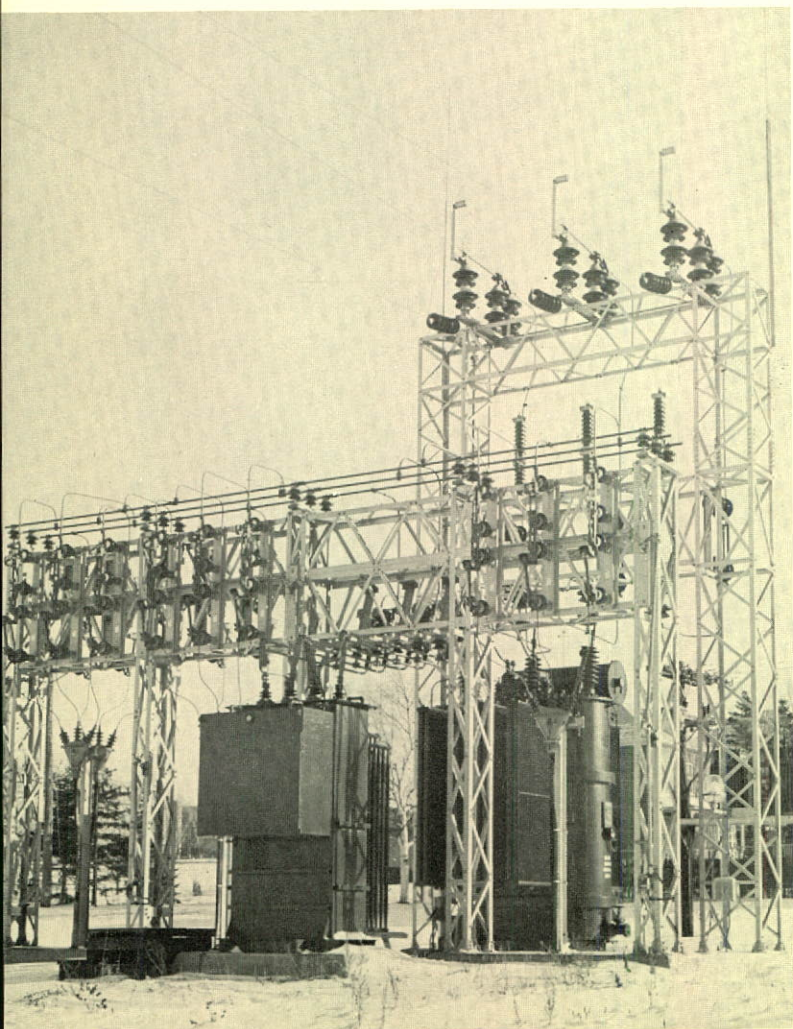
Taxes on both property and income continue to be one of the largest items of expense in the Company's operations. In 1957, we provided \$432,532 for taxes, which is equivalent to 15.4 per cent of gross revenue or \$2.16 per share of common stock.

Net profit for the year amounted to \$401,736, an increase of \$67,780 or 20.3 per cent over 1956. Net income available for common stock dividends, after the payment of dividends on the 4½% preferred stock, was equal to \$1.49 per share, compared with \$1.15 per share in 1956.

Semi-annual dividends totalling \$0.80 per share were paid during the year on the common stock and the regular quarterly dividends were paid on the preferred stock.

THE YEAR'S OPERATIONS

The total output of electricity in 1957 amounted to 115,173,920 kilowatt-hours. Water conditions in the Company's area were affected by the long period of dry weather in the summer and fall of 1956, which necessitated an increase in power purchases to meet our customers' requirements. However, above average rainfall during the fall of 1957 restored the available water in storage to a normal level.



