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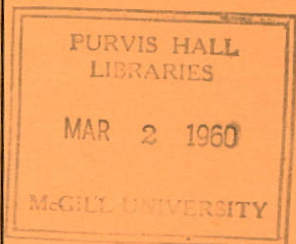
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NORTHERN QUEBEC POWER
COMPANY LIMITED



1959

Annual Report



NORTHERN QUEBEC POWER COMPANY LIMITED

DIRECTORS

D. K. BALDWIN	J. W. ROOK
A. SCOTT ELLIOT	JOS. SIMARD
B. V. HARRISON	P. N. THOMSON
JEAN RAYMOND	JAS. B. WOODYATT

OFFICERS

<i>President</i>	B. V. HARRISON
<i>Vice-President & General Manager</i> . .	A. SCOTT ELLIOT
<i>Secretary-Treasurer</i>	W. G. E. LANNAMAN
<i>Asst. Secretary-Treasurer</i>	J. D. McNAMARA
<i>Asst. Secretary</i>	T. J. RAPPELL

Auditors

ROSS, TOUCHE & Co.

Transfer Agents & Registrars

MONTREAL TRUST COMPANY

Head Office

355 ST. JAMES STREET WEST

MONTREAL

CANADA

NORTHERN QUEBEC POWER COMPANY LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting to Shareholders their Report and the Audited Financial Statements of the Company for the fiscal year ended December 31st, 1959 which are to be presented at the Annual General Meeting of Shareholders to be held at 355 St. James St. West, Montreal, on Tuesday, March 22nd, 1960, at 2.30 p.m.

Gross revenue of the Company for the fiscal year was \$3,608,830.

The total number of Customers at December 31st, 1959, was 15,574—an increase of 475 over the previous year.

After deducting taxes of over one million dollars, the net Revenue per kilowatt hour averaged 48 one-hundredths of a cent, which compares favourably with that of any distributor on the Continent, whether publicly or privately owned, giving similar service.

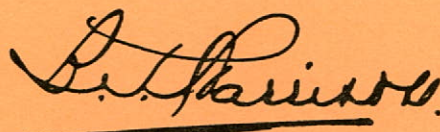
A new Turbine Runner has been purchased for No. 2 unit at the Quinze Power Plant and will be installed when the machine is available and when water conditions will permit.

The properties and equipment of the Company have been maintained in excellent condition.

A two storey permanent office building in the City of Rouyn was completed and occupied in October 1959. This building accommodates the General Manager and Accounting Offices, also the local branch office.

The Directors are pleased to record the loyalty and co-operation of all the employees of the Company.

On behalf of the Board,

A handwritten signature in cursive script, appearing to read "S. J. P. ...", is written over a horizontal line.

President.

Montreal, March 1, 1960.

NORTHERN QUEBEC POWER COMPANY

Balance Sheet as at December 31, 1959

(with corresponding figures for 1958)

ASSETS

CURRENT ASSETS:	1959	1958
Cash	\$ 174,393	\$ 221,082
Receivables less provision for doubtful accounts	188,443	194,196
Marketable Securities at Cost	1,192,608	1,411,183
(Approx. Market Value \$1,101,500)		
Materials and Supplies at Cost	179,731	174,788
Prepaid Charges	83,492	88,091
	1,818,667	2,089,340
 BONDS OF THE COMPANY HELD FOR SINKING FUND	 119,000	 89,000
 FIXED ASSETS:		
Power Developments, land, buildings, transmission and distribution systems, equipment, etc., at cost	23,134,393	22,837,791
 UNAMORTIZED DISCOUNT AND EXPENSES OF FUNDED DEBT	 87,220	 98,308
	\$25,159,280	\$25,114,439

SIGNED ON BEHALF OF THE BOARD:

A. SCOTT ELLIOT, Director
 JAS. B. WOODYATT, Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

We have examined the balance sheet of Northern Quebec Power Company Limited as at December 31, 1959, and have obtained all the information and explanations we have required. Our examination included a general audit as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and a general audit, the expenditure and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company in accordance with generally accepted accounting principles applied on a basis consistent with that of the practice of the Company.

Montreal, February 23, 1960.

NORTHERN QUEBEC POWER COMPANY, LIMITED

at December 31, 1959

(as at December 31, 1958)

