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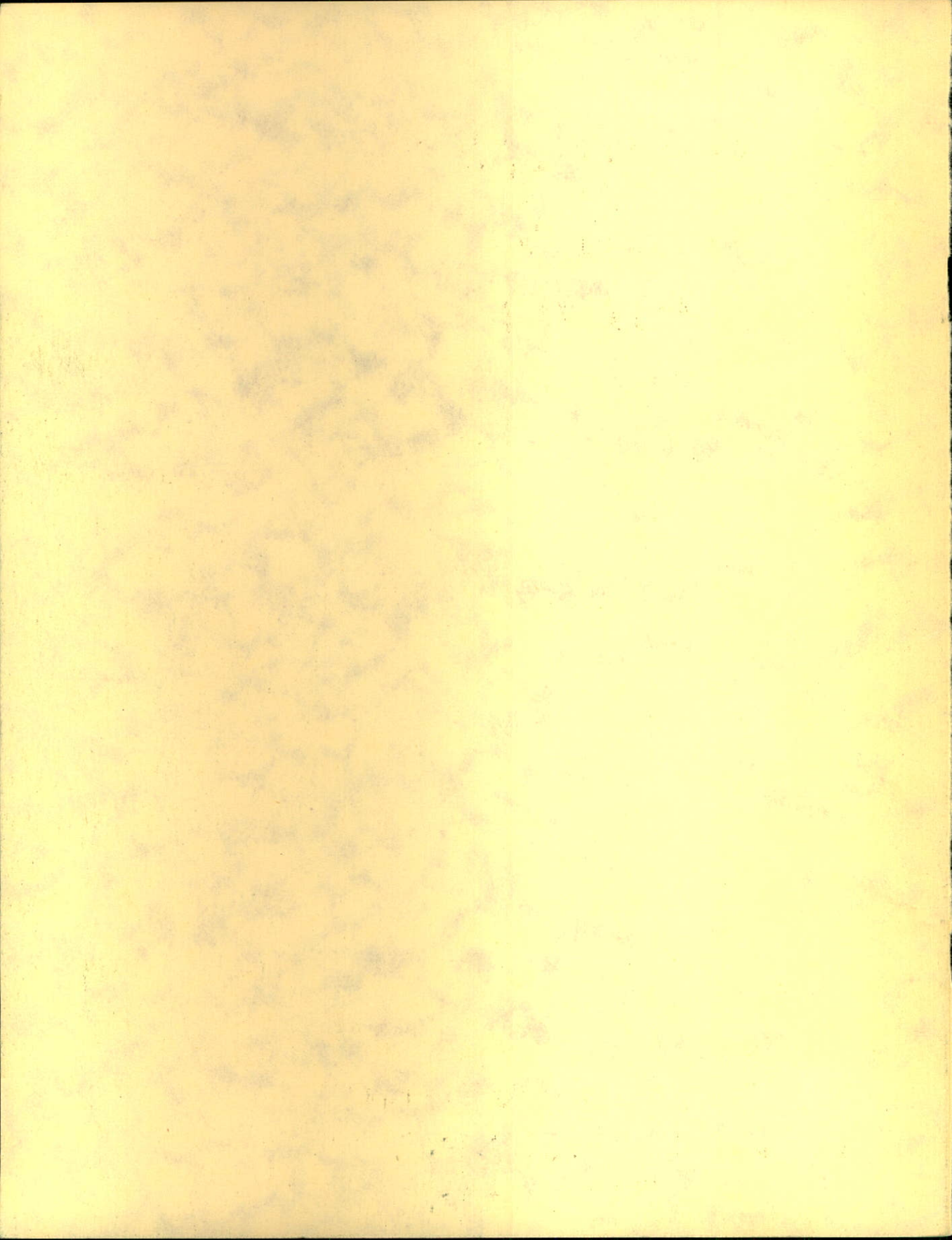
*annual
1948
report*

LOWER ST. LAWRENCE
POWER COMPANY

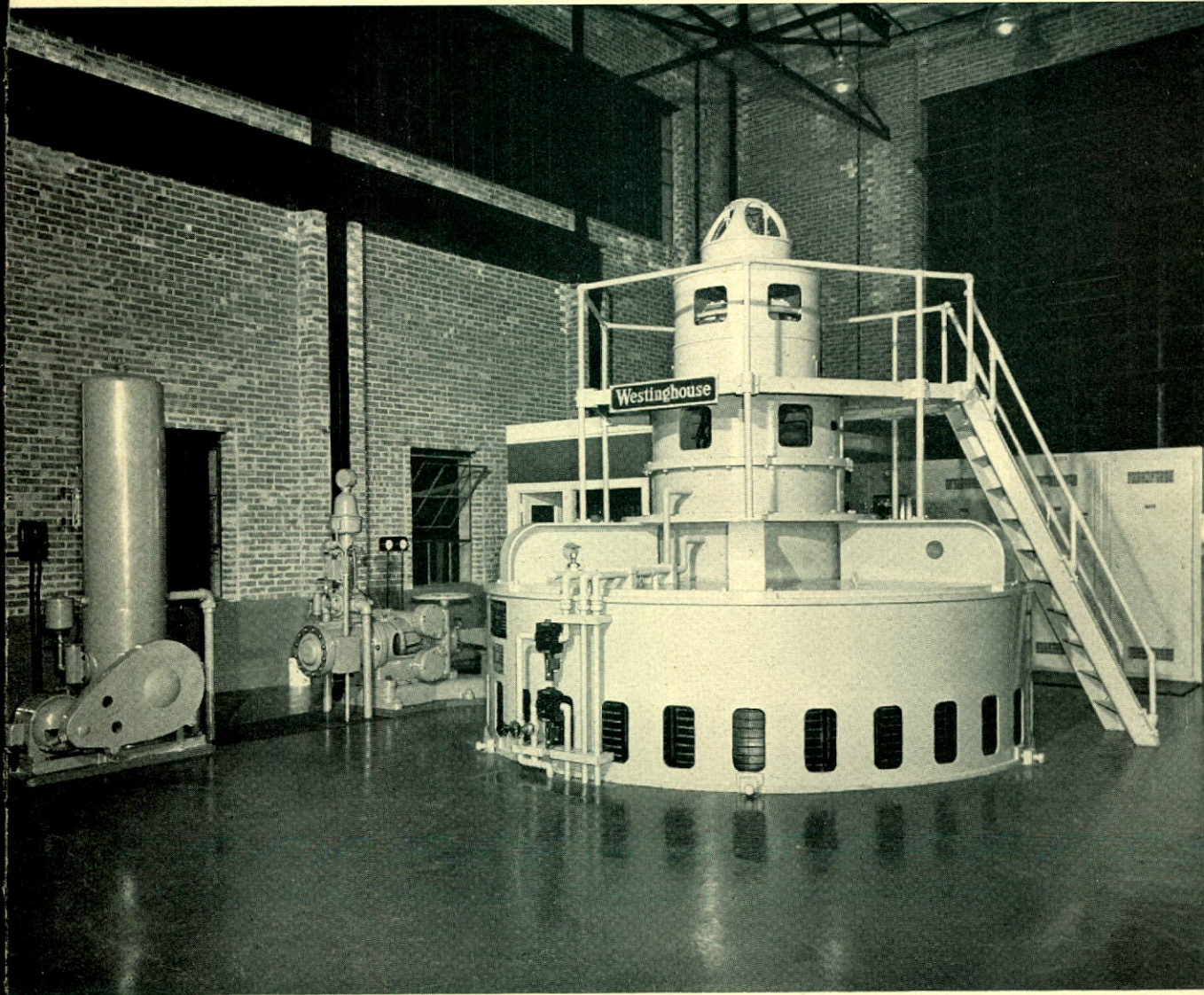
Rimouski

APR 8 1948

McGILL UNIVERSITY



INTERIOR VIEW — POWER HOUSE ON LOWER METIS RIVER



The President Reports

TO THE SHAREHOLDERS OF LOWER ST. LAWRENCE POWER COMPANY

Your directors, in presenting the Twenty-Sixth Annual Report of your Company, take pleasure in recording the achievements of the year 1948.

