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WINNIPEG ELECTRIC COMPANY

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FIFTY-NINTH  
ANNUAL  
REPORT

1951

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## BOARD OF DIRECTORS

- L. D. M. BAXTER, President, Osler, Hammond & Nanton Limited,  
Winnipeg, Manitoba, Canada.
- W. H. CARTER, President and General Manager, Winnipeg Electric Company,  
Winnipeg, Manitoba, Canada.
- E. V. CATON, Vice-President and Chief Engineer, Winnipeg Electric Company,  
Winnipeg, Manitoba, Canada.
- R. D. GUY, Q.C., Barrister,  
Winnipeg, Manitoba, Canada.
- JOSEPH HARRIS, President, Great West Life Assurance Company,  
Winnipeg, Manitoba, Canada.
- D. H. McDOUGALL, Retired,  
Toronto, Ontario, Canada.
- A. J. NESBITT, Chairman, Nesbitt, Thomson & Co. Ltd., Investment Dealers,  
Montreal, Quebec, Canada.
- ISAAC PITBLADO, Q.C., LL.D., Barrister,  
Winnipeg, Manitoba, Canada.
- C. S. RILEY, Chairman of the Board {Canadian Fire Insurance Company  
Canadian Indemnity Company  
Winnipeg, Manitoba, Canada.
- H. E. SELLERS, C.B.E., LL.D., President, Federal Grain Limited,  
Winnipeg, Manitoba, Canada.
- P. A. THOMSON, Vice-Chairman, Nesbitt, Thomson & Co. Ltd., Investment  
Dealers,  
Montreal, Quebec, Canada.
- WILLIAM WHYTE, President, Manitoba & Saskatchewan Coal Co. Ltd.,  
Winnipeg, Manitoba, Canada.

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## OFFICERS

- |                |                                       |
|----------------|---------------------------------------|
| W. H. CARTER,  | <i>President and General Manager,</i> |
| E. V. CATON,   | <i>Vice-President,</i>                |
| C. F. LIDSTER, | <i>Treasurer and Comptroller,</i>     |
| S. N. CURRIE,  | <i>Secretary.</i>                     |

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## TRANSFER OFFICERS

National Trust Company, Limited  
Montreal, Toronto and Winnipeg.

## HIGHLIGHTS

	1951	1950
Operating Revenues (inc. Misc. Income).....	\$16,412,311	\$15,958,922
Operating Expenses.....	8,569,528	8,577,229
Operating Ratio.....	(52.21%)	(53.75%)
Net Operating Revenue.....	7,842,783	7,381,693
Taxes—Municipal, Provincial and Dominion.....	2,520,594	1,987,085
Taxes per Share of Common Stock.....	(\$4.46)	(\$3.52)
Depreciation of Plant and Equipment.....	2,668,938	2,644,235
Interest on Long-term Debt.....	1,066,167	1,077,167
Net Income for the year.....	1,528,720	1,626,063
Preference Stock Dividends (50,000 Shares).....	250,000	250,000
(No. of Shareholders).....	(2,399)	(2,558)
Common Stock Dividends (564,989 Shares).....	1,292,553	841,967
(No. of Shareholders).....	(5,106)	(5,518)
Earned per Share of Common Stock.....	(\$2.26)	(\$2.44)

## DIVIDENDS

Dividends totalling 5% on Preference shares and \$2.30 per share on Common shares were declared in 1951. On Preference shares 2½% was paid on June 30th and 2½% on December 31st. On common shares 50 cents per share was paid on April 16th and 60 cents on July 16th, October 16th and January 15th, 1952. The total amount paid to shareholders for the year 1951 was \$1,542,553.10.



### *To the Shareholders:*

Your Board of Directors presents herein its Annual Report on the affairs of your Company for the year ended December 31st, 1951, and submits the following statements:

#### Balance Sheet and Auditor's Report Income Account for 1951

Gross Earnings from Operations amounted to \$16,326,402.61 to which is added Net Miscellaneous Income of \$85,907.84 making a total gross income of \$16,412,310.45, an increase of \$453,388.16 over the previous year. Net income for the year is \$97,342.79 less than for 1950, due to higher wage rates in the year under review, the fact that the Company's contribution to the pension fund was for the full year whereas in 1950 it was for only a half-year, and to an increase in income taxes.

