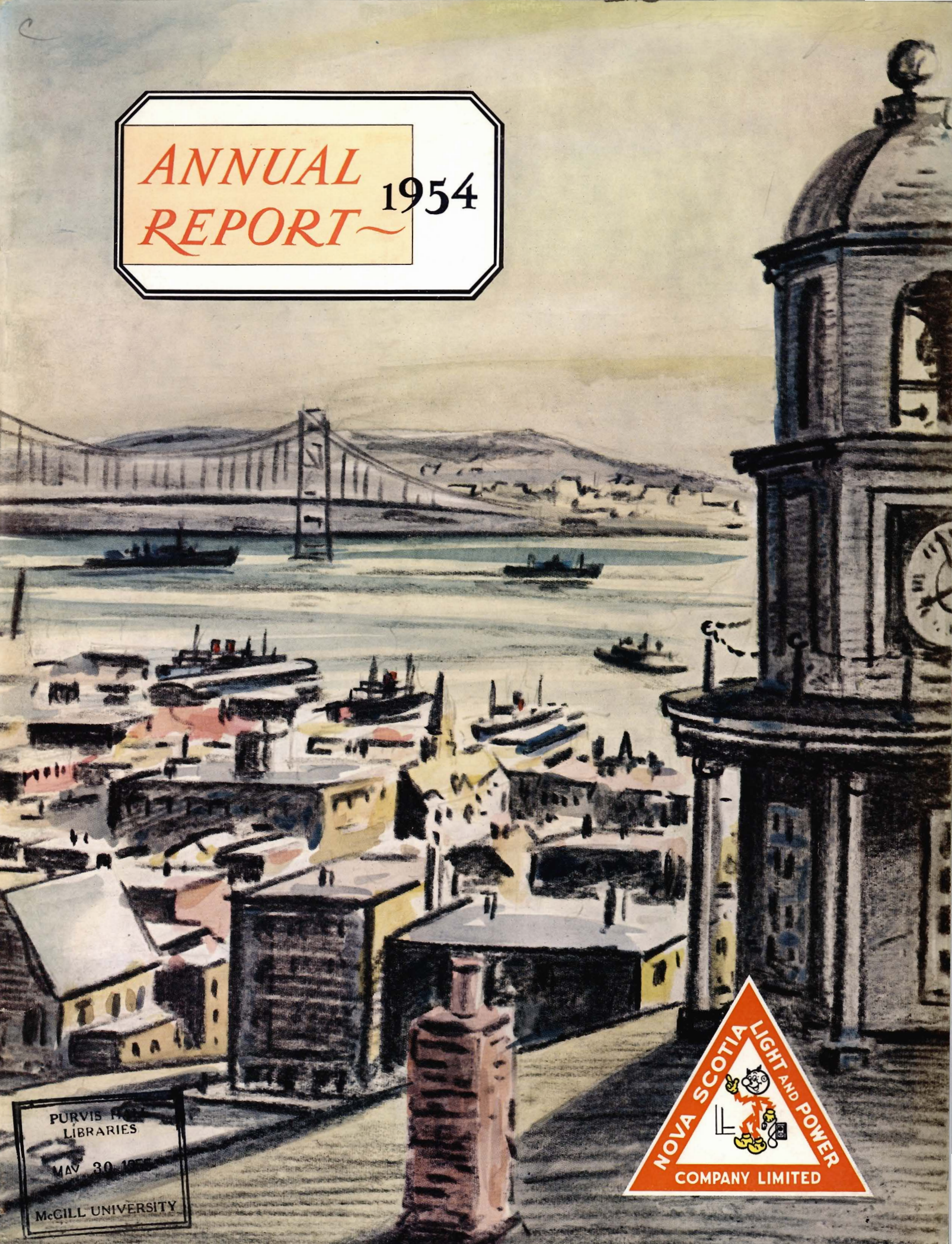


ANNUAL
REPORT 1954



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(Cyril Burns)

Day and night all through the year electric service of the highest quality was supplied to customers . . . to bring about greater and more economical output in industry, to serve as an efficient tool in farm production, and to bring better and more comfortable living in homes.

ALL THROUGH THE YEAR...

. . . our policy has been to conduct our business so that we will render to our customers service of the highest quality— promptly, courteously and efficiently— at the lowest prices consistent with paying fair wages and affording job satisfaction and security to our employees; paying a fair return to our investors who have provided the funds to make such service possible; and, at the same time, through planning and research, providing modern facilities for our customers' expanding needs for electric service.

As a business-managed enterprise entrusted with an essential public service, we recognize our civic responsibility in the communities we serve. We shall continue to strive to advance the growth and welfare of those communities and shall participate in civic activities which fulfill that goal . . . for we believe this is both good citizenship and good business.



NOVA SCOTIA LIGHT AND POWER REPORTS

. . . . to the *shareholders* who have provided the funds to make possible the existence and continued growth of the business.

. . . . to the *employees* who have invested their careers in the business and are its greatest asset.

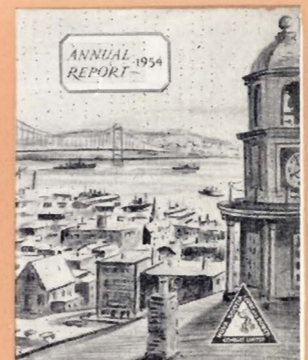
. . . . to the *customers* and *communities* it serves because they have entrusted to this Company the providing of efficient service under public regulation.

ON THE RESULTS OF ITS OPERATIONS
DAY AND NIGHT
ALL THROUGH THE YEAR ENDED
DECEMBER 31, 1954



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The Old Town Clock and the new Angus L. Macdonald Bridge have been captured by W. E. deGarthe, N.S.S.A., in this sketch of Halifax Harbour . . . Eastern Canada's year-round port.

The bridge provides a new link to tie even closer the people on the two sides of the Harbour. This will aid in the development of the whole metropolitan area by providing quick access to more building space for industry and homes on the Dartmouth side of the Harbour.



(Morley Boutillier)

Day and night all through the year the Company's modern and efficient equipment stood ready to provide good electric service to new customers as well as old.

1954 HIGHLIGHTS



Revenues from operations (gross revenue) were the highest in the history of the Company, \$10,531,351, 10.6% more than in 1953.



Operating expenses, reflecting the increased cost of materials and wages, were also higher than ever before and amounted to \$7,589,012, 11.2% more than the 1953 figure.



More electricity was sold than ever before, 353,410,907 kilowatt hours, an increase of 9.1% above the amount sold in 1953.



More customers were served than ever before: 74,705 meters were in service at the end of the year.



More than \$5,500,000 was spent on additions and improvements to meet the growing demands of customers.



The new 9,000 horsepower hydro generating plant at Nictaux was placed in operation to complete the development of available hydro resources.



Good human relations with employees and customers featured general operations all through the year.



Earnings per share of ordinary stock, based on Utility Board depreciation, amounted to \$2.80 per share. Dividends paid amounted to \$1.25 per share.



your directors

REPORT

for the year 1954



Your Company, sharing in the economic prosperity and industrial development of Nova Scotia, enjoyed another record year.

Day and night all through the year, high quality service was supplied to a record number of customers who used more electricity than ever before.

Revenues were the highest in the Company's history.

More money was spent for expansion than in any previous year, but even greater expenditures will be needed during the next few years to keep pace with the growing demands of our customers.

financial

A fascinating story lies behind the rows of figures and between the lines of this year-end report. It is a story of the growth and development of your Company, of service rendered to a progressive Province and its people. It tells of men and women throughout Nova Scotia earning wages and salaries higher than ever before, while they and their families are enjoying better standards of living through an ever wider use of electricity.

The Company's Gross Revenue (including Subsidiary Companies' earnings) increased in 1954 by nearly 11% above the 1953 total, and reached a new high record of \$10,531,351. The cost of generating and distributing the greater output which produced this higher Revenue in 1954 was \$7,589,012 (not including interest, Income Taxes, and other financial charges).

This is 11.2% above the 1953 Operating Expense, but it is a relatively small increase when compared with sales, because the operating costs per one hundred dollars worth of sales were only \$72.06 in 1954 compared with \$71.66 in 1953. Improvements in general efficiency were largely responsible for keeping the total basic operating expenses in proportion to the increased sales, notwithstanding the higher labour and other costs which prevailed in 1954.

The Gross Revenue from operation of Trolley Coaches in the City of Halifax in 1954, included in the above Gross Revenue figure, was slightly less than in 1953.

The amount transferred to Consolidated Surplus Account in 1954 was \$1,376,408 com-

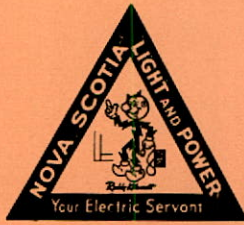
pared with \$1,165,383 in the previous year. This represents an increase of approximately \$210,000. Related to this increase is the \$5,521,169 that was invested, during the year, in new plant which made possible the greater production and sales of electricity. The additional money invested in plant came partly from earnings which were retained in the business and partly from people, who invested in the Company by buying new Preference Shares.

In May, 1954, the Company redeemed 24,300 6% Preference Shares having a par value of \$100 each, and at the same time issued an additional 40,000 4½% Preference Shares having the same par value. The new Shares were first offered to all existing Shareholders, many of whom exercised their option to purchase. After every opportunity was given to the holders of the 6% Shares to convert their holdings to the new 4½% Issue, the balance of the Shares were sold to new Shareholders. Addi-

you will be interested to know

DURING THE PAST FOUR YEARS

	1954	1953	1952	1951
<u>WE RECEIVED</u>				
Revenue (and other income)	\$10,531,351	\$9,520,395	\$8,988,431	\$8,207,953
<u>WE PAID OUT</u>				
WAGES (and other employee benefits)	3,702,228	3,460,513	3,309,244	3,123,211
INTEREST on borrowed funds (Net)	422,228	435,621	378,949	335,323
OTHER COSTS of doing business	5,030,487	4,458,878	4,266,974	3,815,208
BALANCE AVAILABLE FOR SHAREHOLDERS	<u>\$1,376,408</u>	<u>\$1,165,383</u>	<u>\$1,033,264</u>	<u>\$ 934,211</u>
<u>COMMON STOCK</u>				
(1) Shares Outstanding—Year End	344,208	344,208	290,948	290,948
(2) Number of Shareholders	3,807	3,797	2,992	3,012
(3) Dividends Paid Common Shareholders	\$ 430,260	\$ 390,315	\$ 290,948	\$ 290,948
(4) Earnings per Share (on Common Stock Outstanding at Year End)	\$ 2.80	\$ 2.24	\$ 2.19	\$ 1.92
(5) Dividends per Share (on Common Stock Outstanding for twelve months)	\$ 1.25	\$ 1.25	\$ 1.00	\$ 1.00
<u>PREFERRED STOCK</u>				
Total Par Value Preference Shares	\$ 9,757,200	\$8,187,200	\$8,187,200	\$8,187,200
Total Number of Preference Shareholders	4,183	4,194	4,250	4,274
Dividends Paid Preference Shareholders	<u>\$ 411,974</u>	<u>\$ 394,874</u>	<u>\$ 394,874</u>	<u>\$ 374,624</u>
BALANCE OF EARNINGS RETAINED IN BUSINESS FOR FURTHER EXPANSION	<u>\$ 534,174</u>	<u>\$ 380,194</u>	<u>\$ 347,442</u>	<u>\$ 268,639</u>
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION, etc. (using Borrowed and/or Retained Funds)	<u>\$ 5,521,169</u>	<u>\$4,180,574</u>	<u>\$3,259,908</u>	<u>\$3,407,864</u>



comparative funds statement

IN ADDITION TO GENERAL OPERATIONS

DURING THE YEAR WE EXPENDED FOR	1954	1953	1952
New Property and Plant	\$5,521,169	\$4,180,574	\$3,259,908
Redemption of 6% Preference Shares	2,430,000	—	—
Redemption Cost of 6% Preference Shares	181,018	—	—
Redemption of Bonds	151,000	240,625	162,082
New Financing Costs	113,481	26,383	—
Dividends	842,234	*785,189	685,822
Miscellaneous Net	—	120,076	371,795
Total	\$9,238,902	\$5,352,847	\$4,479,607
**Working Capital (December 31st)	(631,045)	586,623	(119,247)
	<u>\$8,607,857</u>	<u>\$5,939,470</u>	<u>\$4,360,360</u>
THESE FUNDS CAME FROM			
Net Income for the year	\$1,376,408	\$1,165,383	\$1,033,264
Amounts charged not requiring funds, Depreciation, Amortiz- ation, etc.	2,520,779	1,699,640	1,593,166
New Funds from Sale of Bonds	—	2,100,000	—
New Funds from Sale of 4½% Preference Shares	4,000,000	—	—
New Funds from Common Stock	—	919,015	—
Sale of Sundry Fixed Assets	—	—	466,089
Miscellaneous Net	124,047	174,679	—
Total	\$8,021,234	\$6,058,717	\$3,092,519
**Working Capital (January 1st)	586,623	(119,247)	1,267,841
	<u>\$8,607,857</u>	<u>\$5,939,470</u>	<u>\$4,360,360</u>

*This reflects the increased number of Common Shares issued during 1953 as well as the extra dividend for the final quarter.