The optimism expressed in our review of 1947 has been largely justified, and in the following report a comprehensive picture is given of your Company's operations and progress during the past year.

REVENUES AND EARNINGS

The revenues of your company from all sources for the year ended December 31st, 1948, amounted to \$1,003,707, which is an increase of 19.9% over last year. NET EARNINGS after all charges amounted to \$161,716 for 1948 as compared to \$103,423 in 1947. This favourable increase has been due in large measure to :

- 1.—The active development of the area as a whole
- 2.—The increasing efficiency of our service
- 3.—The vigorous policy pursued in bringing our service to a greater number of consumers.

INCOME TAXES

Income and other taxes amounted to \$157,956 which shows considerable increase over 1947. The picture presented on page 17 graphically portrays the amount paid out over the years in taxes and we are proud to acknowledge our share in contributing to the wealth of our province.

OPERATING EXPENSE

Operating expense increased moderately from \$386,491 in 1947 to \$430,118 in 1948 or 11.3% as compared to the revenue increase of 19.9%. Operating profit of \$450,293 in 1947 increased to \$573,589 in 1948 or 27.4%.

NEW CONSTRUCTION

Both transmission and distribution systems were extended and improved during the year. Thirty-eight miles of 33 KV transmission line were built between Trois Pistoles and Cabano, thus permitting to serve the Cabano district from your Company's plants on the Metis river. Previously, the power required to serve the Cabano district was purchased from the Maine & New Brunswick Electrical Power Company Ltd. at a yearly average cost of \$20,000. Over one hundred miles of rural distribution lines were completed during the year making electrical service available to eight hundred additional farmers. Total capital expenditures in 1948 amounted to \$734,957.13.

RATES

Once more your company has reduced considerably its rates to its customers for Domestic, Commercial and Power Services. As your Company's policy is service to the public, it is with great pleasure and satisfaction that we record this reduction in cost of power, especially in view of the great increase in the other items of cost of living, as shown on page 12.

CONCLUSION

In concluding this report to the shareholders, we feel more confident than ever before in expressing our firm belief in the future of the area served by your Company. This area of the South Shore, linked as it is, to the immense mineral and industrial development now under way on the north shore offers definite prospects for the progress of the Company and the Lower St. Lawrence Region as a whole.

Submitted on behalf of the Board,

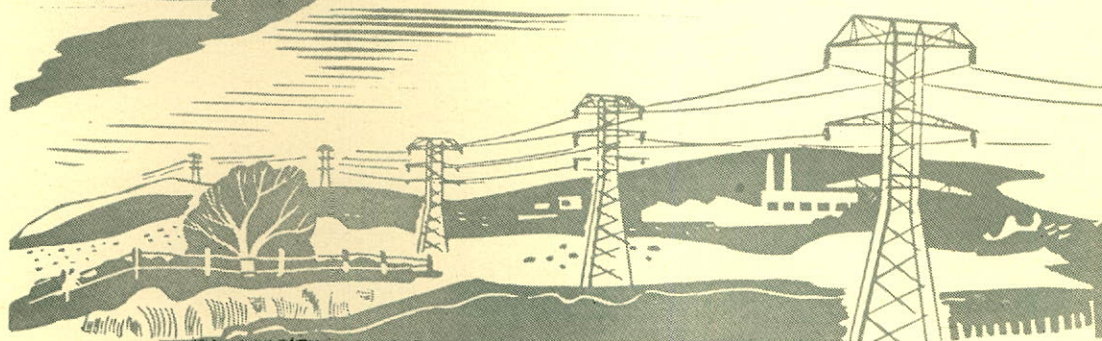


President

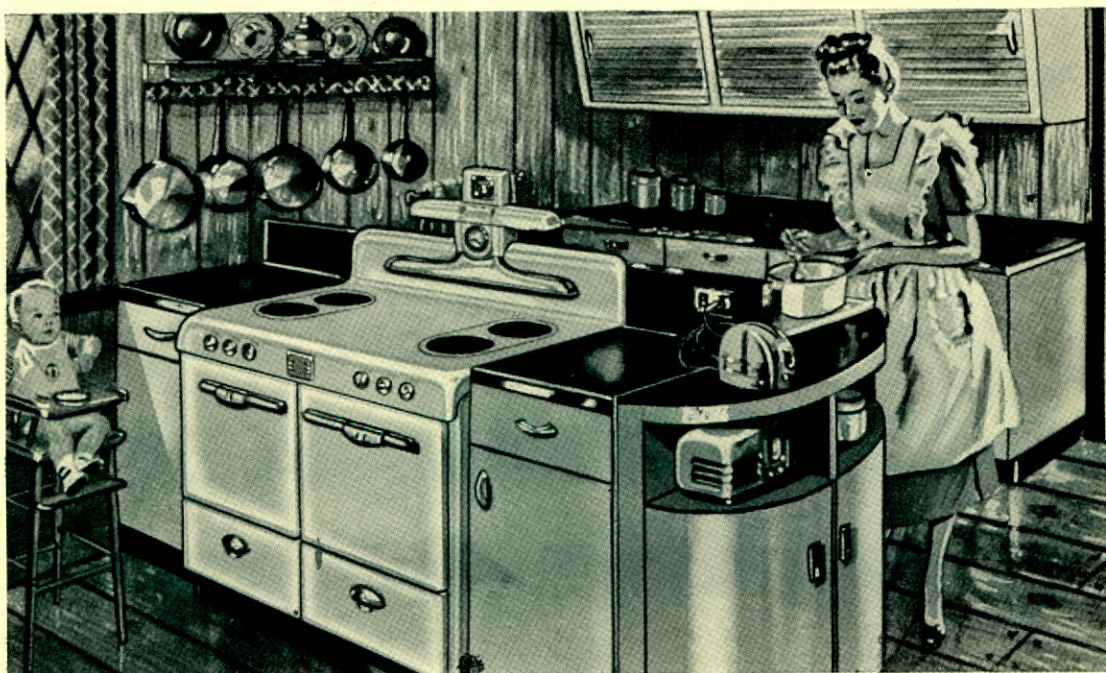
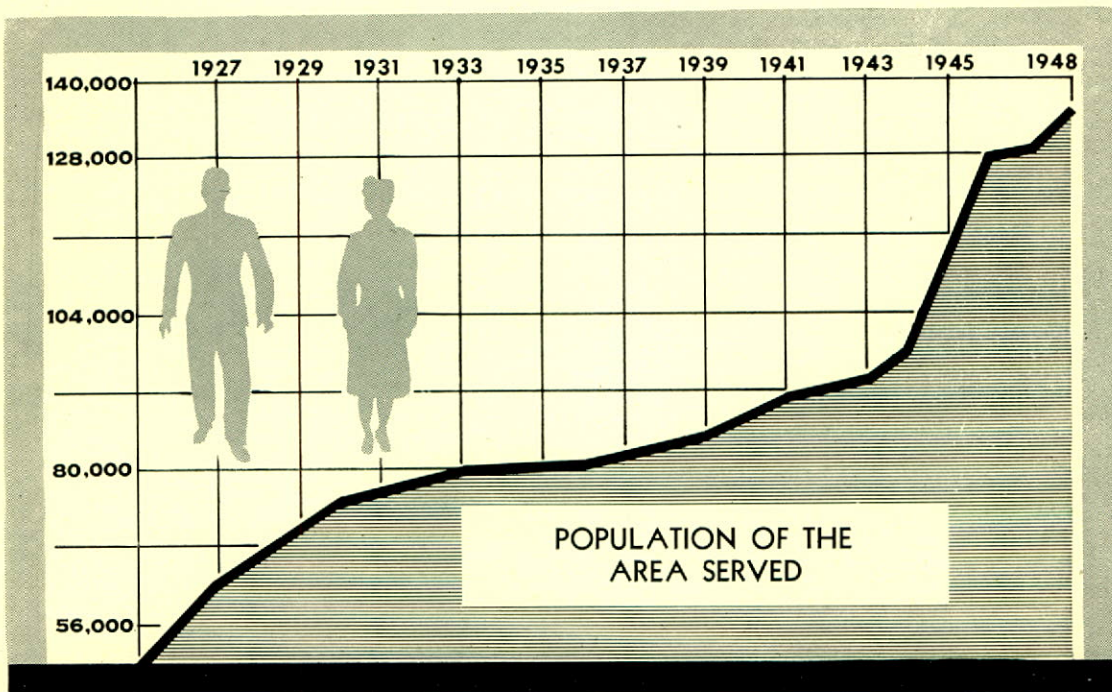
HIGHLIGHTS OF THE YEAR