The following tabulation shows how each dollar of the 1951 revenue was distributed:

Wages and Salaries.....	36.03%
Material, Supplies and Other Expenses.....	16.54
Depreciation Reserve for Renewal and Replacement of Property.....	16.26
Dominion and Provincial Income Taxes.....	9.48
Dominion, Provincial and Other Taxes.....	5.88
Interest to Bondholders.....	6.50
Dividends to Shareholders.....	9.40
Deducted from Surplus.....	.09

The Gross Payroll for the year amounted to \$6,152,265, an increase of \$144,868 over the previous year. 96.1% of the payroll was charged to operation and 3.9% to construction.

Capital Expenditures in 1951 for all purposes of the Company totalled \$1,695,710.77. No new long term financing was undertaken.

### **ELECTRIC UTILITY**

Gross Revenue from the sale of electricity after deduction of inter-company transactions amounted to \$8,180,289, an increase of \$501,505, or 6.53% over the previous year. Operating Expenses, excluding taxes and depreciation, amounted to \$1,997,500, an increase of \$1,539. This increase would have been considerably greater due to increased wage rates and the Company's contribution to the pension fund covering a full year instead of a half-year as in 1950, except that 1950 expenses included heavy charges for flood and storm damage.

There was a net increase of 5972 services during the year. Of these 1882 were for lighting, 1820 for cooking, 2142 for water heating and 128 for power. In addition, Manitoba Power Commission bought 21.7% more kilowatt hours than in the previous year and a number of industrial concerns increased their connected loads.

The Company has two hydro-electric plants on the Winnipeg River, Great Falls with an installed capacity of 168,000 h.p. and Seven Sisters with an installed capacity of 225,000 h.p. when completed this summer by the installation of the 6th unit. The original plant on the Pinawa Channel, which commenced operation in 1906 and at its peak had a capacity of 30,000 h.p., was finally closed down on September 26th in order to allow the full flow of the river to be used through the Seven Sisters plant at the increased head.

The peak load on the system during the year was 389,410 h.p. and the total k.w.h. generated was 1,706,966,537. In addition, your Company purchased 3,034,100 k.w.h. from the Manitoba Government's Pine Falls plant which it operates on a temporary basis by agreement with the Manitoba Hydro-Electric Board.

Capital expenditures on the Electric Utility for the year amounted to \$1,661,911.93 of which \$850,547.21 was for Seven Sisters.

### TRANSPORTATION UTILITY

Gross Revenue of the transportation utility for the year was \$7,367,270, a decrease of only \$17,058, although the number of revenue passengers carried decreased by 6.4%. In 1951, 85,760,916 fares were collected as against 91,631,604 in 1950, but effective August 13th, 1951, the adult fare was increased from 8½ cents to 10 cents which brought in a substantial increase in revenue for the remaining 4½ months of the year. While a small part of the decrease in riding may be attributed to resistance to increased fares, the predominant cause is the continued increase in the use of private automobiles and the experience in the Winnipeg area, where there has been a decrease each year since the peak year 1946, corresponds quite closely to the experience of most other cities on this continent.

Operating Expenses, excluding taxes and depreciation, amounted to \$5,983,739. This is \$95,175 higher than the previous year, and is due principally to wage rates being 3% higher for the first three months and 10% higher for the balance of the year, that the Company's contribution to the pension plan was for a full year as against a half-year in 1950 and the revised welfare plan covering Group Life Insurance, Hospital and Medical Services and Sickness and Accident Benefits cost \$32,600 more. Various economies in operations, which offset to a considerable extent these higher costs, were put into effect.

The miles operated in passenger service totalled 13,869,801 of which 3,769,299 were by street cars, 4,340,456 by trolley buses and 5,760,046 by gasoline buses. Almost 73% of the mileage therefore was operated on rubber tires. No new passenger vehicles were purchased during the year and only \$36,854.61 was spent on Capital Expenditures.