**Inventories not included.

tional funds will be required in 1955 to pay for continued plant expansion, and this financing will be in the form of a new issue of First Mortgage Bonds.

The provision for Depreciation increased in 1954, as in previous years, due to the greater value of assets employed. The method now being used to account for the difference between Depreciation Rates ordered by the Nova Scotia Board of Commissioners of Public Utilities and the Capital Cost Allowance taken in accordance with the Income Tax Regulations, is described on page 25 under the Consolidated Surplus Account, and on page 29 for Nova Scotia Light and Power Company, Limited exclusive of Subsidiaries.

The assets of the discontinued Gas Department were finally disposed of during 1954, and suitable arrangements agreed upon with the Income Tax Division of the Department of National Revenue regarding the writing off of the balance of the Undepreciated Capital Cost. This resulted in a net charge to Surplus Account of \$546,418, the effect of which was considerably offset by the change in the method of recording Depreciation already described.

Regular Dividends were declared and paid quarterly. Payments to Preferred Shareholders amounted to \$411,974, while the holders of Common Stock received \$430,260. For 24 years the Company has maintained an unbroken record of dividend payments.

general operation

The most significant factor affecting the operations of the Company all through the year 1954 was the economic growth and prosperity of the service area and of the Province in general. Nova Scotia's growing population, coupled with continuing business development, greater employment and higher wages, resulted in a year of substantial progress by your Company.

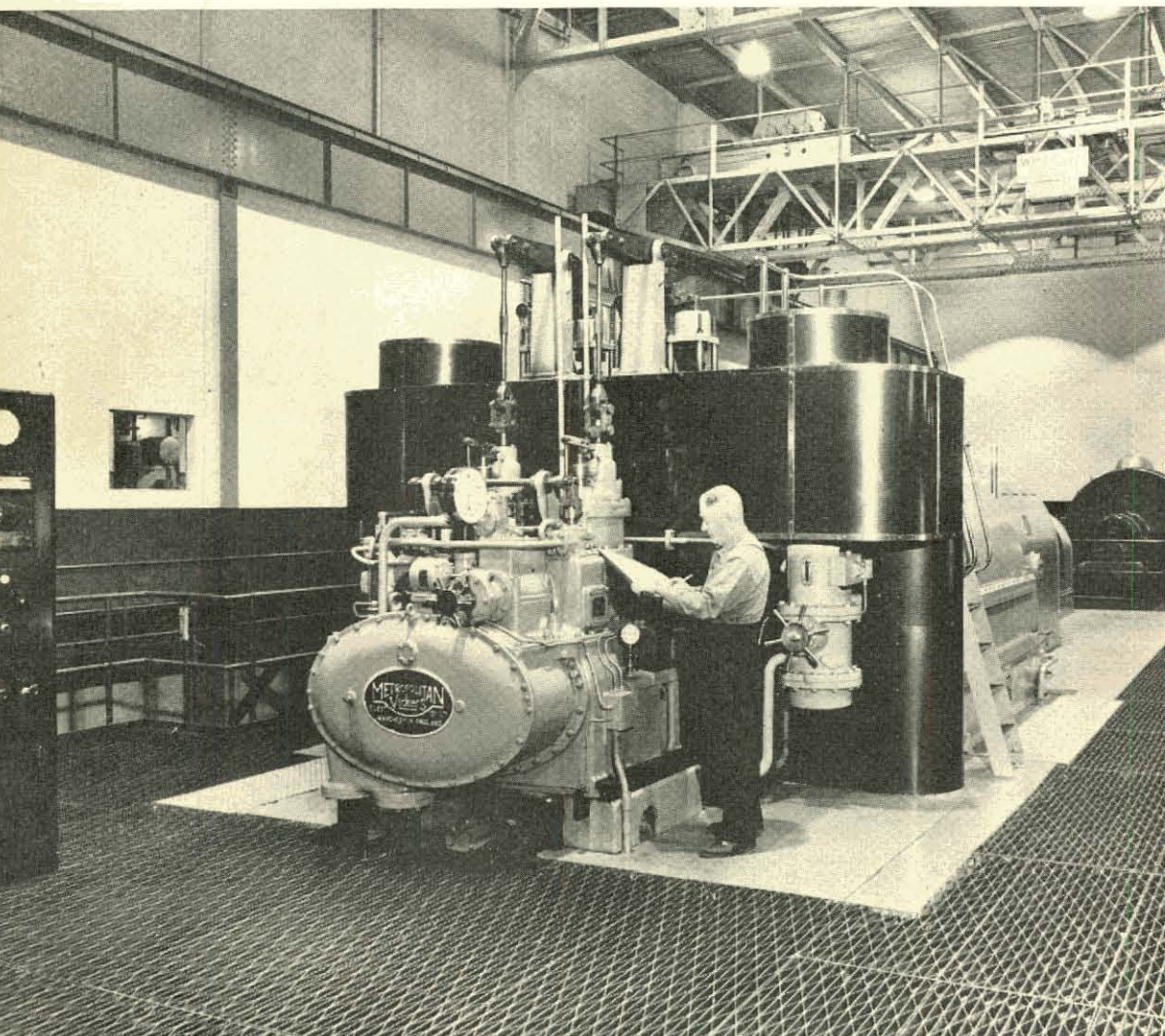
All through the year the needs of customers were adequately met even though the sales of electricity reached the new high of 353,410,907 kilowatt hours, an increase of 9.1%, or 29,510,451 kilowatt hours more than the 1953 figure.

Practically all of the electricity sold by the Company was produced in its own plants. Steam generation in Halifax accounted for

204,686,320 kilowatt hours, or 49.4% of the total output, an increase of 9.3% over the 1953 amount; hydro plants, due to increased rain fall as well as to more efficient operation, produced 158,345,585 kilowatt hours or 38.2% of the total, an increase of 18,694,042 kilowatt hours over the previous year; only 51,550,888 kilowatt hours were purchased.

Water storage for hydro plants at the end of the year amounted to 33,056,000 kilowatt hours, somewhat more than the amount of the previous year.

In December, customers' demands on Nova Scotia Light and Power Company's interconnected system produced a peak demand of 89,960 kilowatts, 7,800 kilowatts higher than the 1953 demand. While generating equipment met this demand, there was little spare



Day and night all through the year skilled employees are on duty because electric service is one service that never stops. Here, Frank Kehoe, a generating station attendant checks on the operation of one of the modern steam driven generators in the Water Street plant in Halifax. These high efficiency units are helping to hold down the cost of generating electricity in the face of rising costs of materials and wages.

capacity. However, additions to generating equipment scheduled for 1955 and 1957 will provide sufficient capacity for industrial expansion and other expected increases in load during the next few years and will also provide a reasonable amount of spare capacity.

The operations of the Company are subject to the same effects of inflation as any other business or individual. However, the installation, during the past five years, of large-size, high-efficiency, steam generating units, as well as the more efficient blending of hydro and steam operation, have resulted in a reduction in the cost of fuel per kilowatt hour generated. This saving, coupled with improvement in load factor, better means of communication, more efficient office procedures, and closer team work of personnel, is helping to offset the rising costs of materials and wages.

The 9,000 horsepower hydro development on the Nictaux River was completed and placed in service too late in the year to affect the 1954 operations.

Details of two contracts were under negotiation with the Nova Scotia Power Commission. One was for the renewal of a contract to cover the continuance of the supply of approximately 30,000,000 kilowatt hours per year from the St. Margaret's Bay development, and the other, a new contract, is to provide for the supply of power from the Bear River and Tusket developments to the Western Nova Scotia Electric Company, Limited, a Subsidiary.

To keep abreast with the improvements that are constantly being developed by advances in the fields of technology and operating procedures, your Company actively co-operates with the Utility Industry through the Canadian Electrical Association, The Canadian Transit Association, The Edison Electric Institute, The American Institute of Electrical Engineers and other professional groups.

Throughout the whole year there was a fine spirit of employee team-work. This was particularly evident in September when Hurricane "Edna" caused severe interruptions to service over wide areas of the system. In their efforts to restore service to customers, the work of the Company personnel was magnificent and went far beyond the ordinary call of duty, and public appreciation was shown through press and radio comments.



Modern methods are employed to provide better service to customers.

In widespread operations such as ours, fast communication is most essential. Our F. M. radio-telephone system provides instant communication to all parts of the Company's system. Equipment and manpower can be quickly mobilized in time of emergency.

Not only during Hurricane "Edna", but also in operations day and night all through the year, the use of F. M. communication between generating plants and service vehicles improved operating efficiency and brought faster repair service to customers. Here, Mike Clark is using this proven form of communication which will be further extended in the future.

construction

Since the end of World War II the Company's construction programme has consisted of two distinct phases.

First came the job of relieving over-burdened generating and distributing equipment; of completing unfinished work that had accumulated during the war years; the building of hundreds of miles of lines into new areas to complete a great rural electrification programme; and the replacement in Halifax of a war-worn transit system with a fleet of new trolley coaches.

Then came the task of providing greatly expanded facilities to meet the tremendous increase in the number and demands of customers. During the post-war years the demands for electricity have increased more than in any similar period in the past. At the same time, the cost of materials and labour have also increased substantially. Thus, while the need to grow is greater than ever before, the cost of growing is also higher than ever before.