Revenue from the sale of energy	\$905,949.65
Sale of Energy — Kilowatt Hours	29,759.093
New meters installed	1,592
Transmission line constructed — Miles	38.8
Distribution lines constructed — Miles	103.2
Total taxes paid	\$157,956.91
Total wages paid	\$400,731.23
Total number of employees	247
Total towns and villages served	77
Interest on Bonds was earned	3.9 times before depreciation 2.8 times after depreciation
Earned Per Preferred Share	\$20.21
Earned per Common Share	\$ 5.68



OUR DOMESTIC CONSUMER



REVENUE FROM
SALE OF ENERGY

SERVICES

POWER
CONSUMPTION

KW-HRS

\$393,374.51
43.4%



RESIDENTIAL

6,908,174
23.2%

\$230,748.85
25.5%



COMMERCIAL

6,391,552
21.5%

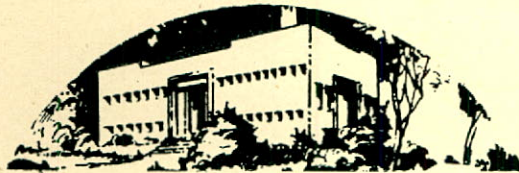
\$164,437.72
18.2%



INDUSTRIAL

6,426,637
21.7%

\$25,950.41
2.8%



MUNICIPAL

898,669
3.2%

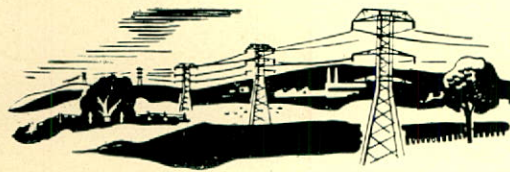
\$65,055.70
7.2%



TOWN OF CAMPBELLTON

7,653,600
25.7%

\$26,382.46
2.9%



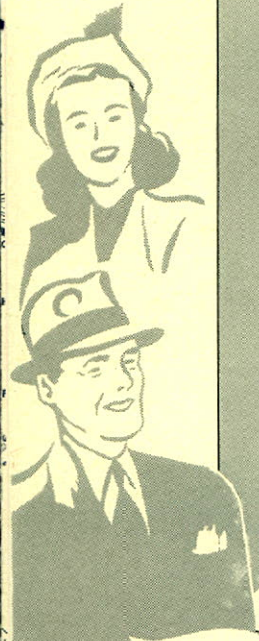
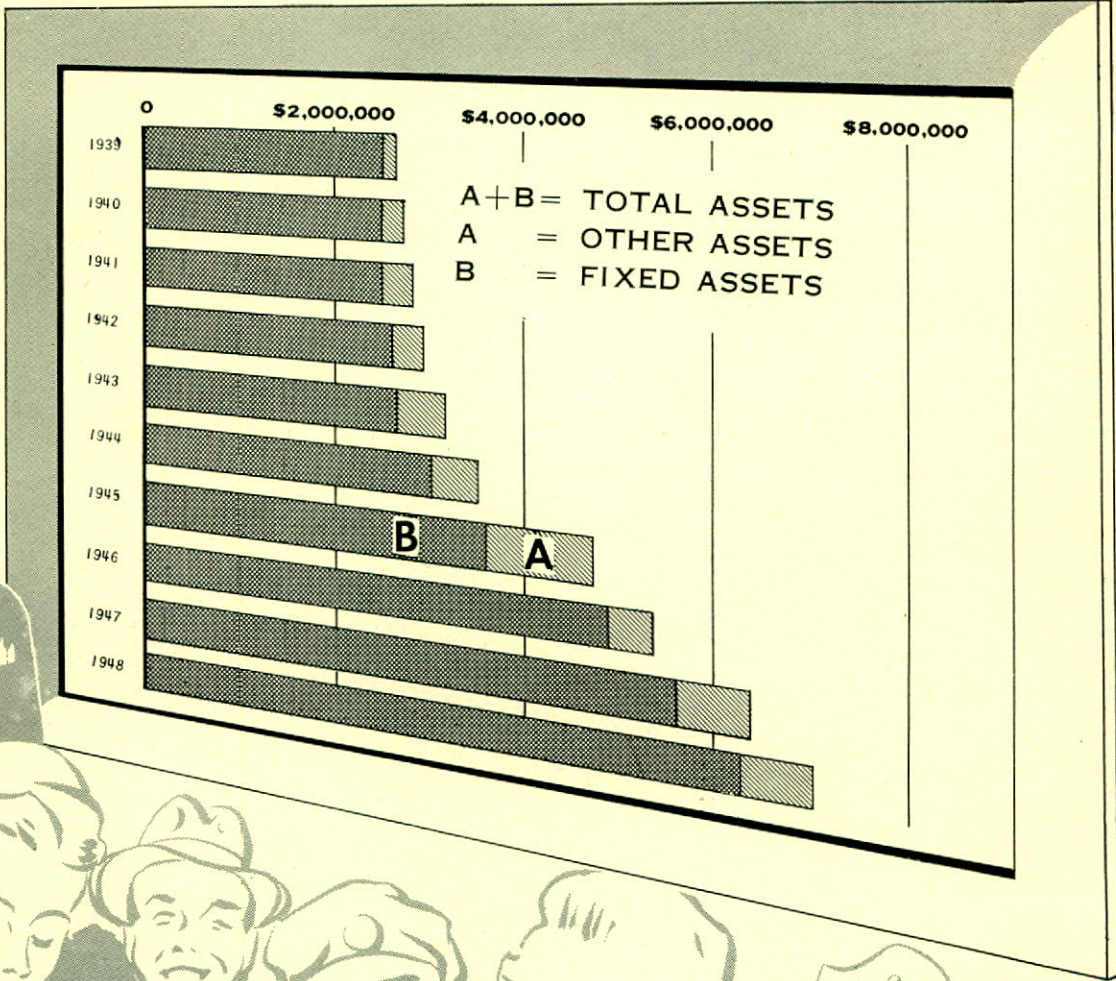
OTHER UTILITIES