LIABILITIES

CURRENT LIABILITIES:	1959	1958
Accounts payable.....	\$ 281,518	\$ 282,061
Accrued Interest on Funded Debt	51,127	55,456
Provision for Taxes	460,442	409,234
Dividends payable	92,870	92,882
	<hr/>	<hr/>
	885,957	839,633
 FUNDED DEBT:		
3¾% first mortgage bonds, Series A, due Nov. 15, 1967..	\$3,509,000	4,074,000
5⅛% first mortgage bonds, Series B, due March 1, 1974..	1,321,000	1,382,000
4½% General Mortgage bonds due Nov. 15, 1967	2,261,000	2,350,000
	<hr/>	<hr/>
	7,091,000	7,806,000
 DEFERRED CREDIT:		
Tax reductions applicable to future years	415,330	365,915
 RESERVE FOR DEPRECIATION	11,038,910	10,553,981
 CAPITAL AND SURPLUS:		
CUMULATIVE REDEEMABLE FIRST PREFERRED		
SINKING FUND SHARES OF \$50 PAR VALUE		
issuable in series:— Authorized: 80,000 shares		
Issued: 50,000 shares 5½% first series	2,500,000	
Less: 2,619 Redeemed to date	130,950	
47,381 shares	<hr/>	<hr/>
	2,369,050	2,374,500
 SIX PERCENT SECOND PREFERRED SHARES		
OF \$100 PAR VALUE		
Authorized: 20,000 shares - Issued: 10,000 shares	1,000,000	1,000,000
 COMMON SHARES OF NO PAR VALUE		
Authorized and issued: 212,500 shares	637,500	637,500
 CAPITAL SURPLUS Relating to redemption of		
Preferred Shares	130,950	125,500
 EARNED SURPLUS	1,590,583	1,411,410
	<hr/>	<hr/>
	\$25,159,280	\$25,114,439
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OF NORTHERN QUEBEC POWER COMPANY LIMITED

for the year ended on that date and the related statements of income and expenditure and surplus for the year ended on that date, after a general review of the accounting procedures and such tests of accounting records and other supporting evidence

as shown by the books of the company, the accompanying balance sheet and related statements of income and expenses of the company as at December 31, 1959 and the results of its operations for the year ended on that date, for the preceding year.

ROSS, TOUCHE & CO.,
Chartered Accountants.

NORTHERN QUEBEC POWER COMPANY LIMITED

Statement of Income, Expenditure and Earned Surplus

For the Year Ended December 31, 1959

Revenue from Operations		\$3,565,569
DEDUCT:		
Operating, Maintenance and General Expenses	\$1,011,166	
Executive Officers' Salaries	29,366	
Directors' Fees	10,800	
Taxes, other than Income and Profits Taxes	453,546	
Provision for Depreciation	515,403	
Interest on Funded Debt	303,136	2,323,417
		1,242,152
ADD:		
Investment Revenue		43,261
		1,285,413
DEDUCT:		
Provision for Income and Profits Taxes (including \$49,415 for future years) ..		611,260
NET PROFIT FOR THE YEAR		674,153
ADD:		
Discount/Premiums on Bonds purchased for Sinking Fund		51,761
Earned Surplus at December 31, 1958		1,411,410
		2,137,324
DEDUCT:		
Amortization of Discount and Expenses of Funded Debt	\$ 11,088	
Cost of First Preferred Shares purchased for Redemption	5,239	
Dividend on 5½% Preferred Shares	130,414	
Dividend on 6% Preferred Shares	60,000	
Dividend on Common Shares	340,000	
		546,741
EARNED SURPLUS AT DECEMBER 31, 1959		\$1,590,583

NORTHERN QUEBEC POWER COMPANY LIMITED

Comparative Statistics 1955-1959

For Years Ended December 31st

	1959	1958	1957	1956	1955
Electric Revenue.....	\$3,560,237	\$3,473,331	\$3,502,536	\$3,479,787	\$3,440,652
Other Revenue.....	48,593	45,314	44,515	35,306	23,447
Gross Revenue.....	3,608,830	3,518,645	3,547,051	3,515,093	3,464,099
Purchased Power.....	280,635	275,428	165,284	167,672	350,820
Operation.....	581,972	596,666	594,397	562,261	526,772
Maintenance.....	145,657	123,883	179,010	190,532	130,850
Taxes (Excluding Income Taxes).....	453,546	445,640	451,084	455,594	444,479
Contribution to Pension Fund.....	27,600	28,380	27,960	27,025	24,725
	1,489,410	1,469,997	1,417,735	1,403,084	1,477,646
Earnings from Operations.....	2,119,420	2,048,648	2,129,316	2,112,009	1,986,453
Bad Debts.....	3,560	3,473	3,502	3,480	3,440
Interest.....	315,044	330,187	351,050	366,634	315,995
Depreciation.....	515,403	506,831	500,000	500,000	500,000
Income Taxes.....	611,260	558,916	569,680	554,685	493,935
	1,445,267	1,399,407	1,424,232	1,424,799	1,313,370
NET PROFIT FOR THE YEAR...	674,153	649,241	705,084	687,210	673,083
Discount/Premiums on Bonds					
Redeemed.....	51,761	5,520	31,385	9,026	(27)
Miscellaneous Adjustments.....	—	—	(2,395)	(508)	—
Surplus Brought Forward.....	1,411,410	1,323,307	1,130,845	1,000,008	849,451
	2,137,324	1,978,068	1,864,919	1,695,736	1,522,507
Amortization of Bond Discount.....	11,088	11,088	11,088	11,088	11,088
Cost of Preferred Shares Redeemed.....	5,239	24,592	26,858	49,141	26,250
Preferred Dividends Paid.....	190,414	190,978	163,666	164,662	166,411
Common Dividends Paid.....	340,000	340,000	340,000	340,000	318,750
	546,741	566,658	541,612	564,891	522,499
Surplus Carried Forward.....	\$1,590,583	1,411,410	1,323,307	1,130,845	1,000,008
Customers Connected.....	15,574	15,099	14,839	14,512	14,141
Kilowatt Hour Output.....	519,608,195	509,059,051	511,208,222	514,010,462	531,980,455

