

WINNIPEG  
ELECTRIC  
COMPANY



| NEW CHANNEL |

SEVEN SISTERS FALLS POWER PLANT

FIFTY-SIXTH  
ANNUAL REPORT

NINETEEN FORTY-EIGHT

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## BOARD OF DIRECTORS

- EDWARD ANDERSON, K.C., LL.D., Barrister,  
Winnipeg, Manitoba, Canada.
- W. H. CARTER, President and General Manager, Winnipeg Electric Company,  
Winnipeg, Manitoba, Canada.
- R. D. GUY, K.C., Barrister,  
Winnipeg, Manitoba, Canada.
- FRANK E. KRUESI, President, Central & South West Corporation,  
Wilmington, Delaware, U.S.A.
- D. H. McDOUGALL, Gentleman,  
Toronto, Ontario, Canada.
- J. A. McPHAIL, K.C., President, Great Lakes Power Company,  
Sault Ste. Marie, Ontario, Canada.
- A. J. NESBITT, President, Nesbitt, Thomson & Co., Investment Dealers,  
Montreal, Quebec, Canada.
- ISAAC PITBLADO, K.C., LL.D., Barrister,  
Winnipeg, Manitoba, Canada.
- C. S. RILEY, President, {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-President, Nesbitt, Thomson & Co., 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> |
| C. S. RILEY,   | <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.

W. H. CARTER  
PRESIDENT AND GENERAL MANAGER  
C. S. RILEY  
VICE-PRESIDENT

CABLE ADDRESS "STREETRAIL"

C. F. LIDSTER  
COMPTROLLER AND TREASURER  
S. N. CURRIE  
SECRETARY

# WINNIPEG ELECTRIC COMPANY

## WINNIPEG

CANADA

### NOTICE

Notice is hereby given that the Annual General Meeting of the Shareholders of Winnipeg Electric Company will be held at the Head Office of the said Company, Electric Railway Chambers, in the City of Winnipeg, in the Province of Manitoba, on Monday, the 2nd day of May, 1949, at the hour of 3 o'clock in the afternoon, for the reception of the Report of the Board of Directors for the year ended the 31st day of December, 1948, for the election of Directors for the ensuing year and for the transaction of any other business connected with or incidental to the said Company.

DATED at Winnipeg, this 1st day of April, A.D. 1949.

S. N. CURRIE,  
*Secretary.*



# ANNUAL REPORT

OF

WINNIPEG ELECTRIC COMPANY  
FOR THE FISCAL YEAR ENDED  
THIRTY-FIRST OF DECEMBER  
NINETEEN FORTY-EIGHT

*Submitted at the Fifty-sixth Annual Meeting*

*Held on the second day of May*

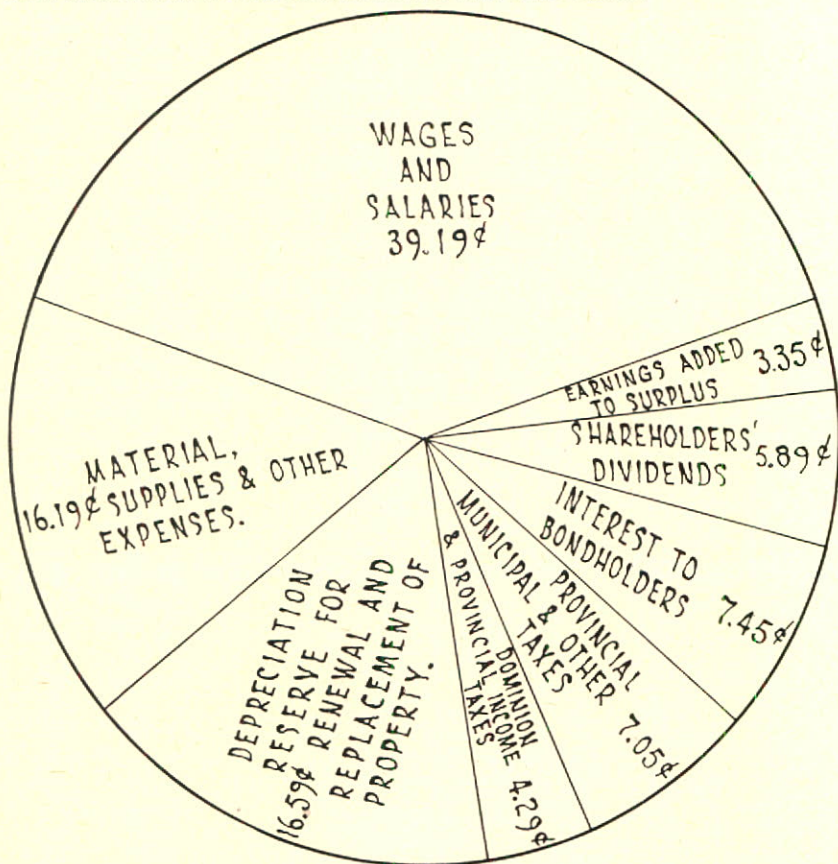
*Nineteen Forty-nine*

To the Shareholders:

Your Board of Directors is pleased to present its Annual Report on the financial position of your Company for the year ended December 31st, 1948, and submits the following statements:

Balance Sheet and Auditors' Report  
Income Account for 1948

Gross Earnings from Operation amounted to \$13,538,974.46 to which is added Net Miscellaneous Income of \$206,142.82, making a total gross revenue of \$13,745,117.28 and the following chart shows how each dollar of this 1948 revenue was distributed:



The Gross Earnings from Operation were up \$292,738 from the previous year but due to increased wage rates and costs of materials, Operating Expenses were \$739,176 higher.