1,480,461
4.7%

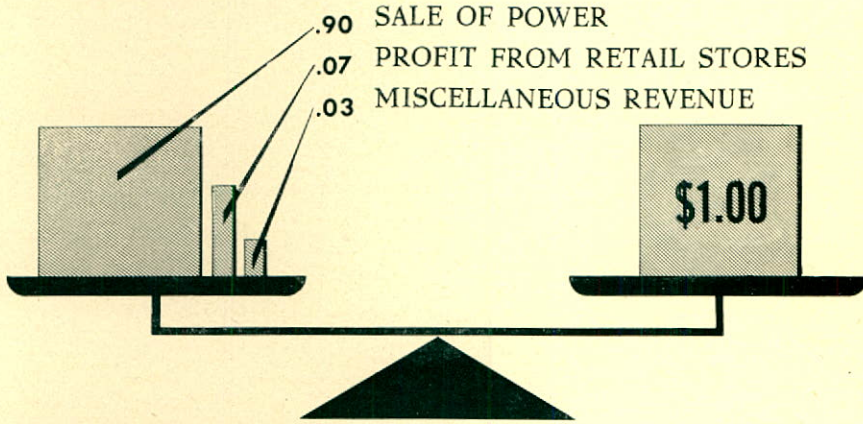
TOTAL
\$905,949.65
100%

TOTAL
29,759,093
100%

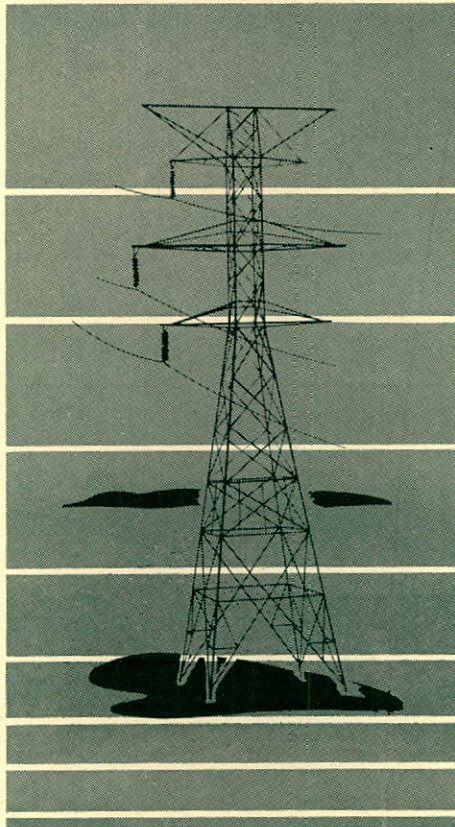
A GROWING ENTERPRISE



SOURCE OF REVENUE



DISTRIBUTION OF REVENUE



- .23 — SALARIES
- .16 — DEPRECIATION
- .16 — RETAINED IN THE BUSINESS
- .15 — INTEREST AND FINANCING
- .11 — FEDERAL AND PROVINCIAL TAXES
- .08 — OPERATING EXPENSES
- .05 — MUNICIPAL AND OTHER TAXES
- .05 — MAINTENANCE
- .01 — PENSION FUND



LOWER ST. LAWRENCE POWER COMPANY

STATEMENT OF PROFIT AND LOSS

FOR THE YEARS ENDED 31st DECEMBER 1948 and 1947

	<u>1948</u>	<u>1947</u>
Gross revenue from sale of power	\$ 905,949.65	\$ 725,464.88
Profit from retail stores and electrical contracting	70,150.50	97,374.79
Miscellaneous revenue	27,607.16	13,944.64
	<hr/>	<hr/>
	\$1,003,707.31	\$ 836,784.31
	<hr/>	<hr/>
Operating expense	377,423.06	339,404.08
Taxes	33,957.34	25,665.64
Miscellaneous interest	5,144.62	4,875.00
Contribution to employees' pension fund	13,592.90	16,546.87
	<hr/>	<hr/>
	\$ 430,117.92	\$ 386,491.59
	<hr/>	<hr/>
Operating profit	573,589.39	450,292.72
	<hr/>	<hr/>
Bond interest	135,232.25	135,324.16
Amortization of financing expenses	11,696.84	11,752.11
Provision for depreciation	158,856.20	121,910.78
Provision for income taxes	106,087.67	77,882.59
	<hr/>	<hr/>
	411,872.96	346,869.64
	<hr/>	<hr/>
Net profit for the year	\$ 161,716.43	\$ 103,423.08
	<hr/>	<hr/>

STATEMENT OF SURPLUS

FOR THE YEAR ENDED 31st DECEMBER 1948

Balance—31st December 1947	\$ 587,445.37
Net profit for the year	161,716.43
	<hr/>
Balance—31st December 1948	\$ 749,161.80
	<hr/>

LOWER ST. LAWRENCE

COMPARATIVE BALANCE SHEET AS

	<u>ASSETS</u>	<u>1948</u>	<u>1947</u>
FIXED ASSETS:			
Land, water power sites, generating plants, buildings, transmission and distribution systems, motor vehicles, etc., at cost		\$6,271,461.52	\$5,588,058.60
CURRENT ASSETS :			
Cash	\$ 51,394.09		
Accounts receivable, less reserve for doubtful accounts	85,010.30		
Inventory of merchandise and stores, based on inventory records verified by physical count during the year and valued at cost—			
Merchandise for sale	77,521.42		
Maintenance and construction stores	25,099.01		
	102,620.43		
Advance to The Mitis Company Limited for purchase of line material, maintenance stores and electric appliances	100,000.00		
Prepaid expenses	17,453.27		
	356,478.09	356,478.09	506,878.08
SINKING FUND FOR FIRST MORTGAGE BONDS :			
Cash on deposit with trustee		878.30	5,283.80
INVESTMENTS AND ADVANCES :			
Investment in and advances to La Compagnie de Distribution Electrique de Temiscouata Limitee, an affiliated company	26,617.85		
Investment in Quebec Telephone Corporation—at cost :			
3,305 class "A" shares }			
19,681 class "B" shares }	110,624.66		
Miscellaneous—at cost	19,600.00		
Refundable portion of excess profits tax	3,601.61		
	160,444.12	160,444.12	139,984.51
FINANCING EXPENSE LESS AMOUNTS WRITTEN OFF		130,186.98	141,266.32
		\$6,919,449.01	\$6,381,471.31

Approved on behalf of the Board :