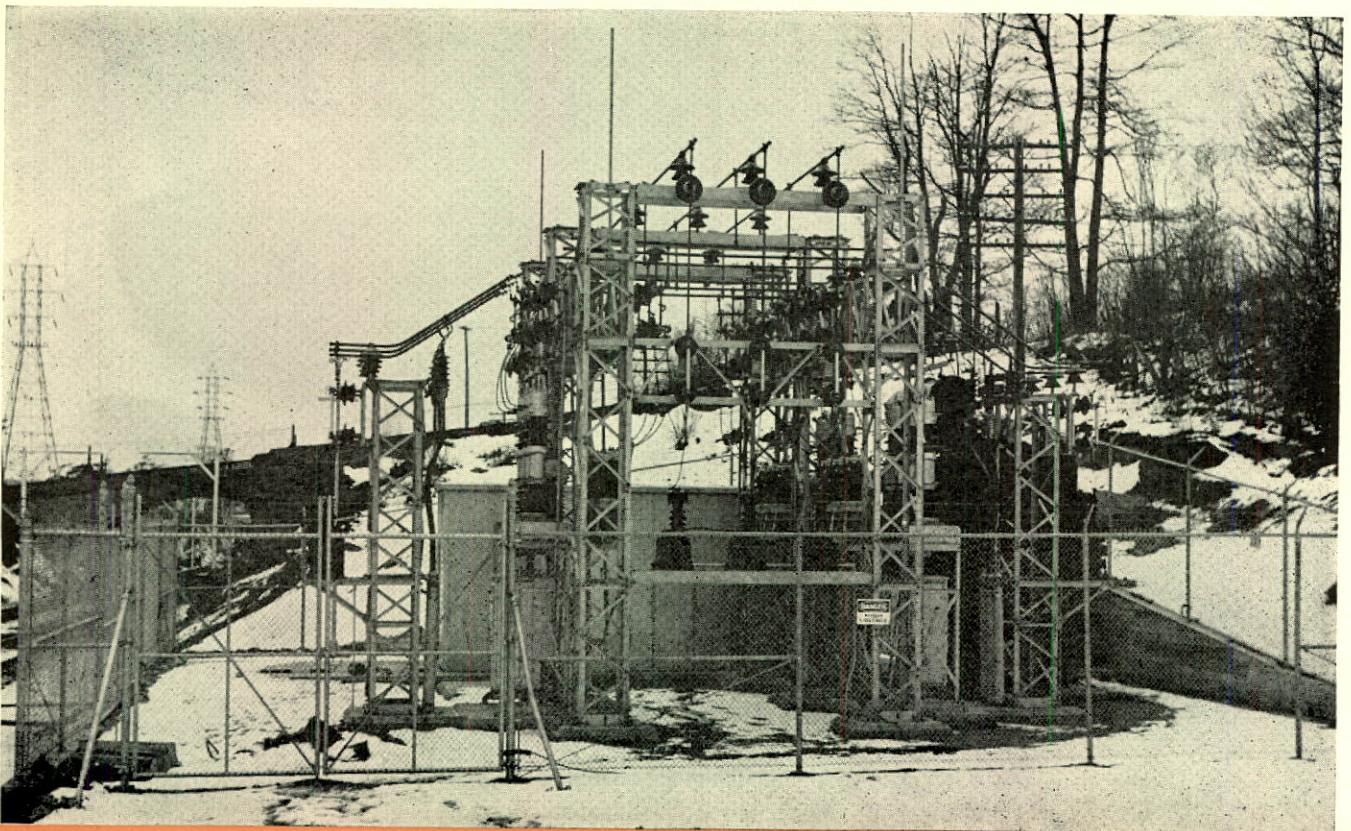
Since 1946, the Company has spent more than \$30,000,000 on new construction. In

1954 construction expenditures amounted to \$5,500,000, while older property costing \$696,000 was retired.

At the end of 1954 the total cost of the Company's plant and equipment stood at \$43,602,599. Thus 70% of the Company's plant is made up of modern equipment, new since 1946.

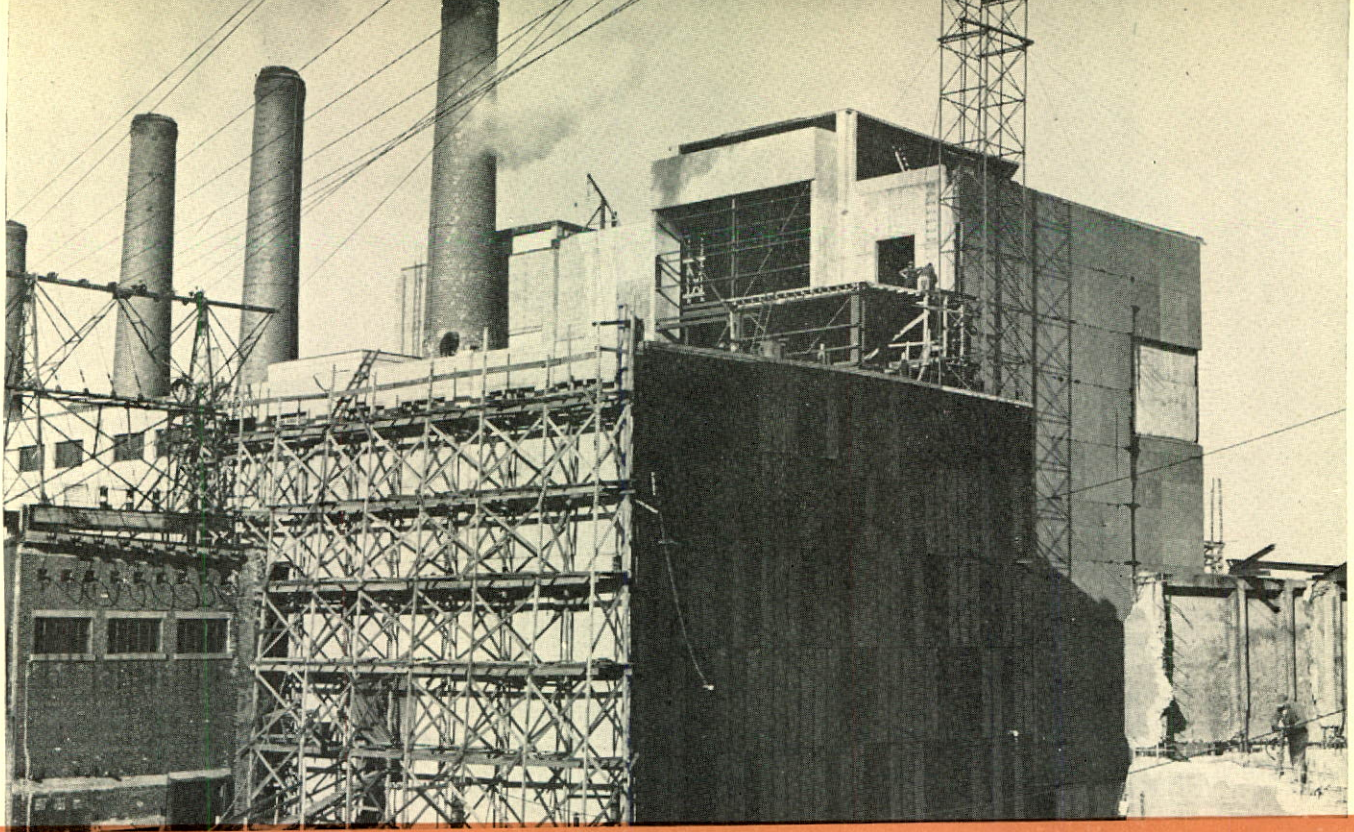
The Company's present construction programme is geared to meet immediate as well as long term requirements of the service area. Careful engineering studies and research have been carried out and, from these, forecasts of future needs have been made. While some projections have been made for more than twenty years into the future, the final planning and construction will, of course, be continually adjusted to meet the demands of future conditions.

This long-range construction programme, calling for the expenditure of \$30,000,000 during the next five years, will not only keep pace with growth in the use of electricity and provide adequate spare capacity, but also should



The new Beaufort distribution substation in Halifax was completed in 1954. This substation, supplied from the 22,000 volt Armdale to Water Street transmission line, provides energy for several 4,000 volt distribution circuits which serve the residential areas in the

south-western part of Halifax. Increasing load growth is indicating the need for more substations of this type to relieve long distribution circuits that are becoming overloaded, and to provide better service to customers all through the year.



At the Water Street generating plant another 25,000 kilowatts addition is under construction. Our customers have come to expect the continued growth of electric service to meet their needs. They have become accustomed to improvement in the quality and scope of service. They have become accustomed to take their electric service for granted, and of always having it ready at the flick of a switch. Few people, however,

give a thought to the service that lies behind their switch, to the courage and faith that put up the large sums of money needed to buy the costly and complicated equipment . . . to the skill and know-how of employees, to the ability and planning of management. But all of these things are most necessary in providing the quality and quantity of service that we supply to our customers day and night all through the year.

act as a stimulant for industrial growth and community development in the service area.

In the field of generation, both thermal and hydro plants were prominent in the 1954 construction story. Early in the year, at the Water Street generating plant, a 220,000 pound per hour high-pressure boiler was placed in service to produce the additional boiler capacity required by load conditions. All through the year satisfactory progress was made on another major addition to this plant. This addition will be completed in 1955 and will place on the Company's lines a new high-efficiency 25,000 kilowatt turbo-generator backed by a 300,000 pound per hour high-pressure boiler.

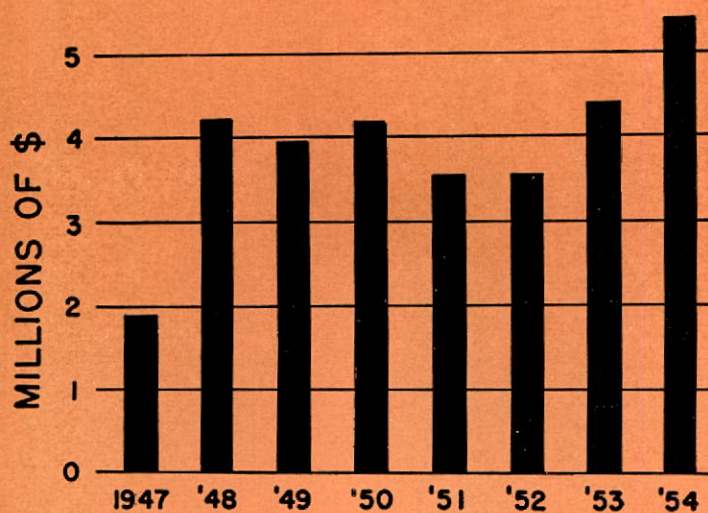
The planning was also completed for the installation of two more turbo-generator sets at the Water Street station. One of these, a 45,000 kilowatt turbo-generator was ordered this year and will be commissioned in 1957. The other unit, which will complete the development of this site by using all the available space, will follow about 1959 and will bring the total capacity of this station to 171,500 kilowatts.

Preliminary planning for the development of a new site at Tufts Cove, on the Dartmouth side of the harbour, is well advanced. Generating units of at least 60,000 kilowatts are presently contemplated. Study and research is now being carried out in the field of new fuels as well as in the more efficient use of present fuels. The site at Tufts Cove can accommodate a station of sufficient size to provide for the requirements of customers until 1980 should growth continue at trends now forecast.

The Company's engineers were successful in overcoming many difficult problems in planning and completing the redevelopment of the Nictaux River, where a new 9,000 horsepower hydro electric unit was placed in service. This plant, designed to make maximum use of the available water, will produce 23,000,000 kilowatt hours per year and will provide needed reinforcement to the western end of the Company's system. The development of available hydro resources has now been completed and all future requirements must, therefore, come from thermal generating plants.

PLANT ADDITIONS

NOVA SCOTIA LIGHT AND POWER CO. LTD.
(AND WHOLLY OWNED SUBSIDIARIES)



The Company's reports for several years have featured the construction of new generating plants, but it must be remembered that large amounts have also been spent for additional transmission and distribution lines, substations and other facilities, so that, all through the year, the increased requirements of present and new customers can be adequately supplied.

The 69,000 volt transmission was extended from Aylesford to Paradise, a distance of 26 miles. Good progress was made on a 69,000 volt extension from Uniacke to Milford. This 22-mile line will be completed early in 1955 to serve the new plant of the National Gypsum Company and also to provide reinforcement for growing requirements of customers in the Stewiacke area.