## GAS UTILITY

Gross Revenue of the Gas Utility amounted to \$778,843 being a decrease of 2.3% under 1950, while cubic feet of gas sold amounted to 769,895,500 cubic feet, down 2.7% from last year. Lower house heating sales due to generally warmer weather and an appreciable loss in revenue from prepayment meters, due to the demolition of downtown rooming houses, account for most of the difference. Operating Expenses, excluding taxes and depreciation, amounted to \$588,289, a decrease of \$104,415 or 17.8%, due principally to the high Flood expense in 1950. A full year of Pension contributions plus additional Welfare expenses prevented this decrease from being larger.

Home Gas Company increased its sales by 28.5%, increasing our liquid propane sales to them for distribution in the rural districts by 36,800 gallons to a total of 115,800 gallons.

Some resistance is appearing to the sale of our domestic coke due to its high delivered sales price caused by increased coal costs, higher wages and larger dealer margins. However, our entire domestic production of 47,384 tons was disposed of by the end of the year. The liquid petroleum gas production facilities continue to meet our peak load requirements without difficulty.

Capital Expenditures for the Gas Utility for 1951 amounted to \$17,180.73.

## EMPLOYEES

There were 2145 employees on the payroll of the Company on December 31st, 1951, and 142 on pension under the Retirement Plan.

Wage agreements in force at the beginning of the year provided for an increase of 7% effective April 1st and an improved Welfare Plan, on a contributory basis, comprising Group Life Insurance, Sickness and Accident Benefits, Hospital Service and Medical Service which became effective May 1st. About 95% of eligible employees subscribe to this Plan.

Although the Wage agreements continued in general effect to March 31st, 1952, the Union representatives approached the management in the fall of 1951 asking for an increase in wages to compensate for the unexpectedly large increase in the cost of living since the agreements were signed. An increase of 3% effective November 1st was granted. In February of the current year the Union gave notice of termination of the present agreements as provided therein.

Your Board of Directors is pleased to report that relations between the employees and the management continue to be harmonious and herein expresses its appreciation of the valuable services rendered by the executive staff and employees in all departments of the Company.

W. H. CARTER,  
*President.*

# WINNIPEG ELECTRIC COMPANY

## CONSOLIDATED BALANCE SHEET

### ASSETS

#### PHYSICAL PROPERTIES:

(Comprising the properties of Winnipeg Electric Company, Winnipeg, Selkirk and Lake Winnipeg Railway Company and Suburban Rapid Transit Company, value based on appraisal of J. G. White Engineering Corporation as of 31st December 1916, and additions since at cost; the properties formerly owned by Manitoba Power Company Limited, based on appraisal of R. S. Lea as of 31st December 1927, and additions since at cost, and the properties formerly owned by North-western Power Company Limited at cost) (Note 1).....\$92,042,244.69

SUNDRY INVESTMENTS..... 1,110.00

CASH IN BANKS AND ON HAND.....\$ 270,657.52

CONSUMERS' AND OTHER ACCOUNTS RECEIVABLE, including instalment contracts, less Reserve for Doubtful Accounts and Discounts (Note 2).....\$1,461,564.33

WORKING FUNDS AND DEPOSIT WITH WORKMEN'S COMPENSATION BOARD, etc..... 115,379.02

MATERIALS, SUPPLIES AND MERCHANDISE FOR SALE..... 1,302,923.47

INSURANCE PREMIUMS AND OTHER EXPENSES paid in advance..... 109,908.80

3,260,433.14

FUNDS ON DEPOSIT TO MEET SPECIFIC LIABILITIES (per Contra)..... 33,257.18

#### DEFERRED CHARGES:

Retirement Fund Past Services Contribution (per Contra).....\$3,623,535.39

Miscellaneous..... 30,884.01

3,654,419.40

#### DEFERRED ACCOUNTS RECEIVABLE:

Special Contracts—Deferred Instalments..... 81,408.33

\$99,072,872.74

### AUDITORS' REPORT

To the Shareholders, Winnipeg Electric Company, Winnipeg.