T. A. BERNIER }
 N. GENDREAU } Directors

LOWER ST. LAWRENCE POWER COMPANY

AT 31st DECEMBER 1948 AND 1947

LIABILITIES

		<u>1948</u>	<u>1947</u>
FUNDED DEBT :			
First mortgage bonds	\$2,730,500.00		
General mortgage bonds	880,000.00	\$3,610,500.00	\$3,689,000.00
(For details of funded debt see attached statement page 12)			
CAPITAL STOCK :			
Authorized, issued and fully paid—			
8,000 6% non-cumulative redeemable preferred shares of \$100 each	800,000.00		
20,000 common shares without nominal or par value	30,000.00	830,000.00	830,000.00
RESERVE FOR DEPRECIATION			
		1,153,440.07	1,010,343.66
CONTRIBUTIONS FOR EXTENSIONS			
		35,347.16	27,035.79
CURRENT LIABILITIES :			
(Exclusive of \$65,000 funded debt maturing serially)			
Bank loans	300,000.00		
Other loans	65,000.00		
Accounts payable and accrued expenses	67,009.58		
Accrued bond interest	35,402.05		
Reserve for income taxes	73,588.35		
TOTAL CURRENT LIABILITIES		540,999.98	237,646.49
SURPLUS— as per statement attached		749,161.80	587,445.37
Note : The company is guarantor of \$100,000 3% first mortgage bonds due 1949 to 1958 issued by The Mitis Company Limited.		\$6,919,449.01	\$6,381,471.31

AUDITORS' REPORT TO THE SHAREHOLDERS

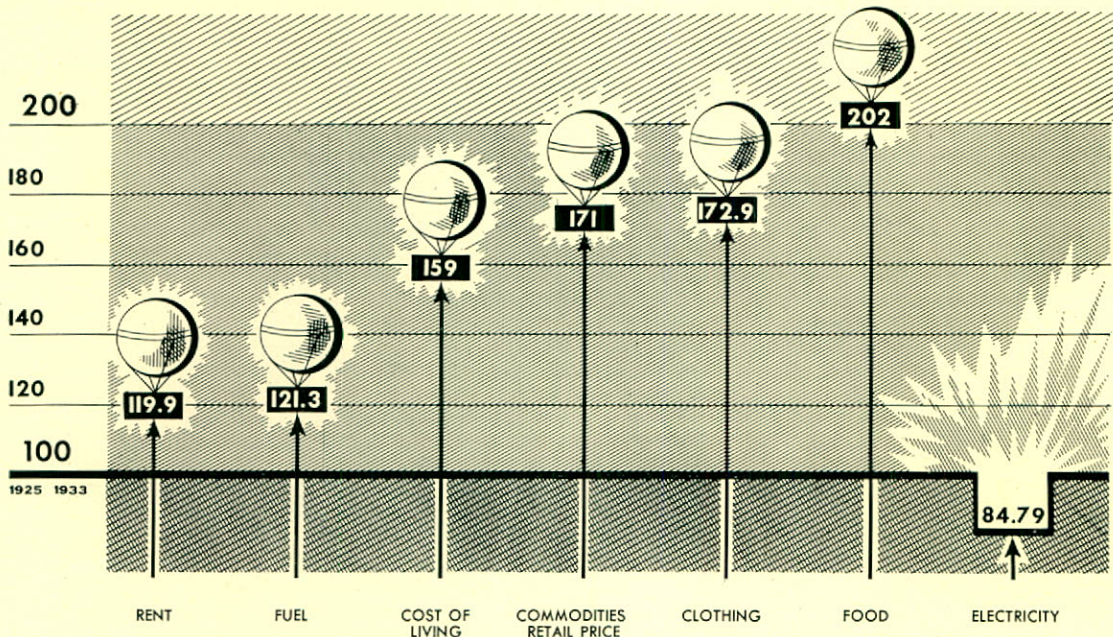
We have examined the books and accounts of Lower St. Lawrence Power Company for the year ended 31st December 1948, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above balance sheet and accompanying statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st December 1948 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

MONTREAL, 3rd March 1949.

McDONALD, CURRIE & CO.,
Chartered Accountants.

ELECTRICITY RATES AND COST OF LIVING



LOWER ST. LAWRENCE POWER COMPANY DETAILS OF FUNDED DEBT

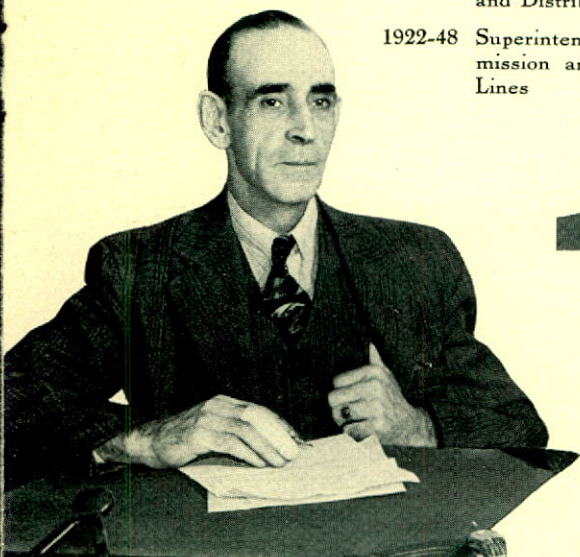
31st DECEMBER 1948 and 1947

	<u>1948</u>	<u>1947</u>
	<u>Issued</u>	<u>Outstanding</u>
FIRST MORTGAGE BONDS :		
Authorized amount	\$5,000,000.00	
Series "A" 3½% serial bonds due 1946 to 1953	\$ 240,000.00	\$ 150,000.00
Series "B" 3¾% sinking fund bonds due 1965	1,610,000.00	1,585,500.00
Series "C" 3¼% sinking fund bonds due 1965	1,000,000.00	1,000,000.00
	\$2,850,000.00	\$2,730,500.00
GENERAL MORTGAGE BONDS :		
Authorized amount	\$950,000.00	
Series "A" 4% bonds due 1947 to 1952	\$210,000.00	\$140,000.00
Series "A" 4½% bonds due 1953 to 1960	290,000.00	290,000.00
Series "B" 4% bonds due 1961	450,000.00	450,000.00
	\$950,000.00	\$880,000.00

LONG SERVICE EMPLOYEES

Damase Gaudreau, 36 years of service to the Company

- 1912 Entered the service of La Compagnie Electrique d'Amqui as electrician and linesman
- 1918-22 Foreman of Transmission and Distribution Lines
- 1922-48 Superintendent of Transmission and Distribution Lines



Miss Albertine Dubé, 35 years of service to the Company

- 1913 Entered the service of La Compagnie Electrique d'Amqui as stenographer
- 1913-24 Accounting Department
- 1924-28 Assistant Treasurer
- 1928-48 Assistant Secretary

TRIBUTE TO THE EMPLOYEES

Harmonious co-operation between Labour and Management is one of the factors vital to the success of an enterprise.