The steel tower line, four miles long, between Armdale substation and the Water Street generating plant was completely rebuilt and now provides two 69,000 volt circuits as well as a 22,000 volt circuit between these points.

(see picture on page 2)

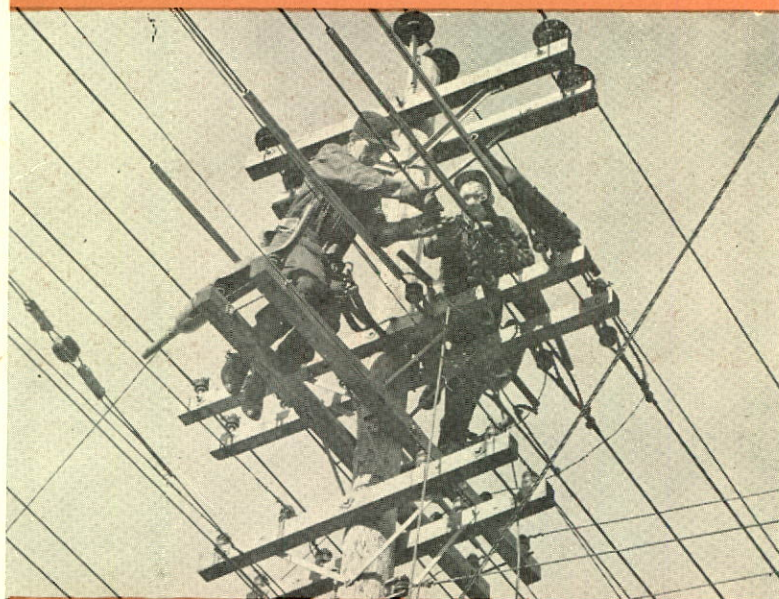
Several extensions were made to the 22,000 volt system in various parts of the service area.

In Dartmouth, the capacity of both the Maple Street and the Tufts Cove substations was doubled to meet rapid load increases in this fast-growing area.

The protective relays on the 22,000 volt transmission system, serving the Halifax-Dartmouth area, were augmented with the latest type of high-speed pilot-wire relaying system.

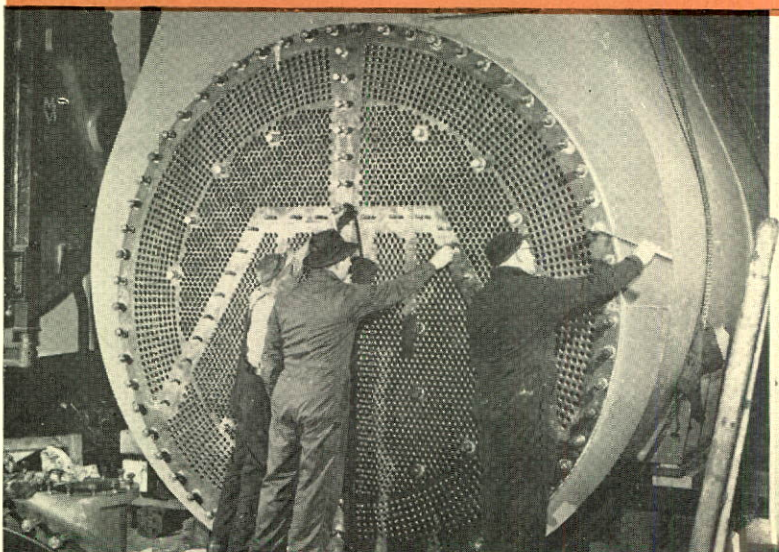
Planning was completed and work was commenced on the installation of a control centre at the Hell's Gate generating plant near Wolfville. When completed, all of the generating plants and transmission line switches in the Annapolis Valley area will be controlled from this point. Of interest is the fact that the control of the new Nictaux generating station from this point will be by means of F. M. radio. This is possibly the first time that F. M. radio has ever been used for such a purpose.

Many smaller jobs were done in order to improve generating and distributing facilities. During the year, a number of miscellaneous extensions, totalling 50 miles, were made in rural areas throughout the service territory, and electricity was made available to an additional 422 farm homes, of which 346 were connected.

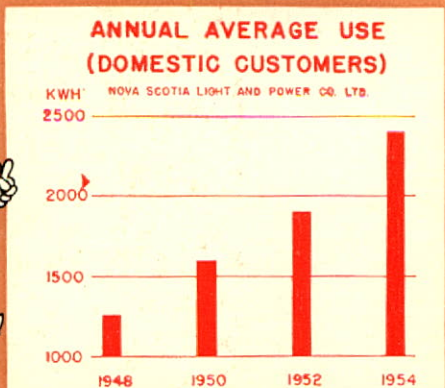
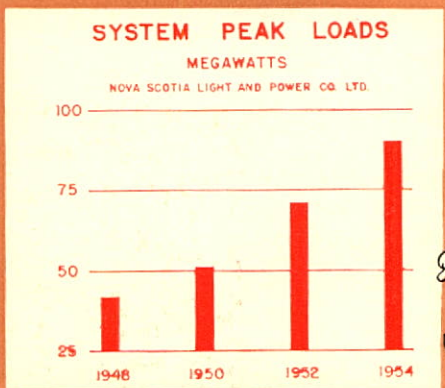
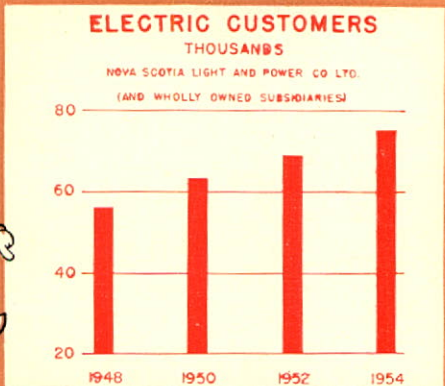
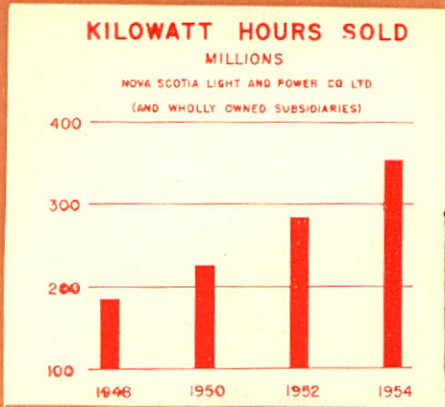


Expert linemen, Bert McNeil and Maurice Mercier, are busily engaged all through the year improving distribution facilities to meet customers' growing demands.

Skilled mechanics Art Davis, Emerson Thierber and Gordon Morrow assembling the condenser for the 25,000 kilowatt addition to the Water Street plant.



sales and load growth



All previous sales records were again passed in 1954, when sales reached a new high of 353,410,907 kilowatt hours. This is an increase of 29,510,451 kilowatt hours or 9.1% in excess of the 1953 amount.

In the past 7 years the output of electricity has doubled. There has been more increase in load in the last 7 years than in the previous 55 years dating back to the start of the business in Halifax in 1893.

Since World War II the Company's generating facilities have been almost tripled. Transmission and distribution facilities have been reinforced and extended in like manner.

Not only the millions of dollars which have been spent on this construction work, but also the increased power supply available to meet growing needs, have been important factors in the expanding economy of the service area.

Today the economic prosperity of Nova Scotia is at a high level and there are many favourable factors to indicate that it will improve even more. Home and industrial building are both active. New industries are locating in the Province and others are expanding their operations. A healthy backlog of orders will keep the steel industry working at full speed for several years. Surveys are discovering new mineral wealth. Defence establishments in the service area continue to expand. The Angus L. Macdonald Bridge spanning Halifax Harbour will undoubtedly lead to greater industrial and residential development of the already fast-growing Dartmouth area. Greater Halifax is growing at a faster rate than any other metropolitan area in Canada.

In this healthy economic climate there are still further factors that point to continued growth of your Company. Savings deposits in banks are the highest in history. More electrical appliances of more types are available than ever before. Many appliances have passed the figure of 10% saturation which indicates customer acceptance and after which sales rapidly increase. New uses of electricity in industry, on the farm, and in the home are constantly being developed. The Company's lines stand ready to handle increased loads efficiently without major enlargement or expenditures.

The stability of future sales is assured by the great diversity in size and type of commercial and industrial enterprises in the service area, as well as by the favourable customer structure resulting from the large number of domestic and farm customers.

During the year a contract was completed with Imperial Oil Limited for the supply of an

additional 10,000 horsepower to supply the extension to their Imperoyal refinery, and another was signed with the National Gypsum Company for 1,500 horsepower at Milford for mining operations and 1,200 horsepower at Tufts Cove for their dock-site.

All classes of customers continued to use more electricity all through the year 1954. Industrial power sales amounted to 42,722,652 kilowatt hours, an increase of 3.4% over the 1953 figure. Commercial lighting and power customers used 142,875,989 kilowatt hours, 7.2% more than the previous year. Revenues from these classes of customers showed like increases.

The most significant increase in revenue and sale of electricity occurred in the field of residential use. Revenues amounted to \$3,525,576, an increase of 9.9% over 1953. Sales of electricity rose to 138,369,733 kilowatt hours for an increase of 13.9%. Hundreds of new customers were connected during the year and use of electricity by existing customers continued to grow at a rapid rate. Residential customers in 1954 used an average of 2,164 kilowatt hours compared with 1,978 in 1953. The increase in use is even more marked in the Halifax area, 3,091 kilowatt hours in 1954, an increase of 312 over the 1953 figure of 2,779, and more than double the 1947 figure.

While the average revenue per domestic customer increased from \$52.26 in 1953 to \$55.15 in 1954, the average rate for domestic electricity, due to greater use, dropped from 2.64c in 1953 to 2.55c in 1954.

Your Directors and Management firmly believe in the necessity for vigorous promotion of the business through carefully planned sales and advertising activities.

The Company engages in the merchandising of electrical appliances, but it also maintains a policy of assisting other appliance dealers and electrical contractors to improve their sales. While our general sales effort is devoted to all devices that use electricity, special emphasis is directed toward appliances that will help to improve system load factor, such as water heaters, the use of which usually occurs during off-peak hours.

To date, the results of the merchandising efforts of the Company and individual dealers have been encouraging insofar as the promotion of load growth is concerned. However, in the future, efforts must be intensified to increase the sale of those appliances which will help to improve the downward trend in load factor.

For years our representatives have worked closely with farm and rural groups to promote the greater use of electricity as an efficient tool in farm production as well as in the farm home. These efforts are resulting in greater sales to rural customers.

Early in the year the Public Utilities Board approved an amendment in the domestic electric rates applicable to the Western Nova Scotia Electric Company. The new rate was designed to allow the wider use of appliances. The results to date are already noted in increased appliance sales in the Yarmouth area.



Modern electric appliances, featured in attractive window displays, have proved their value in creating public interest and desire which has been reflected in sales and load growth.

This display won the first award in a Regional and in a National Contest.

transit

More trolley coaches were purchased and routes were extended in 1954 to provide even better transit service to the people of Halifax.

Despite the efficiency of equipment and personnel, the traffic congestion in down-town areas continues to be an acute operating problem which cannot be properly corrected until a suitable master traffic plan is developed.

The increasing use of private automobiles continued to affect patronage and revenue. However, the decrease in Halifax is not nearly as severe as that generally experienced by the transit industry all over America. This is due, we believe, to the high quality service available to patrons, efficient operation and fares that are the lowest in Canada.

The fast-growing residential and commercial sections of the Bayers Road area justified a one mile extension which was approved by the Board of Commissioners of Public Utilities.

There is great public interest in the new Angus L. Macdonald Bridge. Its completion will bring new passenger opportunities for the Company's transit system because the Public Utilities Board approved a new transit route to provide service across this bridge and to down-town Halifax. Operation across the bridge will commence with the completion of the structure early in 1955.

