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1958

*Annual Report*



NORTHERN QUEBEC POWER  
—  
COMPANY LIMITED

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# 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 &amp; 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

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## 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, 1958 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 24th, 1959, at 2.30 p.m.

Gross revenue of the Company for the fiscal year was \$3,518,645.

The 3% - 6% Second Preferred shares became entitled to receive fixed cumulative dividends at the rate of 6% p.a. as from December 16th, 1957, which increased the dividend requirements of this issue from \$30,000 to \$60,000 per annum.

The total number of Customers at December 31st, 1958, was 15,099 — an increase of 260 over the previous year.

After deducting taxes of nearly one million dollars, the net Revenue per kilowatt hour averaged 49 one-hundredths of a cent, which compares favourably with that of any distributor on the Continent, whether publicly or privately owned, giving similar service.

It was necessary to contract for an increased amount of power from Hydro Quebec at a higher price. This resulted in the substantial increase in the cost of purchased power shown during the year.

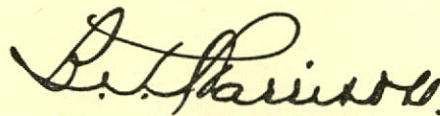
A new Turbine Runner has been ordered for No. 2 unit at the Quinze Power Plant and will be installed when the machine is overhauled later this year.

Maintenance and clearing of all Transmission lines is carried on continuously.

Plans are underway for the construction of a two storey permanent office building in the City of Rouyn. This building will accommodate 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,



*President.*

Montreal, March 6, 1959.

# NORTHERN QUEBEC POW

## Balance Sheet as at

(with corresponding figures

### ASSETS

CURRENT ASSETS:	1958	1957
Cash .....	\$ 221,082	\$ 297,576
Receivables less provision for doubtful accounts .....	194,196	179,650
Marketable Securities at Cost .....	1,411,183	1,081,415
(Approx. Market Value \$1,342,250)		
Materials and Supplies at Cost .....	174,788	262,900
Prepaid Charges .....	88,091	96,529
	<u>\$ 2,089,340</u>	<u>\$ 1,918,070</u>
 BONDS OF THE COMPANY HELD FOR SINKING FUND ....	 89,000	 346,000
 FIXED ASSETS:		
Power Developments, land, buildings, transmission and distribution systems, equipment, etc., at cost .....	22,837,791	22,586,441
 UNAMORTIZED DISCOUNT AND EXPENSES OF FUNDED DEBT .....	 98,308	 109,396

SIGNED ON BEHALF OF THE BOARD:

A. SCOTT ELLIOT, Director

JAS. B. WOODYATT, Director

\$25,114,439

\$24,959,907

### AUDITORS' REPORT TO THE SHAREHOLDERS OF

We have examined the balance sheet of Northern Quebec Power Company Limited as at December 31, 1958 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 the accompanying balance sheet and related statements of income and expenditure and statement of assets as at December 31, 1958 and the result of its operations for the year ended on that date, according to the books and records of the company, are correct.

Montreal, February 24, 1959.

# NORTHERN QUEBEC POWER COMPANY, LIMITED

December 31, 1958

(as at December 31, 1957)

## LIABILITIES

### CURRENT LIABILITIES:

	1958	1957
Accounts payable .....	\$ 282,061	\$ 305,096
Accrued Interest on Funded Debt .....	55,456	56,968
Provision for Taxes .....	409,234	440,510
Dividends payable .....	92,882	93,000
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	839,633	895,574

### FUNDED DEBT:

3¾% first mortgage bonds, Series A, due Nov. 15, 1967..	\$4,074,000	\$ 4,341,500
5⅛% first mortgage bonds, Series B, due March 1, 1974..	1,382,000	1,440,000
4½% General Mortgage bonds due Nov. 15, 1967 .....	2,350,000	2,435,500
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	7,806,000	8,217,000

### DEFERRED CREDIT:

Tax reductions applicable to future years .....	365,915	311,350
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RESERVE FOR DEPRECIATION .....	10,553,981	10,075,176
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## 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: 2,510 Redeemed to date .....	125,500	
	<hr/>	
47,490 shares .....	2,374,500	2,400,000

### SIX PERCENT SECOND PREFERRED SHARES OF \$100 PAR VALUE

Authorized: 20,000 shares - Issued: 10,000 shares .....	1,000,000	1,000,000
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### COMMON SHARES OF NO PAR VALUE

Authorized and issued: 212,500 shares.....	637,500	637,500
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### CAPITAL SURPLUS Relating to redemption of

Preferred Shares .....	125,500	100,000
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EARNED SURPLUS .....	1,411,410	5,548,910
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	\$25,114,439	\$24,959,907
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## NORTHERN QUEBEC POWER COMPANY LIMITED

December 31, 1958 and the related statements of income and expenditure and surplus for the year ended on that date have been subjected to a general review of the accounting procedures and such tests of accounting records and other supporting evidence

as to be satisfied that the surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company and that the best of our information and the explanations given to us and as shown by the books of the Company.