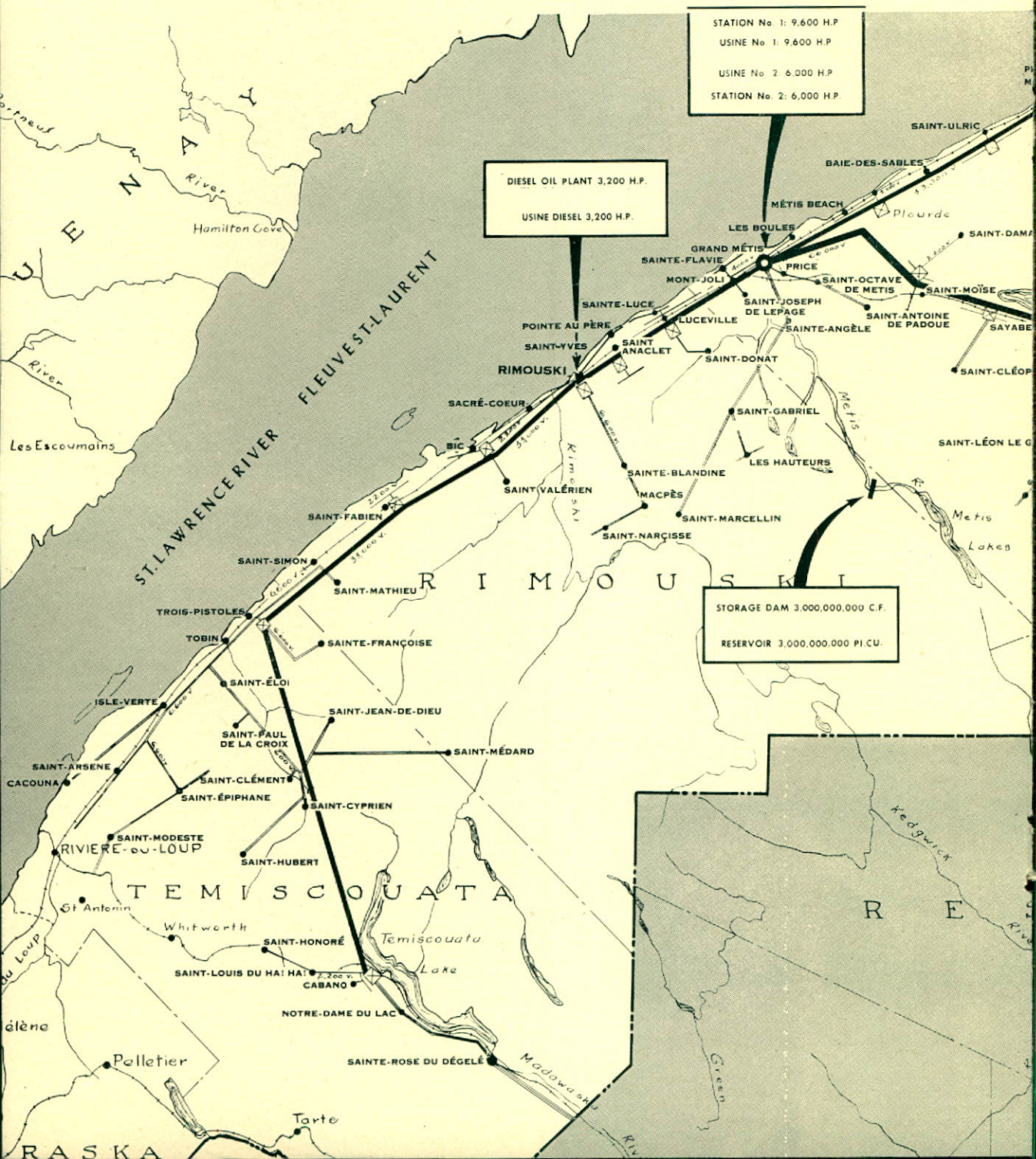
During the past years this co-operation has been manifest to a marked degree between the personnel of your Company and its Management.

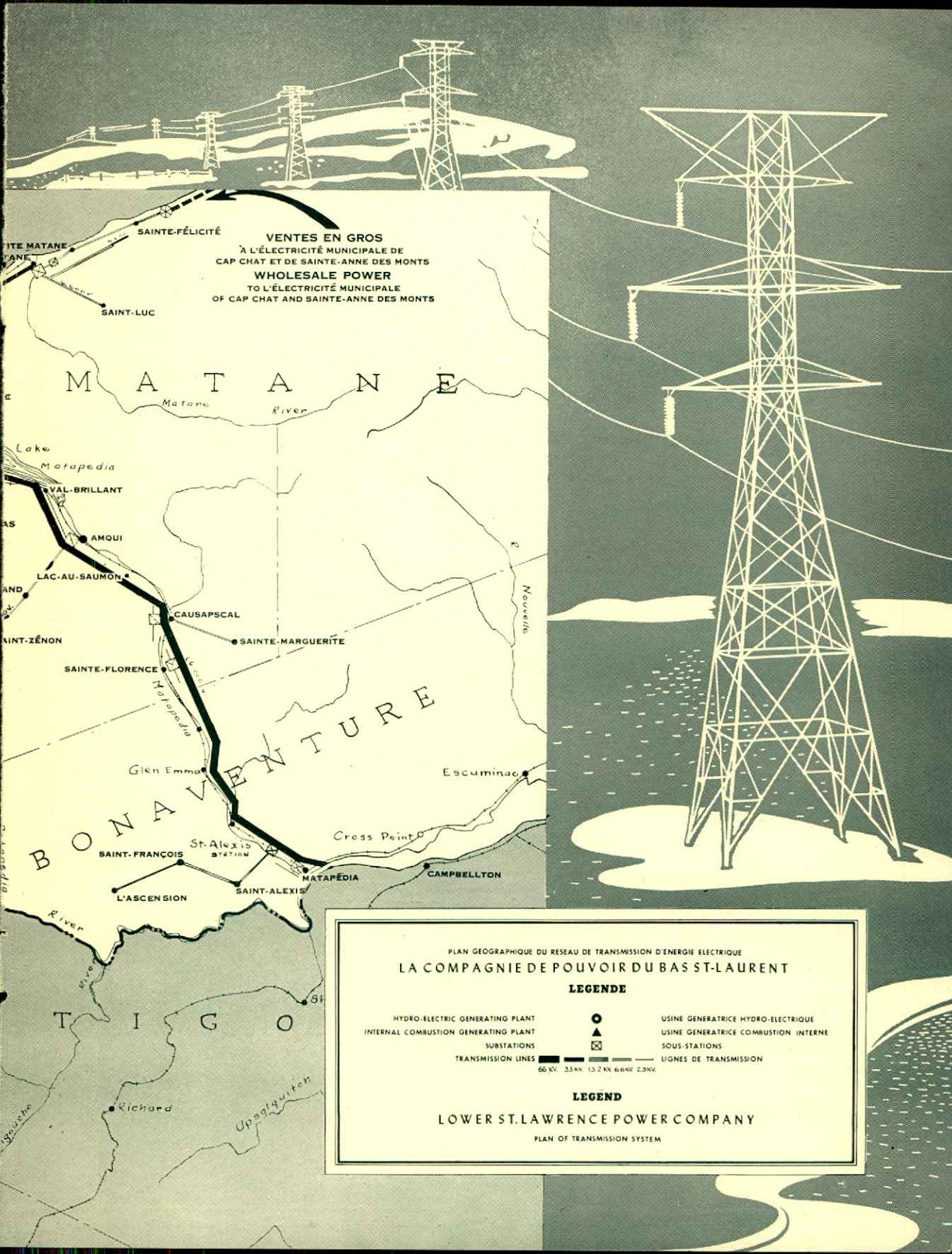
The team-work so necessary to good relations is founded on labour policies which recognise that wage rates and working conditions are not the only considerations. Employees' welfare, their security and well being are essential items and they form a basis for your Management's attitude towards Labour. Foremost among these is the pension plan which provides for their security when their term of service to the Company is at an end.