These extensions necessitated the purchase of four new trolley coaches to bring the total number to 81.

All through the year the whole trolley coach fleet was maintained in excellent condition. The Company's planned maintenance programme was continued and a number of the coaches were completely repainted.

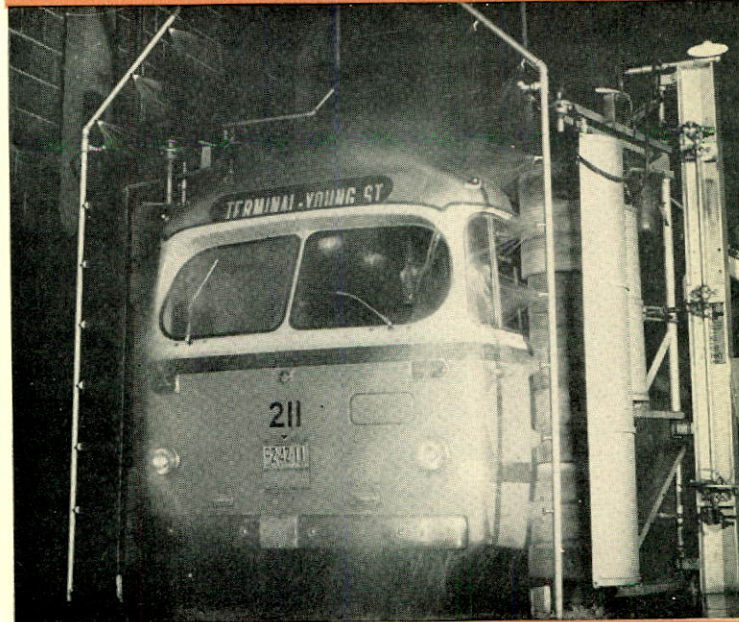
The number of passengers carried in 1954 was 24,941,191. This is slightly less than the 1953 figure of 25,063,282. Gross revenue was \$1,809,945 as compared with \$1,811,197 in 1953.

Operating economies are reflected in the number of coach miles travelled, which was 2,707,491, a decrease of 25,111 compared with the 1953 figure of 2,732,602.

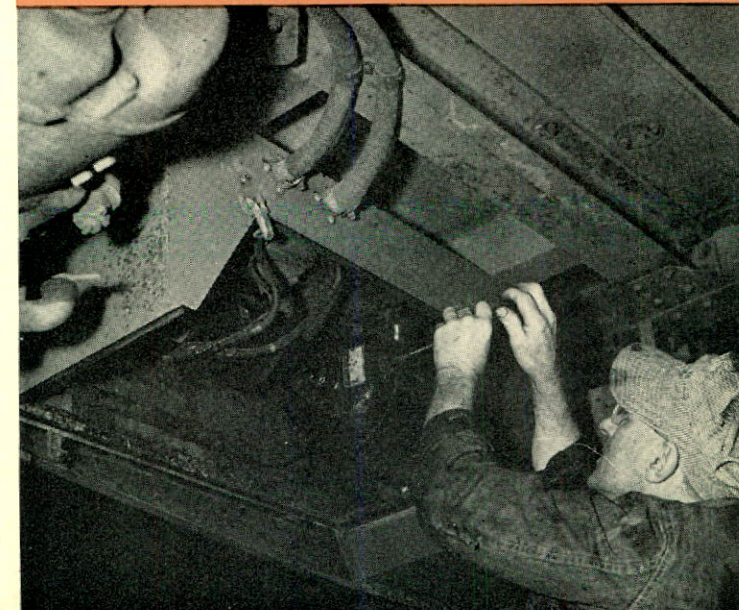
Despite the rigid enforcement all through the year of every possible operating economy, the total operating expense amounted to \$1,739,494, an increase of \$80,081 above the 1953 figure. This is mainly due to the higher labour costs resulting from the establishment of a five-day week.



Halifax people are proud of our fleet of new trolley coaches which provide excellent transit service to all parts of the city.



A trolley coach goes through the washing machine. Every trolley coach is thoroughly cleaned, inside and out, every day . . . running gear and brakes are also carefully tested by experienced mechanics like Frank Armitage.



the employee story

We are proud of our employees. They have done a good job, not only in their daily work, but also by the sense of responsibility they have shown in community affairs. During 1954, and all through the years, the continued progress of the Company and the efficiency and reliability of its service have resulted from the skill, loyalty, and teamwork of employees just as much as from the improvements in equipment and technology.

Our employees feel that the Company is a good place to work. This is borne out by the fact that the Company has always been able to attract to its employment an outstanding group of capable people, both men and women. Employees stay with the Company, not only be-

cause of the fair wages and good working conditions, but also because of the good relationships that exist among the employees in every department.

The large number of long-service people in the Company indicates a wide degree of job satisfaction and also reflects the ability of our people to work together as a team. This team spirit helps to foster a closely knit employee organization that develops skill and experience. This reacts to the benefit of customers in good service, as well as to the benefit of the Company in efficient operation of equipment and office procedure.

The Company, on its part, offers to employees good working conditions; steady employment; fair pay rates that are well in line with those throughout the service area for jobs requiring similar skill and responsibility; a liberal and well balanced plan of fringe benefits including a sound Pension, Group Insurance and Sickness Benefit plan; vacations with pay that may be as long as three weeks for those with fifteen years service; and a number of other benefits. In addition, and perhaps most important of all, the Company offers opportunity for advancement to ambitious and capable employees. In every phase of the Company's wide-spread operations there is real understanding, appreciation, and human regard for every employee as a person and as an individual. This human touch has been largely responsible for developing the wonderful spirit of teamwork that prevails in every department of the Company.

While it is impossible to put a price on long service and loyalty they can be suitably recog-



Vice-President W. N. Wickwire, M.B.E., Q.C., presents a service award to Basil Gordon, Machine Shop Foreman, with forty-four years service.

Your Directors were hosts at the first Quarter Century Club dinner, attended by long-service employees and their wives. Engraved watches were presented to 161 employees who had twenty-five or more years service.

nized. Your Directors inaugurated a programme of service awards that has met with the wholehearted approval of the employees. At the end of the year, 161 employees with twenty-five or more years service became members of the newly organized Quarter Century Club and were presented with engraved watches; 43 employees with twenty to twenty-four years service received a gold lapel pin; 288 employees with ten to nineteen years service received a silver pin; and 232 employees with five to nine years service received enamelled lapel pins.

officers

It is with deep regret that your Directors record the death on December 21st of Cecil J. Hayes, who had been the Secretary of the Company for more than thirty years. He made a great contribution to the progress of the Company. His loss will be keenly felt.

Another great loss was suffered in the passing on November 18th of Kenneth L. Dawson who served with the Company since 1917. For many years Mr. Dawson was Superintendent of the Gas Department, but in recent years he was Statistical Officer.

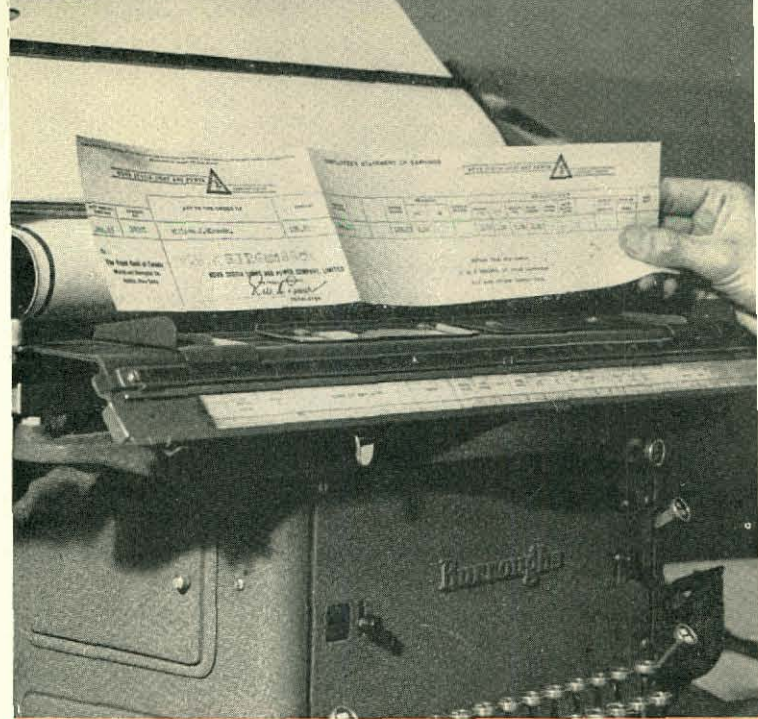
Effective January 1, 1955, Mr. C. J. Webb was temporarily appointed Secretary of the Company and its Subsidiaries, in addition to his duties as Treasurer.

civil defence

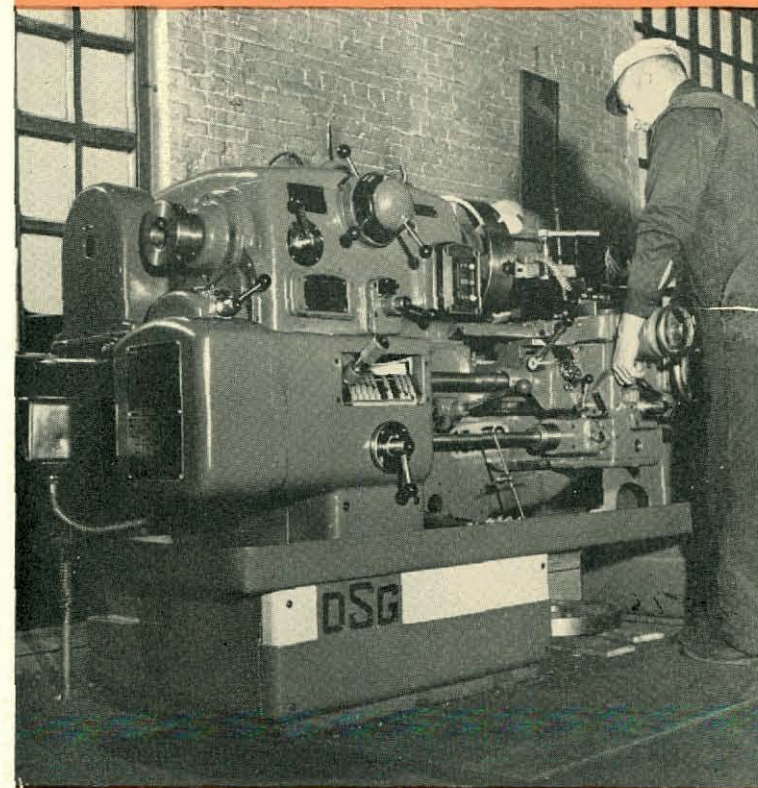
Because electricity plays such an important part in modern living, the Company continues to co-operate closely with the Civil Defence authorities. All through the year the Civil Defence programme steadily continued with the training of people for possible emergency.

The Civil Defence concept of the necessity for maintaining a continuous supply of electric service has been reflected in the Company's planning and construction programme.

We have confidence that we shall be able to meet whatever crisis the future may hold. This confidence is backed by the Company's long experience in training its employees to meet emergencies, the specialized knowledge gained by participating in Civil Defence planning, coupled with the skill and devotion of employees.



A mighty important machine to every employee.
Here one of the staff in the Paymaster's department prepares a pay cheque. In 1954 salaries and wages were the highest in the Company's history, amounting to \$3,456,782.
In addition, employee benefits including Pension Plan, Group Life Insurance, Sickness Benefits, Workmen's Compensation, Vacations, and other items cost the company an additional \$300,000.



