

Southern Canada Power Company, Limited

Report of the Directors for the Year Ending
September 30th, 1916

TO THE SHAREHOLDERS:—

Your directors herewith enclose a copy of the audited annual report for the year ended September 30th, 1916. In connection with the report they desire to say that the amount due by the underwriters on account of bonds sold has since been paid in full.

The following comparative information will be interesting to the shareholders.
Earnings over a period of years ending September 30th.

	1914	1915	1916
Gross Earnings.....	\$104,442	\$120,377	\$148,429
Net Earnings.....	41,756	61,635	81,528

Under the advice of Messrs. Viele, Blackwell & Buck of New York, the Consulting Engineers of the Company, a very large amount of preliminary and permanent work has been carried out under the close supervision of the General Manager, Mr. J. B. Woodyatt, Mr. J. M. Robertson, Consulting Engineer, and Mr. W. I. Bishop, Consulting Hydraulic Engineer of the Company.

The electric plants at St. Johns, St. Hyacinthe and Drummondville have been modernized and placed in the highest state of efficiency and the service has been considerably extended. High tension transmission lines have been constructed from Chambly to St. Hilaire and Beloeil and thence to St. Hyacinthe. New substations have been constructed at St. Hilaire and St. Hyacinthe. A transmission line has been constructed (under an arrangement with the Shawinigan Water & Power Company) from Windsor Mills to Sherbrooke.

The Company owns The St. Johns Electric Light Company, the St. Hyacinthe Gas, Electric and Power Company, the Drummondville Municipal System, the Iberville Municipal System and the Electric Light and Power Systems of St. Joseph, St. Antoine, La Providence, St. Rosalie, St. Mathias and St. Hugues. The Company also supplies Beloeil and St. Hilaire with their electrical requirements.

It has recently acquired the Brome Lake Electric Power Company supplying Waterloo, Knowlton and Foster, the Richmond County Electric Company and the Cowansville Electric System.

The earnings of several of the above are not included in the statement of earnings given as they have been taken over since the end of the last fiscal year.

With a view to still further extending the scope of the Company's business, your directors thought it would be advantageous to acquire the control of the Sherbrooke Railway & Power Company, which supplies the populous manufacturing district between Sherbrooke and the International Boundary Line with electric power and light and the City of Sherbrooke with part of its power requirements, and owns and operates the street railway system in that city. This transaction was ratified at the annual meeting and authority was given to issue \$300,000 6% preferred stock of this company with dividends cumulative from the 1st January, 1920, in payment of the outstanding stock of the Sherbrooke Railway and Power Company amounting to \$1,127,000.

The control of the Sherbrooke Railway & Power Company is now vested in this company, more than three quarters of the shareholders of that company having already exchanged their shares for the preferred shares of this company.

The Company is at present operating its system with power obtained from its hydro-electric developments at St. Hyacinthe, Drummondville, Sherbrooke, Richmond, Foster and Cowansville, and its steam plants at St. Hyacinthe, St. Johns, Iberville, supplemented by temporary power purchased from the Montreal Light, Heat & Power Company and Shawinigan Water & Power Company.

Complete topographical surveys have been made of the St. Francis River from above Hemmings Falls, known as Power Site No. 1, to a point below the Moulin Power, known as Power Site No. 6, a total distance of 25 miles. Within these points the Company owns and controls six undeveloped water powers with a total head of about 300 feet with an ultimate capacity of about 150,000 h.p., having acquired all the necessary dam sites and practically all the lands which will be flooded.

Complete plans of the first two developments to be undertaken have been made. The river bed has been bored and found satisfactory and by far the larger portion of the initial work completed, so that the Company is in a position to commence development of its first large water power at Hemmings Falls, as soon as the prices of labor, material and machinery recede to normal.

Very important contracts have been made with the Shawinigan Water & Power Company for the sale to it of two blocks of power out of our first and second developments, amounting in the aggregate to about \$1,800,000. These two contracts alone will practically cover the interest on the cost of these two developments. This Company is indebted to the Shawinigan Water & Power Company for its friendly co-operation and assistance in taking care of the very pressing demands for power in the City of Sherbrooke and vicinity and at other points.

It is interesting to note that this Company is now supplying light and power in thirty-seven cities, towns and villages in the Province of Quebec, and two in the State of Vermont, through one of its subsidiary companies.

The Shareholders will note with interest the election to the Board of the Company, as Vice-President and Managing Director, of Mr. F. W. Teele, formerly General Manager of the Porto-Rico Railways Company, Trinidad Electric Company, the Demara Electric Company and Camaguey Electric Company, etc., and of Mr. W. C. Hawkins, Managing Director of the Dominion Power and Transmission Company of Hamilton, Ont. The election of these gentlemen to the Board gives this company, with its own capable staff, a very strong executive.

New and commodious offices have been taken in the Coristine Building to accommodate the increasing business of the company. The business of the present year shows a gratifying increase in all departments.

By Order of the Board,

L. C. HASKELL,
Secretary.

Montreal, March 1917

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