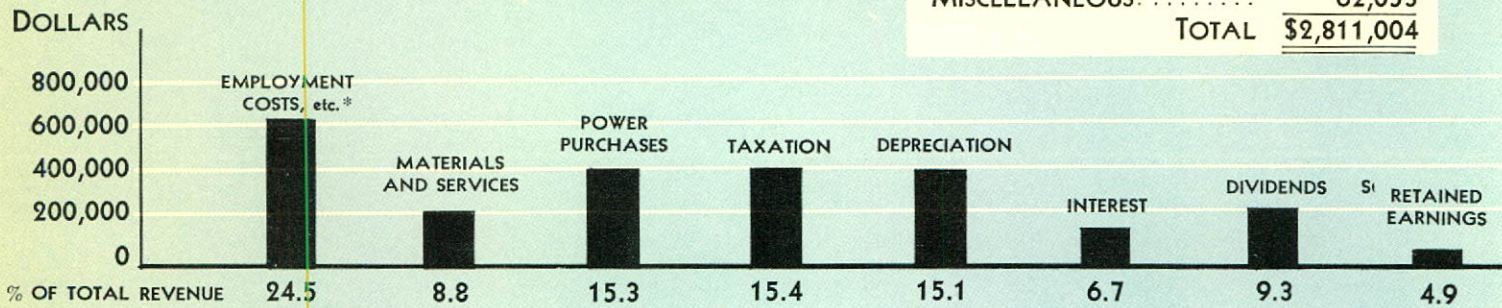
In 1957, the total amount of electricity sold was 97,085,887 kilowatt-hours which represents an increase of 15.96 per cent. The peak load on the Company's system reached 29,400 kilowatts, as against 23,600 kilowatts in 1956. There is every reason to expect that this growth will continue because new uses of electricity, both in industry and in the home, are constantly being developed and there is no foreseeable limit to the ways in which electricity can serve people in all walks of life.

The average annual consumption of electricity by residential customers reached 1,945 kilowatt-hours, an increase of 15.6 per cent. The Company was serving 30,941 customers at the end of 1957.

DISPOSITION OF 1957 REVENUES

SOURCES

| | |
|---------------------|--------------------|
| SALES OF POWER..... | \$2,613,356 |
| RETAIL STORES..... | 135,595 |
| MISCELLANEOUS..... | 62,053 |
| TOTAL | \$2,811,004 |



*Salaries, Wages and Employee Benefits.

CONSTRUCTION

The net capital expenditures for the year amounted to \$1,042,001. The net additions in 1957 comprised gross expenditures of \$1,125,015 less retirements of \$83,014. The largest project completed during the year was the 161 kv. transmission line from Les Boules to Causapsal, at a cost of \$472,957.

Numerous additions and improvements were also made to the distribution system which constitute in the aggregate a substantial portion of the 1957 construction outlay. The program called for extending and integrating the transmission and distribution systems to provide adequate service and to supply new customers. Such additions comprised distribution lines, service extensions, transformers, meters and other equipment.

FINANCING

No public financing was undertaken by the Company in 1957. Cash requirements for the year's construction program were provided from cash on hand at the beginning of the year, funds from depreciation allowances and retained earnings during the year, and funds borrowed from our bankers on a short term basis. These loans will be paid when additional capital is obtained from long term financing. Details of such financing have not yet been determined.

CONCLUSION

The officers and directors appreciate the fine work performed by the employees during the year, and believe that their loyalty and efforts during the coming year will enable us to continue our record of good service to our customers.

The Balance Sheet, related Statements of Profit and Loss and Retained Earnings and statistical tabulations, can be found elsewhere in this report. The statements have been prepared by the management of the Company and have been examined by the shareholders' auditors, whose report is also reproduced.

On behalf of the Board of Directors,

President.

AUDITORS' REPORT TO THE SHAREHOLDERS

ASSOCIATED WITH
COOPER BROTHERS & CO.
GREAT BRITAIN, EUROPE
AUSTRALIA, NEW ZEALAND
CENTRAL EAST SOUTH AND
WEST AFRICA

MCDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS
COOPER BROTHERS & CO.
CHARTERED ACCOUNTANTS

MONTREAL QUEBEC OTTAWA TORONTO SAINT JOHN
SHERBROOKE VANCOUVER HAMILTON CHARLOTTETOWN
EDMONTON RIMOUSKI WINNIPEG KITCHENER

TELEPHONE
MARQUETTE 8311
CABLE ADDRESS
"CURMAC"
507 PLACE D'ARMES
MONTREAL 1
QUEBEC CANADA

AUDITORS' REPORT TO THE SHAREHOLDERS

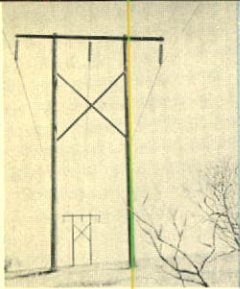
We have examined the balance sheet of Lower St. Lawrence Power Company as at 31st December 1957, and the statements of profit and loss and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st December 1957 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

McDONALD, CURRIE & CO.