We have audited the books and accounts of Winnipeg Electric Company and its Subsidiaries, Winnipeg Selkirk & Lake Winnipeg Railway Company and Suburban Rapid Transit Company, for the year ended 31st December 1951, and report that we have obtained all the information and explanations we have required.

The question of whether the accumulated Reserve for Depreciation is greater or less than actual requirements is one which requires expert engineering skill and knowledge to answer, consequently we do not express an opinion on this matter.

Subject to this, we further report that, in our opinion, the above Balance Sheet, supplemented by the explanatory notes 1 and 2 appended thereto, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company, according to the best of our information and the explanations given to us, and as shown by the books.

GEORGE A. TOUCHE & CO.,  
Chartered Accountants, Auditors.

Winnipeg, 24th March, 1952.

(See accompanying explanatory notes to financial statements)



# AND SUBSIDIARY COMPANIES

STATEMENT AT 31st DECEMBER 1951

## CAPITAL AND LIABILITIES

### CAPITAL STOCK:

Preferred 50,000 Shares of \$100.00 each, 5% non-cumulative.....	\$ 5,000,000.00	
Common Shares of no par value, 564,989 Shares .....	10,916,325.81	
		<u>\$15,916,325.81</u>

### FUNDED DEBT:

2¾% Serial First Mortgage Bonds, Maturing \$400,000.00 annually 1st May 1952 to 1956 inclusive.....	\$ 2,000,000.00	
3¾% Series First Mortgage Bonds, due 1st May 1971.....	13,000,000.00	
4% Series First Mortgage Bonds, due 1st May 1971.....	13,000,000.00	
		<u>28,000,000.00</u>

CURRENTS ACCOUNTS PAYABLE, including wages and salaries.....	\$ 1,800,930.82	
COMMON STOCK DIVIDEND PAYABLE January 15th, 1952.....	337,305.00	
CONSUMERS' SECURITY DEPOSITS AND ACCRUED INTEREST.....	144,225.56	
BOND INTEREST ACCRUED.....	177,083.32	
PROVISION FOR INCOME TAXES (estimated).....	886,240.20	
OTHER LIABILITIES.....	107,219.14	
		<u>3,453,004.04</u>

### LIABILITIES FOR WHICH FUNDS ARE SPECIALLY EARMARKED:

Matured Interest Coupons.....	\$ 31,551.68	
Script Certificates (Northwestern Power Company Ltd.)....	1,705.50	
		<u>33,257.18</u>

### DEFERRED LIABILITIES (Payable in Instalments):

Lake of the Woods and Lac Seul Storage Charges, etc.....	\$ 568,197.14	
Retirement Fund Past Services Contribution less Amount Paid Trustee (per Contra).....	3,623,535.39	
		<u>4,191,732.53</u>

DEFERRED CREDITS TO INCOME.....		154,248.45
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### MISCELLANEOUS RESERVES:

For Deferred Maintenance and Reconversion.....	\$ 188,285.00	
For Injuries and Damages, Contingencies, etc.....	204,525.41	
		<u>392,810.41</u>

### DEPRECIATION AND PROPERTY RESERVES:

Depreciation Reserve.....	\$34,190,828.80	
Property Reserve (from Appraisal, Property of Manitoba Power Company Limited).....	7,290,947.36	
		<u>41,481,776.16</u>

EARNED SURPLUS (Net Earnings from Operation and other Net Profits).....		5,449,718.16
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(The Bond Mortgage prohibits payment by the Company of any dividend which would reduce the Earned Surplus below \$1,250,000.00)

### CAPITAL COMMITMENTS:

In connection with its programme for the extension of power plant facilities, the Company has incurred commitments involving capital expenditures of approximately \$900,000.00 in the year 1952.