Long service personnel, two of whom are shown above, are a testimonial to the spirit of co-operation and service engendered by the understanding of mutual problems.

In reporting the operations of your Company the Management wishes to extend to all employees their thanks for loyal service without which your Company would not have prospered.

COMMUNITIES SERVED





VENTES EN GROS
 À L'ÉLECTRICITÉ MUNICIPALE DE
 CAP CHAT ET DE SAINTE-ANNE DES MONTS
 WHOLESALE POWER
 TO L'ÉLECTRICITÉ MUNICIPALE
 OF CAP CHAT AND SAINTE-ANNE DES MONTS

M A T A N E
 Matane River

B O N A V E N T U R E
 Matapédia River

PLAN GEOGRAPHIQUE DU RESEAU DE TRANSMISSION D'ENERGIE ELECTRIQUE
 LA COMPAGNIE DE POUVOIR DU BAS ST-LAURENT

LEGENDE

- | | | |
|--------------------------------------|---|--------------------------------------|
| HYDRO-ELECTRIC GENERATING PLANT | ○ | USINE GENERATRICE HYDRO-ELECTRIQUE |
| INTERNAL COMBUSTION GENERATING PLANT | △ | USINE GENERATRICE COMBUSTION INTERNE |
| SUBSTATIONS | ⊠ | SOUS-STATIONS |
| TRANSMISSION LINES | — | LIGNES DE TRANSMISSION |

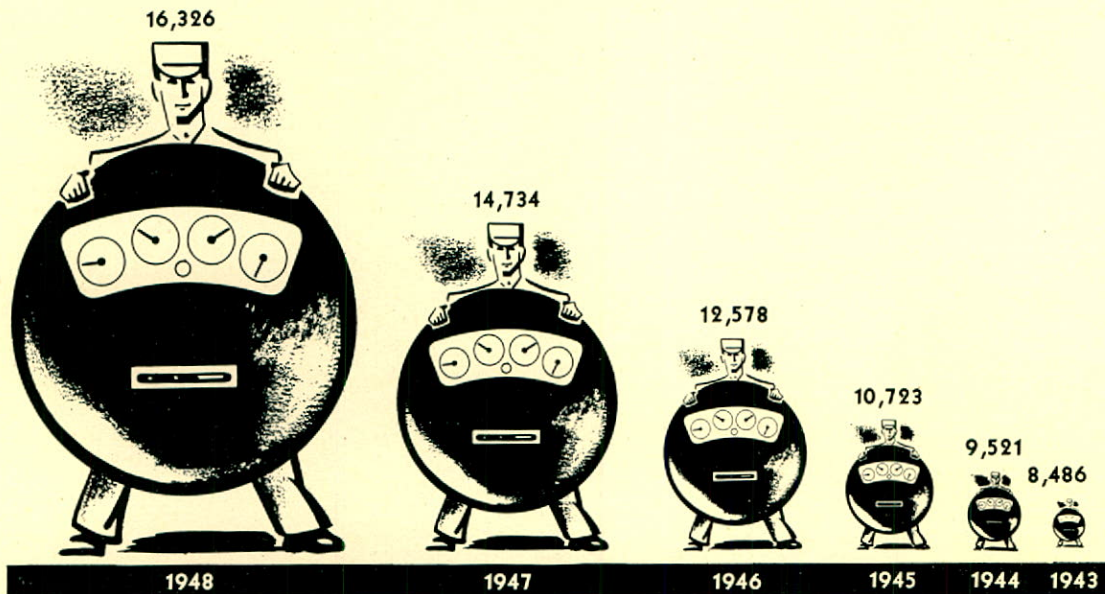
66 KV. 33 KV. 13.2 KV. 6.6KV. 2.3KV.