RIMOUSKI, 13th February 1958

CHARTERED ACCOUNTANTS

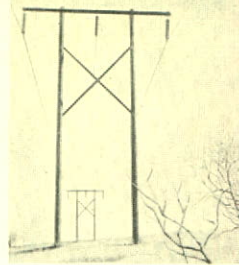


COMPARATIVE STATEMENT OF PROFIT AND LOSS



FOR THE YEARS ENDED 31st DECEMBER 1957 AND 1956

| | 1957 | 1956 |
|---|-------------------|-------------------|
| REVENUE | | |
| Gross revenue from sale of power..... | \$2,613,356 | \$2,311,128 |
| Profit from retail stores and electrical contracting..... | 135,595 | 147,601 |
| Miscellaneous revenue..... | 62,053 | 76,168 |
| TOTAL REVENUE..... | 2,811,004 | 2,534,897 |
| EXPENSES | | |
| Operating and maintenance..... | 929,536 | 923,329 |
| Purchased power..... | 430,037 | 322,345 |
| Taxes, other than income taxes..... | 93,008 | 84,029 |
| Contribution to employees' pension fund..... | 17,905 | 15,166 |
| | 1,470,486 | 1,344,869 |
| OPERATING PROFIT..... | 1,340,518 | 1,190,028 |
| FIXED CHARGES | | |
| Bond interest..... | 167,192 | 170,195 |
| Amortization of financing expense..... | 12,586 | 12,587 |
| Provision for depreciation..... | 424,927 | 396,102 |
| | 604,705 | 578,884 |
| NET PROFIT BEFORE INCOME TAXES..... | 735,813 | 611,144 |
| INCOME TAXES | | |
| Provision for current year..... | 284,490 | 223,774 |
| Provision available for future years (see note 2)..... | 49,587 | 53,414 |
| | 334,077 | 277,188 |
| NET PROFIT FOR THE YEAR..... | \$ 401,736 | \$ 333,956 |



COMPARATIVE F

AS AT 31st DECEM

ASSETS

| | 1957 | 1956 |
|---|---------------------|---------------------|
| FIXED ASSETS | | |
| Land, water power sites, generating plants, buildings, transmission and distribution systems, motor vehicles, etc. — at cost..... | \$13,909,365 | \$12,880,984 |
| CURRENT ASSETS | | |
| Cash..... | \$133,123 | 336,082 |
| Accounts receivable, less provision for doubtful accounts.... | 525,720 | 519,521 |
| Inventories — at cost | | |
| Merchandise for sale..... | 121,816 | 107,129 |
| Maintenance and construction stores..... | 285,043 | 272,918 |
| Prepaid expenses..... | 7,098 | 6,712 |
| | <hr/> | <hr/> |
| TOTAL CURRENT ASSETS..... | 1,072,800 | 1,242,362 |
| OTHER ASSETS | | |
| Customers' deposits..... | 51,240 | 44,550 |
| Cash on deposit with trustee for sinking funds..... | 4,661 | 13,181 |
| Miscellaneous investments and advances..... | 60,804 | 45,784 |
| | <hr/> | <hr/> |
| TOTAL OTHER ASSETS..... | 116,705 | 103,515 |
| FINANCING EXPENSES LESS AMOUNTS WRITTEN OFF | 147,823 | 160,410 |
| <i>APPROVED ON BEHALF OF THE BOARD</i> | | |
| T. A. BERNIER | } | DIRECTORS |
| NORMAN GENDREAU | | |
| | <hr/> <hr/> | <hr/> <hr/> |
| | \$15,246,693 | \$14,387,271 |

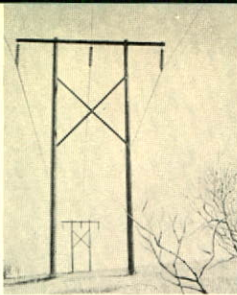
BALANCE SHEET



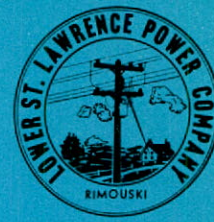
PERIOD ENDING DECEMBER 31, 1957 AND 1956