ROSS, TOUCHE & CO.,  
Chartered Accountants.

# NORTHERN QUEBEC POWER COMPANY LIMITED

## *Statement of Income, Expenditure and Earned Surplus*

*For the Year Ended December 31, 1958*

Revenue from Operations .....		\$3,475,449
DEDUCT:		
Operating, Maintenance and General Expenses .....	\$ 992,817	
Executive Officers' Salaries .....	26,518	
Directors' Fees .....	10,625	
Taxes, other than Income and Profits Taxes .....	445,640	
Provision for Depreciation .....	506,831	
Interest on Funded Debt .....	328,057	2,310,488
		1,164,961
ADD:		
Investment Revenue .....		43,196
		1,208,157
DEDUCT:		
Provision for Income and Profits Taxes (including \$54,565 for future years) ..		558,916
NET PROFIT FOR THE YEAR .....		\$ 649,241
ADD:		
Discount on Bonds purchased for Sinking Fund .....		5,520
Earned Surplus at December 31, 1957 .....		1,323,307
		\$1,978,068
DEDUCT:		
Amortization of Discount and Expenses of Funded Debt .....	\$ 11,088	
Cost of First Preferred Shares purchased for Redemption .....	24,592	
Dividend on 5½% Preferred Shares .....	130,978	
Dividend on 6% Preferred Shares .....	60,000	
Dividend on Common Shares .....	340,000	
		566,658
EARNED SURPLUS AT DECEMBER 31, 1958 .....		\$1,411,410

# NORTHERN QUEBEC POWER COMPANY LIMITED

## *Comparative Statistics 1954-1958*

*For Years Ended December 31st*

	1958	1957	1956	1955	1954
Electric Revenue.....	\$3,473,331	\$3,502,536	\$3,479,787	\$3,440,652	\$3,283,440
Other Revenue.....	45,314	44,515	35,306	23,447	47,997
Gross Revenue.....	3,518,645	3,547,051	3,515,093	3,464,099	3,331,437
Purchased Power.....	275,428	165,284	167,672	350,820	237,513
Operation.....	596,666	594,397	562,261	526,772	496,291
Maintenance.....	123,883	179,010	190,532	130,850	118,226
Taxes (Excluding Income Taxes).....	445,640	451,084	455,594	444,479	430,879
Contribution to Pension Fund.....	28,380	27,960	27,025	24,725	23,465
	1,469,997	1,417,735	1,403,084	1,477,646	1,306,374
Earnings from Operations.....	2,048,648	2,129,316	2,112,009	1,986,453	2,025,063
Bad Debts.....	3,473	3,502	3,480	3,440	3,283
Interest.....	330,187	351,050	366,634	315,995	357,008
Depreciation.....	506,831	500,000	500,000	500,000	500,000
Income Taxes.....	558,916	569,680	554,685	493,935	504,180
	1,399,407	1,424,232	1,424,799	1,313,370	1,364,471
NET PROFIT FOR THE YEAR.....	649,241	705,084	687,210	673,083	660,592
Discount/Premiums on Bonds					
Redeemed.....	5,520	31,385	9,026	(27)	1,502
Miscellaneous Adjustments.....	—	(2,395)	(508)	—	(83,246)
Surplus Brought Forward.....	1,323,307	1,130,845	1,000,008	849,451	736,629
	1,978,068	1,864,919	1,695,736	1,522,507	1,315,477
Amortization of Bond Discount.....	11,088	11,088	11,088	11,088	11,088
Cost of Preferred Shares Redeemed.....	24,592	26,858	49,141	26,250	—
Preferred Dividends Paid.....	190,978	163,666	164,662	166,411	140,938
Common Dividends Paid.....	340,000	340,000	340,000	318,750	314,000
	566,658	541,612	564,891	522,499	466,026
Surplus Carried Forward.....	1,411,410	1,323,307	1,130,845	1,000,008	849,451
Customers Connected.....	15,099	14,839	14,512	14,141	13,807
Kilowatt Hour Output.....	509,059,051	511,208,222	514,010,462	531,980,455	522,047,468