LEGEND

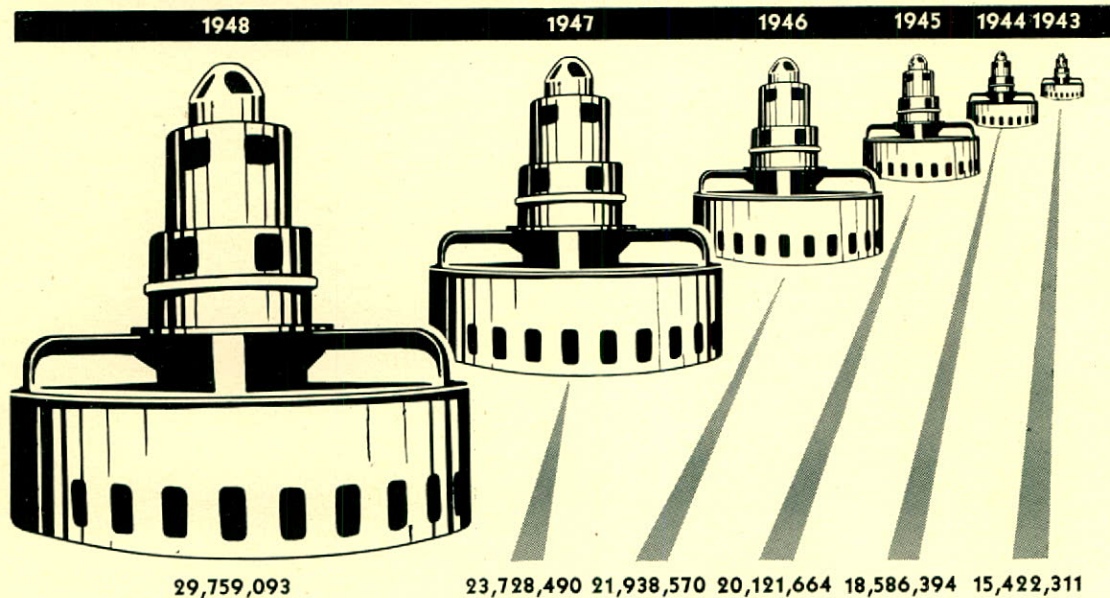
LOWER ST. LAWRENCE POWER COMPANY

PLAN OF TRANSMISSION SYSTEM

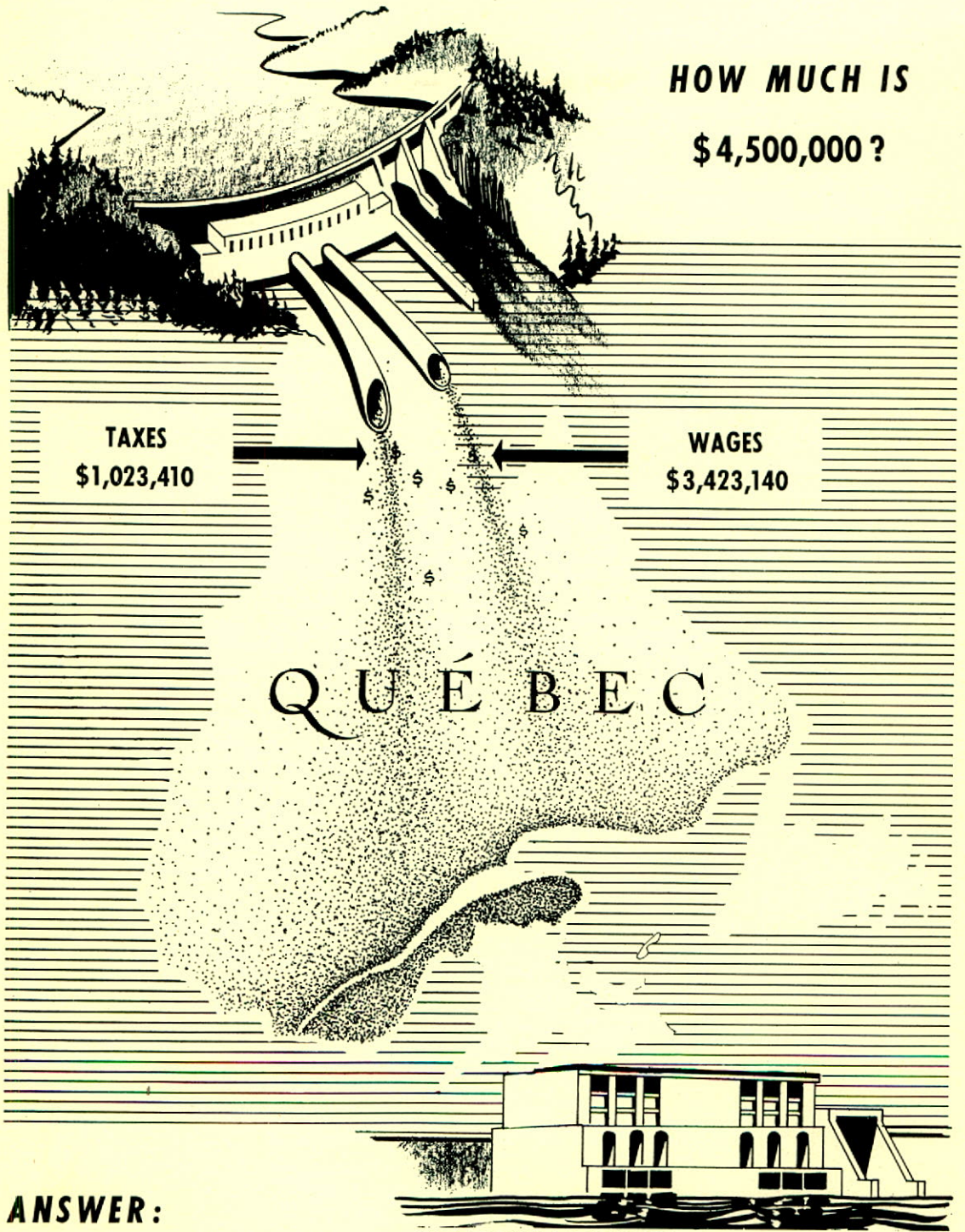
METERS IN SERVICE



SALE OF ENERGY IN KILOWATT-HOURS



**HOW MUCH IS
\$4,500,000?**



ANSWER:

Each dot is a symbol of a dollar contributed to the total wealth of our Province during the years 1934 - 1948.



AERIAL VIEW OF THE LOWER



METIS POWER DEVELOPMENT

DIRECTORS

Hon. J. A. BRILLANT, L.C., C.B.E.

P. E. GAGNON

T. A. BERNIER

Miss A. DUBE

J. DUCHESNEAU

N. GENDREAU

J. H. LABRIE

OFFICERS

Hon. J. A. BRILLANT, L.C., C.B.E.

President

T. A. BERNIER, C.E. Vice-President and Chief Engineer

NORMAN GENDREAU Vice-President and Treasurer

P. E. GAGNON, K.C.

Secretary



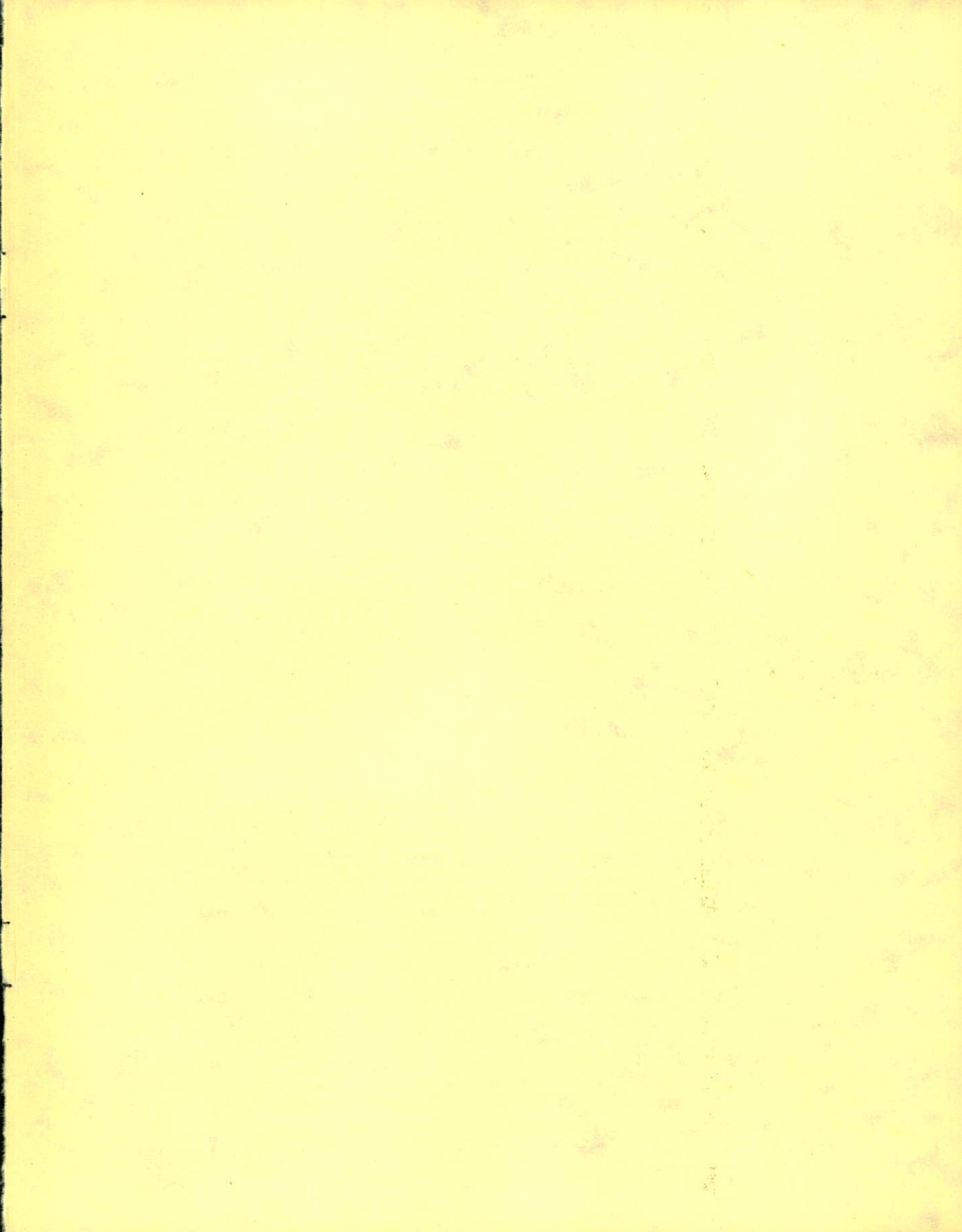
BANKERS

NATIONAL CANADIAN BANK



TRUSTEES

THE SUN TRUST LIMITED



METIS FALLS
(Natural State)