LIABILITIES

| | 1957 | 1956 |
|--|---------------------|---------------------|
| FUNDED DEBT | | |
| First mortgage bonds (see note 1 for details) | \$ 4,323,000 | \$ 4,420,000 |
| BALANCE OF PURCHASE PRICE OF FIXED ASSETS secured by hypothec, payable in semi-annual instalments from 1958 to 1988 | 1,948,590 | 2,000,768 |
| SHAREHOLDERS' EQUITY | | |
| Capital stock — | | |
| Authorized — | | |
| 175,000 cumulative redeemable preferred shares of \$20 each | \$3,500,000 | |
| 300,000 common shares without nominal or par value | — | |
| Issued and fully paid — | | |
| 112,579 4½% cumulative sinking fund redeemable preferred shares of the 1955 series (1,211 shares were redeemed and cancelled during the year) | 2,251,580 | 2,275,800 |
| 200,000 common shares | 1,000,000 | 1,000,000 |
| | <u>3,251,580</u> | <u>3,275,800</u> |
| Retained earnings | 1,130,586 | 991,261 |
| Reserve available for future income taxes (see note 2) | 212,565 | 168,222 |
| | <u>1,343,151</u> | <u>1,159,483</u> |
| TOTAL SHAREHOLDERS' EQUITY | 4,594,731 | 4,435,283 |
| ACCUMULATED DEPRECIATION | 3,231,675 | 2,853,911 |
| CONTRIBUTIONS FOR EXTENSIONS | 177,651 | 159,805 |
| CURRENT LIABILITIES | | |
| Bank loan | 485,000 | |
| Accounts payable and accrued expenses | 187,011 | 277,155 |
| Accrued bond interest | 42,956 | 43,972 |
| Income taxes — current year | 204,839 | 151,827 |
| | <u>819,806</u> | <u>472,954</u> |
| TOTAL CURRENT LIABILITIES | 919,806 | 472,954 |
| CUSTOMERS' DEPOSITS | 51,240 | 44,550 |
| | <u>\$15,246,693</u> | <u>\$14,387,271</u> |



STATEMENT OF RETAINED EARNINGS



FOR THE YEAR ENDED 31st DECEMBER 1957

| | | |
|--|---------|-------------|
| BALANCE — 31st DECEMBER 1956..... | | \$ 991,261 |
| Dividends — | | |
| 4½% preferred shares — 90 cents per share..... | 102,411 | |
| Common shares — 80 cents per share..... | 160,000 | 262,411 |
| | | 728,850 |
| Net profit for the year..... | | 401,736 |
| BALANCE — 31st DECEMBER 1957..... | | \$1,130,586 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 1957

NOTE 1

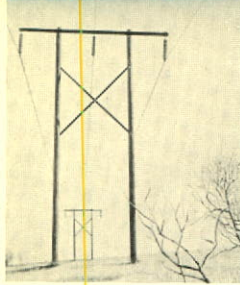
Details of funded debt at 31st December 1957 and 1956 —

| | Issued | Outstanding | |
|--|-------------|-------------|-------------|
| | | 1957 | 1956 |
| First mortgage bonds — | | | |
| Series "A" 3½% serial bonds due 1946 to 1953..... | 240,000 | — | — |
| Series "B" 3¾% sinking fund bonds due 1965..... | 1,610,000 | 1,420,000 | 1,451,000 |
| Series "C" 3¾% sinking fund bonds due 1965..... | 1,000,000 | 895,000 | 913,000 |
| Series "D" 3¾% sinking fund bonds due 1965..... | 1,000,000 | 912,000 | 941,000 |
| Series "E" 4½% sinking fund bonds due 1973, principal and interest payable in U.S. funds..... | 1,150,000 | 1,096,000 | 1,115,000 |
| | \$5,000,000 | \$4,323,000 | \$4,420,000 |

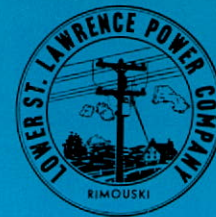
Under the provisions of the Trust Deed securing the First Mortgage Bonds, additional First Mortgage Bonds may be issued from time to time in unlimited amounts, provided compliance is made with certain restrictive conditions of the Trust Deed.

