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Annual Report

NORTHERN QUEBEC POWER
COMPANY LIMITED



For the Year ended
DECEMBER THIRTY - FIRST
1955

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DIRECTORS

D. K. BALDWIN	V. J. NIXON
A. SCOTT ELLIOT	JOS. SIMARD
B. V. HARRISON	P. A. THOMSON
T. IRVING	JAS. B. WOODYATT

OFFICERS

<i>President</i>	B. V. HARRISON
<i>Vice-President & General Manager</i>	A. SCOTT ELLIOT
<i>Secretary</i>	V. J. NIXON
<i>Treasurer</i>	T. IRVING
<i>Asst. Secretary-Treasurer</i>	A. H. HULL
<i>Asst. Secretary</i>	J. W. CUNNINGHAM
<i>Asst. Treasurer</i>	E. L. JOWETT

Auditors

P. S. ROSS & SONS

Transfer Agents & Registrars

MONTREAL TRUST COMPANY

Head Office

355 ST. JAMES STREET WEST
MONTREAL
CANADA

NORTHERN QUEBEC POWER COMPANY LIMITED

Montreal, P.Q., March 9th, 1956.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ended December 31st, 1955.

Gross Revenue of the Company for the fiscal year was \$3,464,099.

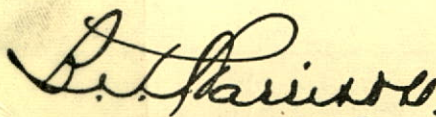
Quarterly dividends on the 5½% first preferred and 3% - 6% second preferred shares and dividends totalling \$1.50 per share on the no par value common stock were paid during the year.

- | | | |
|--------------------------------|---|---|
| New Customers | The total number of customers as at December 31st, 1955 was 14,141, an increase of 334 for the year. | has increased from 7,310 to 14,141, the maximum demand from 43,400 H.P. to 112,000 H.P., and the generating capacity of the Quinze Plant from 40,000 H.P. to 120,000 H.P. |
| Construction Activities | Completion of the installation of an additional 35,000 H.P. generating unit at the Quinze Power Plant took place in September 1955, bringing the total rated capacity of this Plant to 120,000 H.P. A new dwelling at the Quinze Plant and a patrol cottage at Lonely River were constructed during the year. | Plants and Properties The necessary maintenance work is being carried on to keep the property and equipment in good condition. |
| Growth | In the ten years since December 1945, the number of customers | Employees The Directors wish to express their appreciation of the loyal and able services rendered by the staff and employees throughout the year. |

Canada Northern Power Corporation, Limited, heretofore the holder of the outstanding common shares of Northern Quebec Power Company Limited, approved, on October 25th, 1955, the voluntary surrender of their company charter and the pro rata distribution of the Northern Quebec Power common shares to their shareholders. Trading in Canada Northern Power common shares on the Toronto Stock Exchange and the Canadian Stock Exchange (Montreal) ceased on December 9th, 1955, and the Northern Quebec Power common shares have been listed and admitted to trading on these respective Exchanges.

The Annual General Meeting of Shareholders will be held at Room 102, 355 St. James Street West, in the City of Montreal, on Tuesday, the 27th day of March, 1956, at the hour of 2.30 o'clock in the afternoon.

Respectfully submitted on behalf of the Board,



President.

NORTHERN QUEBEC POW

Balance Sheet as at

ASSETS		
	1955	1954
Plant Investment :		
Properties, plant and equipment, organization, etc. at the value certified to in an appraisal by Power Corporation of Canada Limited, under date of December 7, 1933, with additions to date at cost and after deducting \$2,800,000. credit arising from the appraisal.....	\$22,137,810.27	\$20,827,429.56
Cash in Banks	238,462.42	288,855.73
Marketable Investments at book value	800,732.00	165,000.00
(Approximate market value \$783,810.00)		
Marketable Investments held for construction purposes	—	1,611,662.66
Accounts Receivable including accrued revenue	224,858.88	213,224.26
Merchandise and Maintenance Supplies :		
Inventories as shown by book records valued at not more than cost. Book records are adjusted periodically to agree with physical inventories	334,511.62	279,011.56
Bonds of Company held for Sinking Fund	60,000.00	93,500.00
Prepaid and Deferred Charges	91,596.12	91,417.81
Financing Expenses and Bond Issue Discount, less amounts written off..	131,571.64	142,659.64
Due from Employees on purchase of Savings Bonds	22,566.08	13,326.13