(Lewis Strickland)
At the end of the year the Company's investment in plant and equipment totalled \$43,602,599. This means that the job of each of the 1,152 employees is backed by \$38,000 worth of "tools", generators, trucks, poles, typewriters, desks, and many other things.
Electric utilities, due to the nature of their business, require a tremendous investment in equipment in relation to the number of employees . . . more than four times as much as the average Canadian industry. The average investment "per customer" is only \$500.

THIS IS NOVA SCOTIA LIGHT AND POWER



... a Company having electric generating equipment with a rated capacity of 129,293 horsepower supplying half the electric customers in Nova Scotia, including those in the greater Halifax area.



... having a modern transit system in Halifax with 81 trolley coaches operating over 22 miles of city streets, carrying more than 25,000,000 passengers per year.

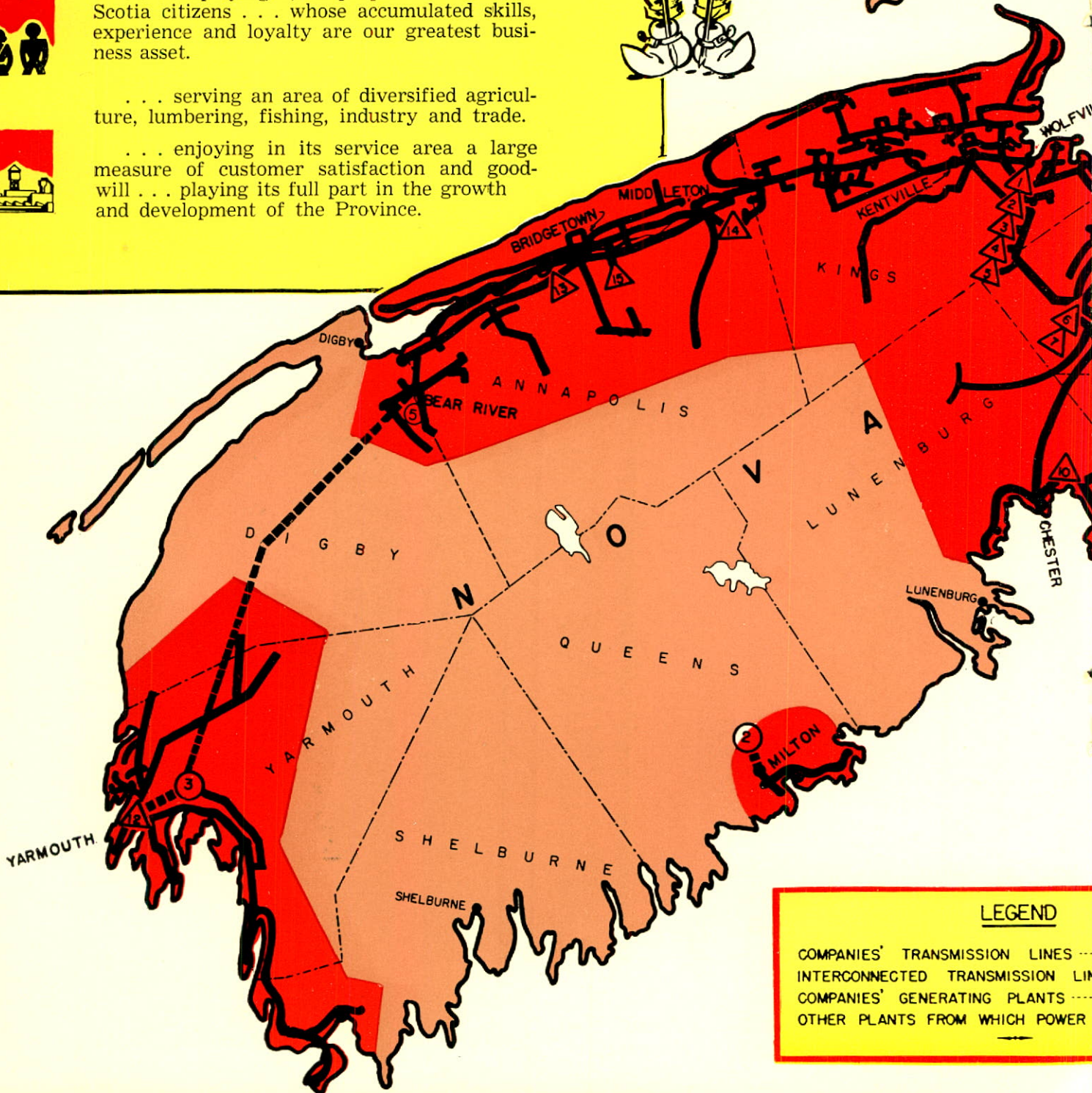
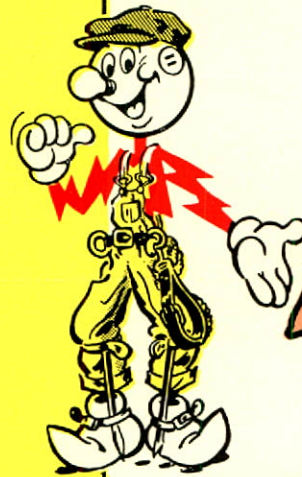


... employing 1,152 people ... all Nova Scotia citizens ... whose accumulated skills, experience and loyalty are our greatest business asset.



... serving an area of diversified agriculture, lumbering, fishing, industry and trade.

... enjoying in its service area a large measure of customer satisfaction and goodwill ... playing its full part in the growth and development of the Province.



LEGEND

COMPANIES' TRANSMISSION LINES ---
 INTERCONNECTED TRANSMISSION LINES - - -
 COMPANIES' GENERATING PLANTS (Circles with numbers)
 OTHER PLANTS FROM WHICH POWER (Triangles with numbers)

safety

All through the years the Company has placed great stress on its safety programme. Regular safety meetings have been held in all departments and districts. A wide variety of special films on industrial safety have been shown to employees. A series of safety posters has been displayed on notice boards and other appropriate places throughout Company plants and offices. Specially prepared letters on safety topics have been sent to employees at their homes in order to make sure that they would be carefully read and shared with those whose welfare and happiness depend on the breadwinner being safety conscious. Safety equipment and devices of many kinds have been supplied for hazardous jobs. Instruction in safe working procedure has been emphasized. Constant care has been given to the removal of accident hazards. In short, all through the years every possible technique has been used to reduce accidents and every effort has been made to make all employees "safety conscious".

And yet, despite all this, a fatal automobile accident occurred to mar the otherwise excellent safety record for the year 1954.

During the year a special safety manual, covering all phases of operation, was prepared

and distributed to all operating personnel. This manual puts in black and white all the regular and many unwritten rules of the past and it should prove to be an effective tool in still further reducing accidents in the future.

During the year, the Company's Safety Supervisor visited a number of schools in the service area. Films on safety were shown and talks were given to the pupils on matters of general safety, warning them against kite flying near electric lines, touching fallen wires, breaking insulators, and the great hazard of climbing electric poles and steel towers.

An unusual feature of the Company's safety programme is the placing of the National Safety Council's "Safety Calendar" in every classroom of every school in the service area. Teachers are requested to spend a few moments on safety instruction each month as they turn the page.

During the hunting season, a special series of advertisements was carried in all of the newspapers in the service area stressing the effects of shooting insulators, with the serious situations that can result to hospitals and other vital services to people.



A new safety office and a well equipped first-aid station, with Mrs. Dorothy Miller, R.N., in attendance, was opened at the Water Street generating plant in Halifax. Here, Pete Melanson receives treatment for leg and arm injuries.

public relations

Our Public Relations programme begins at home. We are judged by the things we do and the things we say in the day to day conduct of our business.

The high regard, in which the Company is held throughout its service areas stems not only from the good electric and transit service supplied to customers but mainly from the skill, courtesy, and friendliness that our employees have shown in handling millions of transactions with our customers all through the years.

The Company strives in every possible way to work for the industrial development and betterment of Nova Scotia.

In community affairs the Company endeavors at all times to be a good citizen. It partici-

pates wholeheartedly in those organizations which make up the business world, such as boards of trade and other associations, whose efforts are devoted to better business conditions as well as community betterment.

The Company's employees are good citizens and good neighbours in the communities in which they work and live and bring up their families. They too give freely of their time and talents in supporting worthwhile community activities. Their individual contributions have been noteworthy in such organizations as boards of trade, service clubs, YMCA, Community Chest and other charities, home and school associations, fraternal and religious organizations, athletic clubs, fish and game associations, and many other fields of community activity too numerous to mention.



The Kilowatt Chorus broadcasting from the stage at the Quarter Century Club dinner. The Company's radio programme, "Your Children Sing", now in its 9th consecutive year, has provided opportunity for talented young singers—and, through its weekly messages to the radio audience, has done much to create wider understanding and acceptance of the Company as a good citizen and neighbor.

ownership

The Company is a business-managed, tax-paying utility that is directly owned by its stockholders. It is not a part of, nor is it affiliated in any way with, any other operating company or financial institution.

Its operating policies are determined by its own directors and officers.

Today more people own shares of the Company's Ordinary and Preferred stock than ever before. At the end of the year there were more than 8,000 holders of shares. These shareholders are people in all walks of life. They represent a typical cross-section of employees, customers, as well as others who live in Nova Scotia, other provinces of Canada, and elsewhere. Some shares are also owned by banks, trust funds, educational and religious institutions, and others. Thus thousands of people have directly and indirectly invested their savings in the Company.

The Company's bonds are held almost entirely by insurance companies, thus the indirect ownership is even more widespread throughout the whole continent.

While the average shareholder owns fifty-three shares, the records indicate that 80% of the shareholders own less than fifty shares each. In fact the shares of the ten largest shareholders when added together amount to less than 16% of the total.

During recent years there has been a decided increase in the ownership of shares within the service area of the Company, with the result that, today the Company is largely owned by those it serves. This is an excellent indication of the high regard in which the Company is held.

the future

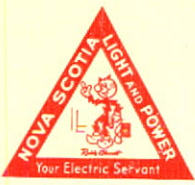
We look ahead with confidence because there are many favourable factors in the economic outlook for Nova Scotia that will directly benefit our business.

There is a high level of commercial and industrial construction activity. Defence expenditures continue in our service area and throughout the Province. The increasing population creates further demands for housing and consumer goods. Employment continues at a satisfactory level, with personal income and savings at record figures. The general business outlook is good. All of these factors indicate increasing demands for electricity. However, all of these favourable factors bring to the Company greater responsibility as well as greater opportunities for service. The year ahead will be one of activity and expansion of both generating and distributing facilities to meet increasing customer demands. The construction programme calls for the expenditure of \$30,000,000 during the next five years, with \$6,000,000 allocated for 1955. This is not only tangible proof of our faith in the progressive prosperity of Nova Scotia but it is also an effective contribution to its economic development.

In the future as in the past, we will strive in every possible way to play our full part in promoting the commercial development of Nova Scotia and the progress of its people.