NOTE 2

Accumulated depreciation claimed for federal income tax purposes for the years 1954 to 1957 inclusive exceeds by \$569,100 the amounts recorded in the accounts. The resultant tax reductions of \$212,565 have been charged against the income of those years and are carried forward as "Reserve available for future income taxes."

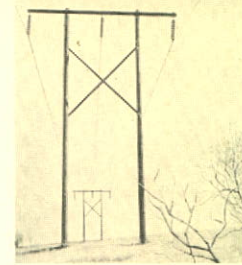


COMPARATIVE STATEMENT OF
**SOURCE AND
 USE OF FUNDS**



FOR THE YEARS ENDED 31st DECEMBER 1957 AND 1956

| | 1957 | 1956 |
|--|-------------------|-------------------|
| CASH - 1st JANUARY..... | \$ 336,082 | \$ 690,974 |
| Source of funds — | | |
| Net profit for the year, before provision for depreciation, amortization and income taxes available for future years..... | 883,592 | 796,059 |
| Bank loan..... | 485,000 | |
| | <u>1,704,674</u> | <u>1,487,033</u> |
| Use of funds — | | |
| Capital expenditures..... | 1,040,468 | 631,750 |
| Preferred shares redeemed and sinking fund deposit..... | 24,211 | 24,210 |
| First mortgage bonds redeemed and sinking fund deposit.... | 88,489 | 82,334 |
| Instalment payments on purchase price of fixed assets..... | 69,407 | 69,408 |
| Dividends — | | |
| Preferred..... | 102,411 | 103,228 |
| Common..... | 160,000 | 160,000 |
| Increase (decrease) in miscellaneous investments and advances | 15,020 | (12,866) |
| Increase in current assets (other than cash)..... | 33,397 | 205,521 |
| Decrease (increase) in current liabilities (other than bank loan) | 38,148 | (112,634) |
| | <u>1,571,551</u> | <u>1,150,951</u> |
| CASH - 31st DECEMBER..... | <u>\$ 133,123</u> | <u>\$ 336,082</u> |



| | 1957 | 1956 | 1955 | 1954 | 1953 | 1948 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| INCOME RATIOS | | | | | | |
| Preferred shares outstanding | 112,579 | 113,790 | 115,000 | 47,503 | 48,460 | — |
| Earned per preferred share (*) | \$ 3.56 | \$ 2.93 | \$ 2.70 | \$ 6.34 | \$ 4.92 | — |
| Common shares outstanding | 200,000 | 200,000 | 200,000 | 200,000 | 80,000 | 20,000 |
| Earned per common share (*) | \$ 1.49 | \$ 1.15 | \$ 1.26 | \$ 1.26 | \$ 2.37 | \$ 5.68 |
| TIMES BOND INTEREST EARNED | | | | | | |
| Before depreciation | 7.9 times | 6.9 times | 5.8 times | 5.2 times | 5.4 times | 3.9 times |
| After depreciation | 5.4 times | 4.5 times | 3.9 times | 3.8 times | 3.9 times | 2.8 times |
| CAPITALIZATION | | | | | | |
| Funded debt | \$ 4,323,000 | \$ 4,420,000 | \$ 4,490,000 | \$ 5,252,500 | \$ 5,339,500 | \$ 3,610,500 |
| % of total | 48.5 | 49.9 | 50.9 | 64.3 | 66.7 | 69.5 |
| Preferred stock | 2,251,580 | 2,275,800 | 2,300,000 | 950,060 | 969,200 | 800,000 |
| % of total | 25.2 | 25.7 | 26.0 | 11.6 | 12.1 | 15.5 |
| Common stock and surplus | 2,343,151 | 2,159,483 | 2,039,340 | 1,960,648 | 1,697,652 | 779,162 |
| % of total | 26.3 | 24.4 | 23.1 | 24.1 | 21.2 | 15.0 |
| Total capitalization | \$ 8,917,731 | \$ 8,855,283 | \$ 8,829,340 | \$ 8,163,208 | \$ 8,006,352 | \$ 5,189,662 |
| PLANT INVESTMENT | | | | | | |
| Fixed assets | \$13,909,365 | \$12,880,984 | \$12,321,818 | \$10,034,420 | \$ 8,984,235 | \$ 6,271,462 |
| Accumulated depreciation | 3,409,326 | 3,013,716 | 2,690,198 | 2,374,905 | 2,106,465 | 1,188,787 |
| % of fixed assets | 24.5 | 23.3 | 21.8 | 23.6 | 23.4 | 18.9 |
| Plant investment per dollar of revenue | \$ 5.32 | \$ 5.57 | \$ 6.15 | \$ 5.69 | \$ 5.56 | \$ 6.92 |
| OTHER STATISTICS | | | | | | |
| Meters in service (December 31) | 30,941 | 30,395 | 28,762 | 27,236 | 25,927 | 16,327 |
| Miles of line (December 31) | 2,236 | 2,173 | 2,193 | 1,323 | 1,151 | 915 |
| Towns and villages served | 121 | 120 | 118 | 118 | 110 | 77 |
| Kilowatt-hours generated and purchased (in 1000) | 115,174 | 99,541 | 84,125 | 73,209 | 65,445 | 38,146 |
| Kilowatt-hours sold (in 1000) | 97,086 | 83,716 | 68,050 | 58,833 | 52,018 | 29,759 |
| Annual average kilowatt-hours—Residential use | 1,945 | 1,682 | 1,415 | 1,184 | 1,042 | 638 |
| Annual average revenue per residential customer | \$ 57.90 | \$ 52.58 | \$ 47.96 | \$ 43.73 | \$ 41.10 | \$ 30.11 |
| Annual peak load (kilowatts) | 29,400 | 23,600 | 20,300 | 16,251 | 15,525 | 9,475 |
| Capacity of generating stations (name plate rating, kw., December 31) | 14,850 | 14,850 | 14,850 | 14,850 | 14,850 | 12,650 |
| Purchase capacity available (kilowatts) | 18,650 | 18,650 | 18,650 | — | — | — |