\$99,072,872.74

WINNIPEG ELECTRIC COMPANY AND  
SUBSIDIARY COMPANIES

CONSOLIDATED INCOME ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1951

GROSS EARNINGS FROM OPERATION.....	\$16,326,402.61
OPERATING EXPENSES.....	8,569,527.52
NET OPERATING INCOME.....	\$ 7,756,875.09
Miscellaneous Income, net (including credit for interest charged during construction \$10,495.40).....	85,907.84
GROSS INCOME.....	\$ 7,842,782.93
Interest on Funded Debt.....	\$1,066,166.66
Other Interest.....	57,369.78
Taxes.....	964,774.17
Depreciation.....	2,668,938.41
Provision for Dominion and Provincial Income Taxes (esti- mated).....	1,555,820.00
Other Income Deductions.....	993.74
	6,314,062.76
NET INCOME.....	\$ 1,528,720.17

SURPLUS ACCOUNT

Balance, 1st January 1951.....	\$ 5,548,755.37
ADD:	
Net Income for the year 1951.....	1,528,720.17
	\$ 7,077,475.54
DEDUCT:	
Dividends on Preference Stock.....	\$ 250,000.00
Dividends on Common Stock.....	1,292,553.10
Adjustments in Subsidiary Companies Income Taxes of prior years.....	69,193.57
Adjustments in Property Accounts, etc.....	16,010.71
	1,627,757.38
BALANCE, 31st December 1951.....	\$ 5,449,718.16



**WINNIPEG ELECTRIC COMPANY AND  
SUBSIDIARY COMPANIES**

Explanatory Notes to Financial Statement as at 31st December,  
1951.

Note 1—**Physical Properties**—One of the terms of the Company's license for the Seven Sisters Falls Plant was that the Pinawa Plant would be closed. This closing took place in 1951 and the Plant was in process of being dismantled at the end of the year. After taking salvage credits, the book value of the Plant will be greater than the accumulated depreciation reserve applicable thereto. In the circumstances it is considered proper that the excess shall be treated as part of the cost of the Seven Sisters Plant. This view has been given effect to in the Balance Sheet by carrying forward in Physical Properties the book value, less salvage credits to date, and retaining in the Reserve the accumulated depreciation.

Note 2—**Accounts Receivable**—In addition to the amount shown in the Balance Sheet, there is a considerable accrued asset in connection with meters unread as of the date of the Balance Sheet. It has never been the policy of the Company to compute the amount of this item.





## FACTS ABOUT YOUR COMPANY AND ITS SUBSIDIARIES

(As at December 31st, 1951)

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1. It renders service to a population of approximately 375,000.
2. It has 2 hydro-electric plants on the Winnipeg River with an ultimate capacity of 400,000 h.p.
3. It has 4 terminal stations, 10 major substations and 19 tap-off stations.
4. It has 858 miles of high tension transmission circuits.
5. The power generated by its power plants during the year totalled 1,706,966,537 kilowatt hours.
6. It carried 85,760,916 revenue passengers in 1951.
7. It operated 13,869,801 car, motor bus and trolley bus miles during the year.
8. It had 167 passenger street cars, 168 motor buses and 134 trolley buses.
9. It operates 21 miles of street car routes; 85 miles of motor bus and 29 miles of trolley bus routes.
10. It has 54.82 gross miles of track, of which 26.24 miles is paved and 28.58 open track.
11. It has a By-Product Coke Oven plant with a total daily gas capacity of 2,500,000 cubic feet, and a saleable annual domestic coke production of 47,500 tons. A Liquid Petroleum gas plant of 500,000 cubic feet capacity per day is available for heavy peak or other emergency loads.
12. Gas Sales for the year totalled 769,895,500 cubic feet. Coke Sales totalled 47,384 tons.
13. It has a water gas standby plant capable of taking over the entire load of the coke oven plant. It has 146 miles of gas mains.
14. It had a Gross Revenue of \$16,412,310.45.
15. It had a total payroll in 1951 of \$6,152,265.00.
16. It employs 2,145 people.
17. Average annual earnings per employee, excluding executives, \$2,683.06 or a weekly average of \$51.60.
18. It paid in taxes in 1951 a total of \$2,520,594.17 which includes \$1,555,820 estimated for Dominion and Provincial Income Taxes.