Signed on behalf of the Board :

B. V. HARRISON }
 JAS. B. WOODYATT } Directors.

\$24,042,109.03

\$23,726,087.35

NORTHERN QUEBEC POWER COMPANY, LIMITED,

We have examined the balance sheet of Northern Quebec Power Company Limited as at December 31, 1955 and the re and explanations we have required. Our examination included a general review of the accounting procedures and such tests of

In our opinion the accompanying balance sheet and related statements of income and expenditure and surplus are proper results of its operations for the year ended on that date, according to the best of our information and the explanations given to u

Montreal, Que., February 16, 1956.

VER COMPANY LIMITED

December 31, 1955

LIABILITIES

	1955	1954
To THE PUBLIC:		
Funded Debt —		
First Mortgage Bonds — authorized \$7,500,000.		
Issued —		
Series "A" —		
3% Serial Bonds maturing annually to 1957 (of which \$150,000 is payable November 15, 1956)	\$1,200,000.00	
Redeemed to date	<u>900,000.00</u>	\$ 300,000.00
3¾% 20 year Bonds maturing November 15, 1967	4,800,000.00	
Redeemed by Sinking Fund	<u>331,500.00</u>	4,468,500.00
Series "B" —		
5⅛% Bonds maturing March 1, 1974	1,500,000.00	
Redeemed by Sinking Fund	<u>19,000.00</u>	1,481,000.00
4½% General Mortgage Bonds maturing November 15, 1967		
Authorized and Issued	3,000,000.00	
Redeemed by Sinking Fund	<u>404,500.00</u>	2,595,500.00
	<u>\$ 8,845,000.00</u>	\$ 9,149,500.00
Accounts Payable and Accrued Liabilities	89,675.78	96,583.01
Bond Interest Accrued	61,641.67	63,080.00
Provision for Taxes	351,103.06	316,372.71
Dividends Accrued	6,550.82	85,229.32
Consumers Deposits including interest	190,925.34	167,872.82
Deferred Credit:		
Tax reductions applicable to future years	<u>171,885.00</u>	<u>75,240.00</u>
	<u>\$ 9,716,781.67</u>	<u>\$ 9,953,877.86</u>
To THE SHAREHOLDERS:		
Capital Stock —		
First Preferred shares — \$50. Par value		
Authorized — \$4,000,000.		
Issued —		
50,000 5½% cumulative redeemable sinking fund shares	2,500,000.00	
Less: Redeemed during year — 500 shares	<u>25,000.00</u>	2,475,000.00
2,475,000.00		2,500,000.00
Second Preferred shares — \$100. par value		
Authorized — \$2,000,000.		
Issued —		
10,000 - 3 - 6% cumulative redeemable shares	1,000,000.00	1,000,000.00
Common shares of no par value		
Authorized and issued — 212,500 shares	637,500.00	637,500.00
Reserves —		
Depreciation	9,152,249.98	8,752,732.45
Bad Debts	35,569.64	32,525.16
Capital Surplus relating to redemption of Preferred Shares	25,000.00	—
Surplus — Balance as at December 31	<u>1,000,007.74</u>	<u>849,451.88</u>
	<u>\$24,042,109.03</u>	<u>\$23,726,087.35</u>

ated statements of income and expenditure and surplus for the year ended on that date and have obtained all the information
accounting records and other supporting evidence as we considered necessary in the circumstances.

y drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1955 and the
s and as shown by the books of the Company.