* Calculations have been based upon the number of shares outstanding as at December 31 of each year.

TEN YEARS OF PROGRESS



| | 1957 | 1956 | 1955 | 1954 | 1953 | 1948 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| BALANCE SHEET | | | | | | |
| ASSETS | | | | | | |
| Fixed assets..... | \$13,909,365 | \$12,880,984 | \$12,321,818 | \$10,034,420 | \$ 8,984,235 | \$ 6,271,462 |
| Cash..... | 133,123 | 336,082 | 690,974 | 474,800 | 837,826 | 51,394 |
| Current assets..... | 939,677 | 906,280 | 700,761 | 539,247 | 543,872 | 305,084 |
| Other..... | 264,528 | 263,925 | 271,514 | 227,302 | 200,853 | 291,509 |
| Total..... | \$15,246,693 | \$14,387,271 | \$13,985,067 | \$11,275,769 | \$10,566,786 | \$ 6,919,449 |
| LIABILITIES | | | | | | |
| Long term debt..... | \$ 6,271,590 | \$ 6,420,768 | \$ 6,560,176 | \$ 5,567,458 | \$ 5,339,500 | \$ 3,610,500 |
| Accumulated depreciation.. | 3,409,326 | 3,013,716 | 2,690,198 | 2,374,905 | 2,106,465 | 1,188,787 |
| Current liabilities..... | 971,046 | 517,504 | 395,353 | 422,698 | 453,969 | 541,000 |
| Capital stock and surplus.... | 4,594,731 | 4,435,283 | 4,339,340 | 2,910,708 | 2,666,852 | 1,579,162 |
| Total..... | \$15,246,693 | \$14,387,271 | \$13,985,067 | \$11,275,769 | \$10,566,786 | \$ 6,919,449 |
| STATEMENT OF EARNINGS | | | | | | |
| Sales of power..... | \$ 2,613,356 | \$ 2,311,128 | \$ 2,000,473 | \$ 1,762,470 | \$ 1,615,218 | \$ 905,950 |
| Net profit from retail stores.. | 135,595 | 147,601 | 130,763 | 86,630 | 86,383 | 70,151 |
| Miscellaneous..... | 62,053 | 76,168 | 59,258 | 55,868 | 38,919 | 27,607 |
| Total revenue..... | \$ 2,811,004 | \$ 2,534,897 | \$ 2,190,494 | \$ 1,904,968 | \$ 1,740,520 | \$ 1,003,708 |
| Operating expenses..... | 1,470,486 | 1,344,869 | 1,025,837 | 844,595 | 872,658 | 430,118 |
| Operating profit..... | 1,340,518 | 1,190,028 | 1,164,657 | 1,060,373 | 867,862 | 573,590 |
| Interest and financing ex- penses..... | 179,778 | 182,782 | 215,240 | 220,784 | 174,080 | 146,929 |
| Provision for depreciation.. | 424,927 | 396,102 | 373,683 | 280,496 | 247,027 | 158,856 |
| Provision for income taxes (see note)..... | 334,077 | 277,188 | 264,685 | 257,923 | 207,965 | 106,088 |
| NET PROFIT | \$ 401,736 | \$ 333,956 | \$ 311,049 | \$ 301,170 | \$ 238,790 | \$ 161,717 |
| Preferred dividends..... | 102,411 | 103,228 | 57,549 | 47,720 | 48,685 | — |
| Remainder for common.... | 299,325 | 230,728 | 253,500 | 253,450 | 190,105 | 161,717 |
| Common dividends..... | 160,000 | 160,000 | 150,000 | 70,000 | 40,000 | — |
| RETAINED EARNINGS | \$ 139,325 | \$ 70,728 | \$ 103,500 | \$ 183,450 | \$ 150,105 | \$ 161,717 |