J. C. MacKeen
President.



Statistics



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

and Wholly-Owned Subsidiary Companies

ELECTRIC

Revenue	1954	1953	1952	1951	1950
Domestic	\$ 3,525,576	\$ 3,208,192	\$ 2,798,219	\$ 2,545,317	\$ 1,976,035
Commercial Light	1,985,069	1,848,193	1,705,032	1,536,543	1,297,585
Commercial Power	1,917,560	1,775,334	1,622,907	1,474,251	1,102,553
Industrial Power	511,136	491,458	416,499	346,987	262,100
Other Electric Utilities	190,636	169,493	162,194	147,000	158,871
Miscellaneous	366,268	362,291	374,727	366,301	300,785
Total	\$ 8,496,245	\$ 7,854,961	\$ 7,079,578	\$ 6,416,399	\$ 5,097,939

Kilowatt Hour Sales

Domestic	138,369,733	121,460,918	100,659,475	87,778,470	76,990,923
Commercial Light	53,531,124	50,554,738	46,570,710	42,370,135	41,458,420
Commercial Power	89,344,865	82,776,372	74,927,507	67,197,155	58,601,879
Industrial Power	42,722,652	41,329,980	34,002,412	28,517,984	22,206,239
Other Electric Utilities	12,514,827	10,968,753	11,785,019	10,277,332	9,664,614
Miscellaneous	16,927,706	16,809,695	17,473,064	17,067,347	17,181,681
Total	353,410,907	323,900,456	285,418,187	253,208,423	226,103,756

Customers (as of December 31)

	1954	1953	1952	1951	1950
Domestic	63,913	61,392	58,739	55,676	53,757
Commercial Light	8,040	7,765	7,561	7,453	7,216
Commercial Power	2,682	2,452	2,278	2,160	2,058
Industrial Power	14	13	13	13	13
Other Electric Utilities	3	3	3	3	3
Miscellaneous	53	55	59	59	59
Total	74,705	71,680	68,653	65,364	63,106

TRANSIT

Operating Revenue	\$ 1,809,945	\$ 1,811,197	\$ 1,848,857	\$ 1,656,451	\$ 1,692,975
Revenue Passengers Carried	24,941,191	25,063,282	26,358,293	25,715,034	26,019,377
Revenue Coach Miles	2,704,316	2,727,578	2,804,198	2,761,280	2,746,317

EMPLOYEES

Number as of Dec. 31	1,152	1,177	1,097	1,072	1,049
Wages and Salaries Paid	\$ 3,456,782	\$ 3,282,257	\$ 3,154,244	\$ 2,901,890	\$ 2,670,411



NOVA SCOTIA LIGHT AND
AND WHOLLY-OWNED

Consolidated

as at December 31st,

ASSETS

FIXED ASSETS

Land, Plant and Equipment of Electric and Transit Systems
at cost. (Including Intangible Plant in process of
amortization).

Assets of discontinued Gas Department disposed of in 1954

INVESTMENTS

Partially-owned Subsidiary Companies not consolidated—
Shares, Bonds and Advances

Other

SINKING FUNDS HELD BY TRUSTEES FOR BONDHOLDERS

UNAMORTIZED DISCOUNTS, PREMIUMS AND EXPENSE ON SECURITIES ISSUED AND REDEEMED

CURRENT ASSETS

Cash on Hand and in Banks

Funds on Deposit or temporarily invested

Working Funds

Accounts Receivable, less Reserve

Sundry Accrued Interest

Materials, Supplies and Merchandise

Inventories valued at cost as shown by Book Records
adjusted periodically to agree with physical inventories

Prepaid Expenses

1954	1953
\$43,602,599	\$38,778,944
—	1,093,926
184,848	168,740
250	250
<u>185,098</u>	<u>168,990</u>
63,501	103,312
416,855	360,224
314,084	429,780
—	953,730
16,290	17,405
1,091,677	1,162,753
1,522	10,377
1,048,339	1,066,028
110,489	76,119
<u>2,582,401</u>	<u>3,716,192</u>
<u>\$46,850,454</u>	<u>\$44,221,588</u>

Approved on Behalf of the Board:

J. C. MacKeen Director.

W. W. Hickman Director.



Balance Sheet

1954 and 1953

LIABILITIES

	1954	1953
CAPITAL STOCK AND SURPLUS		
Cumulative Redeemable Preference Shares of \$100.00 par value (Details page 30)	\$ 9,757,200	\$ 8,187,200
Ordinary Shares. No Par Value (Details page 30)	3,845,541	3,845,541
	<u>13,602,741</u>	<u>12,032,741</u>
CONSOLIDATED SURPLUS—Balance as at December 31st	3,687,830	3,111,082
	<u>17,290,571</u>	<u>15,143,823</u>
FUNDED DEBT		
First Mortgage Bonds (Details page 30)	16,044,000	16,195,000
5% Debentures (Kingston Electric Commission) (Details page 30)	18,000	18,000
	<u>16,062,000</u>	<u>16,213,000</u>
TOTAL CAPITAL STOCK, SURPLUS AND FUNDED DEBT	<u>33,352,571</u>	<u>31,356,823</u>
Amount retained towards future Income Tax Requirements (See Note on page 25)	926,446	—
RESERVES		
Depreciation	10,108,800	10,679,961
Miscellaneous	297,530	121,264
	<u>10,406,330</u>	<u>10,801,225</u>
CURRENT LIABILITIES		
Dividend Payable January 2nd on Ordinary Shares	120,473	172,104
Accounts Payable	1,402,375	1,028,775
Income Tax Payable	87,780	277,430
Accrued Bond Interest	185,273	186,890
Sundry Accrued Items and Other Credits	62,685	112,030
Customers' Deposits and Accrued Interest thereon	306,521	286,311
	<u>2,165,107</u>	<u>2,063,540</u>
	<u>\$46,850,454</u>	<u>\$44,221,588</u>

EXAMINED AND VERIFIED IN ACCORDANCE WITH OUR ATTACHED
REPORT TO THE SHAREHOLDERS, DATED FEBRUARY 14th, 1955

CROWELL, BALCOM & CO.
Chartered Accountants.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED
AND WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Income

for the years ended December 31st, 1954 and 1953

	1954	1953
Revenues from Electric and Transit Services and Miscellaneous Income	\$10,531,351	\$9,520,395
DEDUCT:		
Cost of Power Generated and Purchased	2,515,747	2,138,144
Operating, Maintenance and General Expenses	2,945,522	2,700,172
Taxes	636,074	575,808
Provision for Depreciation at rates approved by The Nova Scotia Board of Commissioners of Public Utilities	1,491,669	1,408,207
	<hr/>	<hr/>
	7,589,012	6,822,331
	<hr/>	<hr/>
Net Revenue from Operations	2,942,339	2,698,064
DEDUCT:		
Bond Interest	595,973	536,704
Net Interest earned on Loans, etc.	(21,401)	(2,083)
Interest charged to Construction	(152,344)	(99,000)
	<hr/>	<hr/>
	422,228	435,621
	<hr/>	<hr/>
Net Income from Operations	2,520,111	2,262,443
DEDUCT:		
Gas Operating Loss	—	63,959
Changing Customer Services from Gas to Electricity	4,423	50,610
Provision for Income Taxes. (See Note page 25)	1,084,556	935,315
Amortization of Discounts, Premiums and Expense on Securities	26,932	26,908
Amortization of Intangible Plant	28,450	25,000
	<hr/>	<hr/>
	1,144,361	1,101,792
	<hr/>	<hr/>
	1,375,750	1,160,651
ADD:		
Dividends from partially-owned Subsidiary Companies	658	4,732
	<hr/>	<hr/>
NET INCOME TRANSFERRED TO CONSOLIDATED SURPLUS ACCOUNT	\$1,376,408	\$1,165,383
	<hr/> <hr/>	<hr/> <hr/>



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED
AND WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Surplus Account

for the years ended December 31st, 1954 and 1953

	1954	1953
BALANCE—January 1st	\$3,111,082	\$2,964,129
Reversing provision for additional depreciation made 1951-1953 (\$1,426,530) less related Income Tax adjustments (\$709,256)	717,274	(223,273)
Disposal of Balance of Gas Plant Assets (\$1,011,562) less related Income Tax adjustment (\$465,144)	(546,418)	—
	<u>3,281,938</u>	<u>2,740,856</u>
Net Income from Consolidated Statement of Income	1,376,408	1,165,383
Miscellaneous non-operating adjustments—Net	52,736	(9,968)
	<u>4,711,082</u>	<u>3,896,271</u>
DEDUCT:		
Cost of Redeeming 6% Preference Shares	181,018	—
Dividends on Preference Shares	411,974	394,874
Dividends on Ordinary Shares	430,260	390,315
	<u>1,023,252</u>	<u>785,189</u>
BALANCE — December 31st	<u>\$3,687,830</u>	<u>\$3,111,082</u>

NOTE: The Income Tax Liability on the year's earnings amounts to \$866,941. A difference results from using the "diminishing balance" depreciation rates required by Income Tax Regulations which are initially greater than the "straight line" rates used in Company accounting by order of the Nova Scotia Public Utilities Board. The additional depreciation taken for this purpose in 1954 amounts to \$473,793.

The difference between Income Tax actually payable each year and that shown in the Income Statement is being set aside for the time when the Tax Liability may be greater using Income Tax Regulation Depreciation Rates rather than Public Utilities Board Rates.

Revised Income Tax Regulations do not now require such additional depreciation to be recorded in Depreciation Reserve.

At December 31st, 1953 \$1,426,530 Depreciation on Electric and Transit Plant had been set up in the books for 1951-53 in excess of amounts required by Public Utilities Board Order, and shown in Surplus Account less \$709,256 related Income Tax adjustments. These entries have now been reversed and accumulated Tax differences have been transferred to the Balance Sheet under "Amount retained towards future Income Tax Requirements."



Balance

as at December 31st.

ASSETS

FIXED ASSETS

Land, Plant and Equipment of Electric and Transit Systems at cost. (Including Intangible Plant in process of amortization).
Assets of discontinued Gas Department disposed of in 1954

1954	1953
\$40,807,568	\$36,099,901
—	1,093,926

INVESTMENTS IN AND ADVANCES TO SUBSIDIARY COMPANIES

Shares
Bonds
Advances

705,241	694,841
611,591	621,372
695,511	676,919
<u>2,012,343</u>	<u>1,993,132</u>

SINKING FUNDS HELD BY TRUSTEES FOR BONDHOLDERS

63,501	103,312
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UNAMORTIZED DISCOUNTS, PREMIUMS AND EXPENSE ON SECURITIES ISSUED AND REDEEMED

414,612	357,676
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CURRENT ASSETS

Cash on Hand and in Banks
Funds on Deposit or temporarily invested
Working Funds
Accounts Receivable, less Reserve
Sundry Accrued Interest
Materials, Supplies and Merchandise
Inventories valued at cost as shown by Book Records adjusted periodically to agree with physical inventories.
Prepaid Expenses

274,998	396,646
—	953,730
14,765	15,763
1,022,330	1,100,469
12,309	23,666
992,167	1,011,730
107,234	70,211
<u>2,423,803</u>	<u>3,572,215</u>
<u>\$45,721,827</u>	<u>\$43,220,162</u>

Approved on Behalf of the Board:

J. C. MacKeen Director.

W. W. Whittaker Director.



Sheet

1954 and 1953

LIABILITIES		1954	1953
CAPITAL STOCK AND SURPLUS			
Cumulative Redeemable Preference Shares of \$100.00 par value. (Details page 30)		\$ 9,757,200	\$ 8,187,200
Ordinary Shares. No Par Value. (Details page 30)		3,845,541	3,845,541
		<u>13,602,741</u>	<u>12,032,741</u>
SURPLUS—Balance as at December 31st		3,528,435	3,027,987
		<u>17,131,176</u>	<u>15,060,728</u>
FUNDED DEBT			
First Mortgage Bonds (Details page 30)		16,044,000	16,195,000
5% Debentures (Kingston Electric Commission) (Details page 30)		18,000	18,000
		<u>16,062,000</u>	<u>16,213,000</u>
TOTAL CAPITAL STOCK, SURPLUS AND FUNDED DEBT		<u>33,193,176</u>	<u>31,273,728</u>
Amount retained towards future Income Tax Requirements (See Note on page 29)		901,487	—
RESERVES			
Depreciation		9,303,693	9,913,944
Miscellaneous		266,028	70,835
		<u>9,569,721</u>	<u>9,984,779</u>
CURRENT LIABILITIES			
Dividend Payable January 2nd, on Ordinary Shares		120,473	172,104
Accounts Payable		1,362,762	988,087
Income Tax Payable		72,223	267,804
Accrued Bond Interest		185,273	186,890
Sundry Accrued Items and Other Credits		62,685	112,030
Customers' Deposits and Accrued Interest thereon		254,027	234,740
		<u>2,057,443</u>	<u>1,961,655</u>
		<u>\$45,721,827</u>	<u>\$43,220,162</u>