P. S. Ross & Sons,
Chartered Accountants.

NORTHERN QUEBEC POWER COMPANY LIMITED

Statement of Income and Expenditure

For the Year Ended December 31, 1955

Gross Earnings from operations		\$3,442,398.13
DEDUCT:		
Operating expenses	\$1,419,561.54	
Directors' fees	3,475.00	
Executive officers' salaries	28,232.67	
Legal fees	1,651.95	
Contribution to pension fund	24,725.00	
Provision for bad debts	3,440.67	1,481,086.83
Net operating profit before Interest, Depreciation and Income Taxes		1,961,311.30
Income from Investments		21,701.50
		1,983,012.80
DEDUCT:		
Interest on —		
Bonds —		
First Mortgage	\$256,938.87	
Less: Charged to construction	63,271.84	\$193,667.03
General Mortgage	116,192.65	309,859.68
Consumers' Deposits		6,135.00
Amortization of Bond Discount and Expense		11,088.00
Provision for — Depreciation		500,000.00
— Income Taxes		
Taxes payable for the year	397,290.00	
Current year's tax reduction applicable to future years	96,645.00	493,935.00
		1,321,017.68
Net Income for the year transferred to Surplus		\$ 661,995.12

Statement of Surplus

For the Year Ended December 31, 1955

Balance at credit — January 1, 1955		\$ 849,451.88
ADD:		
Net income for the year transferred from statement of Income and Expenditure		661,995.12
		1,511,447.00
DEDUCT:		
Cost of 5½% Preferred shares purchased for redemption	\$ 26,250.00	
Premium on redemption of \$19,000.00 par value Series "B" — 5⅞% Bonds	541.50	
		26,791.50
LESS:		
Discount on bonds purchased for Sinking Fund	513.74	26,277.76
		1,485,169.24
DEDUCT:		
Dividends on Capital Stock —		
First Preferred — 5½%	\$136,411.50	
Second Preferred — 3 - 6%	30,000.00	166,411.50
Common		318,750.00
		485,161.50
Balance at credit — December 31, 1955		\$1,000,007.74

NORTHERN QUEBEC POWER COMPANY LIMITED

Operating Statement

For Years Ending December 31st

	1955	1954	1953	1952	1951
Electric Revenue	\$3,440,652	\$3,283,440	\$3,128,653	\$3,089,812	\$2,981,367
(A) Miscellaneous Revenue	23,447	47,997	3,153	6,632	2,839
Gross Revenue	3,464,099	3,331,437	3,131,806	3,083,180	2,978,528
Purchased Power	350,820	237,513	257,528	159,160	430,330
Operation	526,772	496,291	461,631	423,119	368,674
Maintenance	130,850	118,226	115,922	132,837	172,577
Taxes (Excluding Income Taxes)	444,479	430,879	424,131	425,175	403,080
Contribution to Pension Fund	24,725	23,465	23,185	22,485	18,000
	1,477,646	1,306,374	1,282,397	1,162,776	1,392,661
Earnings from Operations	1,986,453	2,025,063	1,849,409	1,920,404	1,585,867
Bad Debts	3,440	3,283	3,129	3,089	2,981
Interest	315,995	357,008	420,455	430,958	430,185
Depreciation	500,000	500,000	500,000	500,000	360,000
Amortization of Bond Discount	11,088	11,088	11,088	11,088	11,088
Income Taxes	493,935	504,180	413,415	484,995	435,595
	1,324,458	1,375,559	1,348,087	1,430,130	1,239,849
Net Profit for the Year	661,995	649,504	501,322	490,274	346,018
Discount on Bonds Redeemed	514	1,502	14,135	4,927	5,110
Profit on Sales of Investments	—	17,483	—	—	—
Surplus Brought Forward	849,451	736,629	528,000	357,515	357,233
Prior Years Adjustments	—	—	43,172	25,284	10,846
	1,511,960	1,405,118	1,086,629	878,000	697,515
Preferred Dividends Paid	166,411	140,938	50,000	50,000	50,000
Common Dividends Paid	318,750	314,000	300,000	300,000	290,000
Net Expense — Preferred Stock and Bond Issues	—	100,729	—	—	—
Premium on Bonds Redeemed	541	—	—	—	—
Preferred shares purchased for Redemption	26,250	—	—	—	—
	511,952	555,667	350,000	350,000	340,000
Surplus Carried Forward	\$1,000,008	\$ 849,451	\$ 736,629	\$ 528,000	\$ 357,515
Customers Connected	14,141	13,807	13,244	13,083	12,587
Kilowatt Hour Output	531,980,455	522,047,468	490,835,318	494,000,730	470,583,911

(A) Miscellaneous Revenue includes merchandise net profits and losses, earnings from investments, etc.