Note: Reference is made to the
Statement of Profit and Loss.

LOWER ST. LAWRENCE POWER COMPANY

HEAD OFFICE: 6, St-Jean Street, Rimouski, Que.

BOARD OF DIRECTORS

| | |
|---|------------------|
| Honorable Jules A. Brillant, M.L.C., C.B.E. | |
| Thomas A. Bernier, C.E. | Aubert Brillant |
| Carol Brillant | Jacques Brillant |
| Paul Émile Gagnon, Q.C. | Norman Gendreau |
| Henri Labrie | |

OFFICERS

| | |
|--|--|
| Honorable Jules A. Brillant, M.L.C., C.B.E. | President |
| Thomas A. Bernier, C.E. | Vice-President and Chief Engineer |
| Norman Gendreau | Vice-President and Treasurer |
| Paul Émile Gagnon, Q.C. | Secretary |
| Jacques Brillant | Assistant Vice-President, Personnel and Public Relations |
| J.-R. Dubé | Chief Accountant |

TRANSFER AGENT

AND REGISTRAR - Preferred and common stocks:

ADMINISTRATION AND TRUST COMPANY,
10 St. James Street West, Montreal.

*The Company's Common Stock is listed on
Montreal Stock Exchange.*

TRUSTEE - First Mortgage Bonds:

ADMINISTRATION AND TRUST COMPANY,
10 St. James Street West, Montreal.