EXAMINED AND VERIFIED IN ACCORDANCE WITH OUR ATTACHED
REPORT TO THE SHAREHOLDERS, DATED FEBRUARY 14th, 1955

CROWELL, BALCOM & CO.
Chartered Accountants.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Statement of Income

for the years ended December 31st, 1954 and 1953

	1954	1953
Revenues from Electric and Transit Services and Miscellaneous Income	\$9,800,330	\$8,819,266
DEDUCT:		
Cost of Power Generated and Purchased	2,249,546	1,871,405
Operating, Maintenance and General Expenses	2,745,446	2,515,393
Taxes	619,641	560,231
Provision for Depreciation at rates approved by The Nova Scotia Board of Commissioners of Public Utilities	1,387,309	1,308,810
	<hr/>	<hr/>
	7,001,942	6,255,839
Net Revenue from Operations	<hr/>	<hr/>
	2,798,388	2,563,427
DEDUCT:		
Bond Interest	595,973	536,704
Net Interest Earned on Investments, Loans, etc.	(76,229)	(53,982)
Interest charged on Construction	(152,344)	(99,000)
	<hr/>	<hr/>
	367,400	383,722
Net Income from Operations	<hr/>	<hr/>
	2,430,988	2,179,705
DEDUCT:		
Gas Operating Loss	—	63,959
Changing Customer Services from Gas to Electricity	4,423	50,610
Provision for Income Taxes. (See Note page 29)	1,045,124	898,479
Amortization of Discounts, Premiums and Expense on Securities	26,627	26,603
Amortization of Intangible Plant	25,000	25,000
	<hr/>	<hr/>
	1,101,174	1,064,651
	<hr/>	<hr/>
	1,329,814	1,115,054
ADD:		
Dividends from Subsidiary Companies	41,658	41,732
	<hr/>	<hr/>
NET INCOME TRANSFERRED TO SURPLUS ACCOUNT	<hr/>	<hr/>
	\$1,371,472	\$1,156,786



Surplus Account

for the years ended December 31st, 1954 and 1953

	1954	1953
BALANCE—January 1st	\$3,027,987	\$2,883,814
Reversing provision for additional depreciation made 1951-1953 (\$1,381,974) less related Income Tax adjustments (\$689,430). (See note below)	692,544	(217,330)
Disposal of Balance of Gas Plant Assets (\$1,011,562) less related Income Tax adjustment (\$465,144)	(546,418)	—
	<u>3,174,113</u>	<u>2,666,484</u>
Net Income from Statement of Income	1,371,472	1,156,786
Miscellaneous non-operating adjustments—Net	6,102	(10,094)
	<u>4,551,687</u>	<u>3,813,176</u>
DEDUCT:		
Cost of Redeeming 6% Preference Shares	181,018	—
Dividends on Preference Shares	411,974	394,874
Dividends on Ordinary Shares	430,260	390,315
	<u>1,023,252</u>	<u>785,189</u>
BALANCE — December 31st	<u>\$3,528,435</u>	<u>\$3,027,987</u>

NOTE: The Income Tax Liability on the year's earnings amounts to \$332,642.45. A difference results from using the "diminishing balance" depreciation rates required by Income Tax Regulations which are initially greater than the "straight line" rates used in Company accounting by order of the Nova Scotia Public Utilities Board. The additional depreciation taken for this purpose in 1954 amounts to \$462,493.

The difference between Income Tax actually payable each year and that shown in the Income Statement is being set aside for the time when the Tax Liability may be greater using Income Tax Regulation Depreciation Rates rather than Public Utilities Board Rates.

Revised Income Tax Regulations do not now require such additional depreciation to be recorded in Depreciation Reserve.

At December 31st, 1953 \$1,381,974 Depreciation on Electric and Transit Plant had been set up in the books for 1951-53 in excess of amounts required by Public Utilities Board Order, and shown in Surplus Account less \$689,430 related Income Tax adjustments. These entries have now been reversed and accumulated Tax differences have been transferred to the Balance Sheet under "Amount retained towards future Income Tax Requirements."



Details Funded Debt and Capital Stock

as at December 31st, 1954 and 1953

FUNDED DEBT

First Mortgage Bonds

	1954	1953
3 $\frac{3}{8}$ % Series due May 1st, 1971, \$7,500,000 less redeemed	\$ 6,865,000	\$ 6,945,000
3 $\frac{3}{4}$ % Series due July 2nd, 1968, \$3,000,000 less redeemed	2,806,000	2,841,000
3 $\frac{1}{2}$ % Series due Nov. 1st, 1972, \$1,500,000 less redeemed	1,422,000	1,438,000
3 $\frac{5}{8}$ % Series due Sept. 1st, 1973, \$3,000,000 less redeemed	2,871,000	2,871,000
4 $\frac{7}{8}$ % Series due July 2nd, 1974, \$2,100,000 less redeemed	2,080,000	2,100,000
	<u>16,044,000</u>	<u>16,195,000</u>

5% Debentures due Sept. 1st, 1957 (Kingston Electric Commission)

	18,000	18,000
	<u>\$16,062,000</u>	<u>\$16,213,000</u>

CAPITAL STOCK

Cumulative Redeemable Preference shares of \$100 par value Authorized and fully issued:

24,300 Shares 6% (Redeemed in 1954)	\$ —	\$ 2,430,000
20,000 Shares 4%	2,000,000	2,000,000
77,572 Shares 4 $\frac{1}{2}$ % (Issued 40,000 Shares in 1954)	7,757,200	3,757,200
	<u>9,757,200</u>	<u>8,187,200</u>

Ordinary Shares of no par value

Authorized: 500,000 Shares		
Issued: 344,208 Shares	3,845,541	3,845,541
	<u>\$13,602,741</u>	<u>\$12,032,741</u>

auditor's report

411 ROY BUILDING

M. C. CROWELL C. A.
R. I. BALCOM C. A.
L. J. WILSON C. A.
G. G. WACKINNON C. A.
J. G. VICKERY C. A.
HUGH E. SPENCER C. A.

CROWELL, BALCOM & CO.
CHARTERED ACCOUNTANTS.
HALIFAX, NOVA SCOTIA.

P. O. BOX 202

CABLE ADDRESS
"CROWBALCO"

NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED AND WHOLLY-OWNED SUBSIDIARY COMPANIES AUDITORS' REPORT DECEMBER 31st, 1954

To the Shareholders,

Nova Scotia Light and Power Company, Limited:

We report that we have examined the books and accounts of the Nova Scotia Light and Power Company, Limited for the year ended December 31st, 1954, and have obtained all the information and explanations we have required.

In our opinion the attached Balance Sheet and related Surplus Account and Statement of Income are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31st, 1954, and the results from operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

We have also examined the books and accounts of the three Subsidiary Companies, wholly owned by Nova Scotia Light and Power Company, Limited, for the year ended December 31st, 1954. We have examined the Consolidated Balance Sheet and related Consolidated Surplus Account and Consolidated Statement of Income, and in our opinion the attached statements are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Company and these Subsidiaries as at December 31st, 1953, and the results from combined operations for the year ended that date.

Halifax, Nova Scotia,
February 14, 1955

Crowell, Balcom & Co.
Chartered Accountants.



PHOTO BY KARSH

In Memoriam

WHEREAS it has pleased Almighty God, in His wisdom, to call to his rest James McGregor Stewart, a Commander of the British Empire, a Queen's Counsel, learned in the law, a Bachelor of Arts and a Bachelor of Laws of Dalhousie College, and a Doctor of Laws (Honoris Causa) of the University of King's College;

THEREFORE BE IT RESOLVED that the Board of Directors of Nova Scotia Light and Power Company, Limited do record its deep and abiding sense of loss in the following words, namely:

A great man has fallen. Great in his achievements, in his knowledge, in his humanity and in the example he set for all men.

James McGregor Stewart was a man amongst men. Courageously overcoming a physical handicap he, by his sheer ability and unflagging effort, gained for himself a unique reputation in the law and in the business life of Canada and was honoured by his King. A notable triumph of the spirit over the flesh.

The names of the institutions of which he was a director and held high executive position are a roll call of all that is best in Canadian business.

Yet he could turn from all this and become the profound scholar, learned in the great historians, poets and philosophers, not only of the classics but of more recent times.

Withal he never lost the common touch. He could and did walk with all men, and many, many of them he helped with wise counsel and with his confidence. He remained to the end a humble man.

Mr. Stewart became a director of this company in April 1926 and a vice-president in September 1931. Thus, for nearly thirty years—some of which have been hard indeed—the company has benefited greatly from his sage advice and sound planning.

James Stewart was called before his time. Yet he died as he would always have wanted to die—busy with affairs.

His passing leaves an ache in many a heart and a place which will not be filled in our time. But he also leaves a memory and an example which will always shine brightly.

Like Mr. Valiant for Truth—"So he passed over and all the trumpets sounded on the other side."

directors

H. P. BRIGGS

HON. GORDON B. ISNOR, Senator

R. A. JODREY

H. V. D. LAING, C.B.E., E.D.

J. C. MacKEEN

A. D. STAIRS

DENIS STAIRS, O.B.E., M.C., D. Eng.

*J. McG. STEWART, C.B.E., Q.C.

W. N. WICKWIRE, M.B.E., Q.C.

officers

J. C. MacKEEN
President

*J. McG. STEWART
Vice-President

W. N. WICKWIRE
Vice-President

N. T. SMITH
Manager

A. R. HARRINGTON
Assistant Manager

C. J. HAYES
Secretary
(See page 15)

MISS E. H. DOYLE
Assistant Secretary

C. J. WEBB
Treasurer

auditors

CROWELL, BALCOM & Co.
Halifax

transfer agents

THE EASTERN TRUST COMPANY, Halifax
and Montreal

registrars

THE ROYAL TRUST COMPANY, Montreal
and Halifax

MONTREAL TRUST COMPANY, Montreal
and Halifax

subsidiary companies

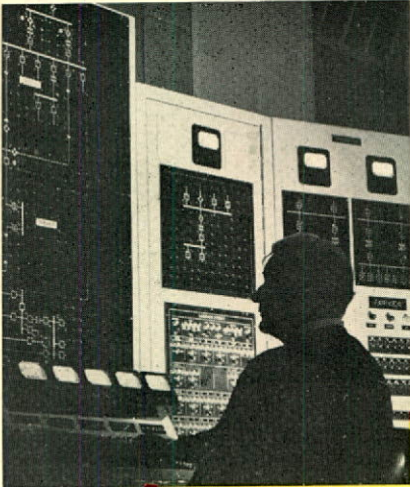
The Edison Electric Light and Power
Company, Limited of Springhill
Milton Hydro-Electric Company,
Limited

Western Nova Scotia Electric
Company, Limited

Cobequid Power Company, Limited
Northumberland Light and Power
Company, Limited



HEAD OFFICE
Capitol Building
HALIFAX, NOVA SCOTIA



*day
and
night...*

... all through the year skilled operators were on duty in the Company's generating plants because electric service is one service that never stops.



deGarthe.