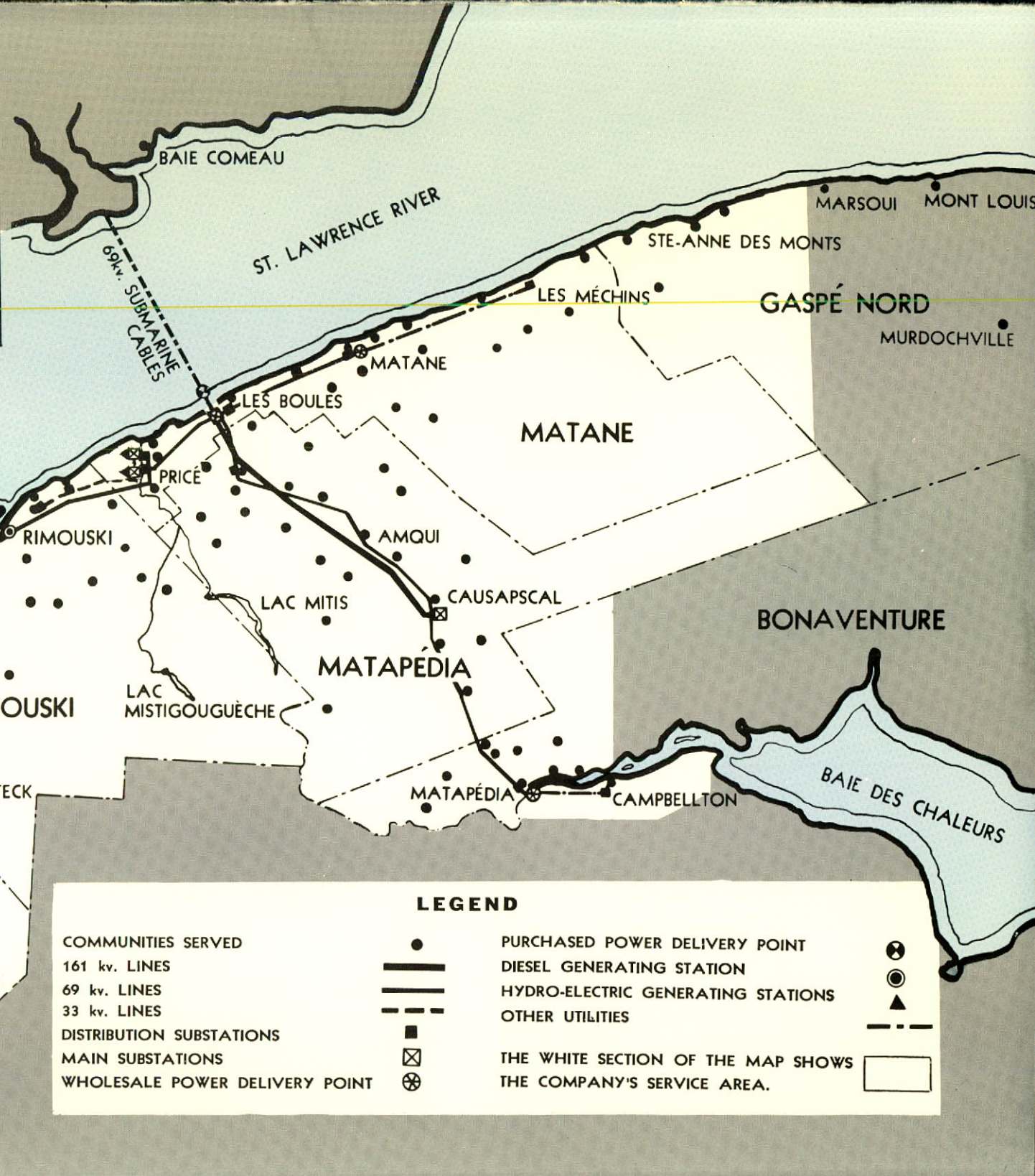
BANKERS

National Canadian Bank
Provincial Bank of Canada

ANNUAL MEETING

Last Friday in April

**LOWER ST. LAWRENCE POWER COMPANY
TRANSMISSION SYSTEM AND TERRITORY SERVED**



FORESTVILLE
TADOUSSAC
RIV. DU LOUP
TROIS-PISTOLES
RIMOUSKI
ST-FABIEN
SQUATTECK
CABANO
TÉMISCOUATA
STE-ROSE DU DÉGELIS

COMMUNITIES SERVED
161 kv. LINES
69 kv. LINES
33 kv. LINES
DISTRIBUTION SUBSTATIONS
MAIN SUBSTATIONS
WHOLESALE POWER DELIVERY POINT

LEGEND

| | | |
|-------|---|-------|
| ● | PURCHASED POWER DELIVERY POINT | ⊗ |
| — | DIESEL GENERATING STATION | ● |
| — | HYDRO-ELECTRIC GENERATING STATIONS | ▲ |
| - - - | OTHER UTILITIES | - - - |
| ■ | | |
| ⊗ | | |
| ⊗ | | |
| | THE WHITE SECTION OF THE MAP SHOWS THE COMPANY'S SERVICE AREA. | □ |

BAIE COMEAU
69kv. SUBMARINE CABLES
ST. LAWRENCE RIVER
LES BOULES
MATANE
LES MÉCHINS
STE-ANNE DES MONTS
MARSOUI
MONT LOUIS
GASPÉ NORD
MURDOCHVILLE
MATANE
PRICE
RIMOUSKI
AMQUI
LAC MITIS
CAUSAPSCAL
BONAVENTURE
LAC MISTIGOUGUÈCHE
MATAPÉDIA
MATAPÉDIA
CAMPBELLTON
BAIE DES CHALEURS