The Gross Payroll of the Company for the year amounted to \$5,657,978, an increase of \$579,224 over 1947.

The Net Income for 1948 shows a decrease of \$87,903.64 from that of 1947 notwithstanding benefitting from reduction of interest by retirement on 1st May of \$400,000 of the 2 $\frac{3}{4}$ % bonds and reduction in the amount of Income Taxes.

## **ELECTRIC UTILITY**

The Electric Utility continued to experience an increased demand for electricity for all purposes, the peak load reaching an all time high of 297,480 h.p. in December, after the operating head at the Seven Sisters plant had been increased. Your Company's three hydro-electric plants generated 1,278,084,000 kilowatt-hours during the year, only one-tenth of 1% over the year 1947. This would have been considerably greater if the river flow had been sufficient throughout the year to permit the generation of surplus power for which there is a ready market as fuel for steam boilers.

The gross revenue from the sale of electricity (excluding inter-company sales) amounted to \$6,141,068.00, an increase of approximately 6% over 1947. During the year, 6638 new services were connected of which 2068 were for lighting, 2445 for cooking, 1990 for water heating and 135 for power. These new services added 42,616 horsepower to our connected load.

### **EXTENSION OF SEVEN SISTERS FALLS PLANT**

During the year the making of the new channel or tailrace cut was completed except for minor clean-up work which will be done this spring. In all a total of 788,000 cubic yards of rock was removed and the highlight of the whole job took place on December 5th when the last 15,000 cubic yards, left till then as a plug to the entrance to the cut, was blown up by a charge of nine tons of dynamite. This resulted in an immediately increased output of 35,000 h.p. from the three units at present in operation and when the raising of the earth dykes is completed, which we expect will be early this summer, the head will be increased to 66 feet and the total increase in the capacity of these three units will be 50,000 h.p.

Work on the power house extension was carried on during the summer and the bedded parts for the fourth unit are now installed. By this fall No. 4 Unit should be in operation and the fifth unit in operation early next year. When that work is completed there will be space for one more unit, each of which is of 37,500 h.p. capacity.

In addition to the construction work at Seven Sisters, extensions were made in the city distribution system and substations to take care of the increased load.

The picture on the front cover of this report is an aerial photograph of the Seven Sisters Falls Plant, looking up the river. It shows the power house with extension under construction and in the foreground the rock cut nearing completion.

### **TRANSPORTATION UTILITY**

Your Transportation System, comprising street cars, electric trolley buses and gasoline buses, continues to show a decrease in passengers carried. In 1948 it carried 100,377,593 revenue passengers which is 2.4% less than in 1947 and 5.3% less than in 1946, our peak year. Most, if not all, of this decrease is attributable to the increased number of automobiles in use, there being approximately 4000 more licensed in the Winnipeg area than in the previous year. Operating expenses, excluding taxes and depreciation, were

approximately 9% higher due to the higher wages and increased cost of materials. The price of car wheels was up about 6.5%, trolley wire 11.4%, gasoline 13.2% and brake shoes 16.8% from 1947.

During the year approximately \$1,175,000 was spent on modernization of the system and other capital expenditures. Stafford Street and Academy Road routes were converted from street car to trolley bus operation and Corydon Avenue route from street car to gasoline bus. Twenty new trolley buses and fifteen new motor buses were added to the fleet. Elsewhere in this report we show photographs of our two newest substations with their mercury arc rectifier equipments for the conversion of alternating to direct current necessary to operate the new trolley bus routes. These buildings are both in residential districts and are designed to be at least as attractive as the homes in the vicinity.

In our report for the year 1947 we spoke of application made to the Municipal and Public Utility Board for increased fares to meet demands for increased wages and the higher costs of materials. Wage increases were granted retroactive to the beginning of the year on the recommendation of a conciliation board but no decision on our application for increased fares was received until November 3rd when the Municipal and Public Utility Board issued an order, effective November 15th, 1948, increasing the monthly transportation ticket rate from \$6.00 to \$7.50, suburban zone tickets from five for fifteen cents to six for twenty-five cents and children's tickets from eight to six for twenty-five cents. The weekly permit at twenty-five cents plus five cents per ride was discontinued but the general adult rate of two tickets for fifteen cents remains the same.

The Municipal and Public Utility Board estimated that the increases granted would bring in about \$506,000 of additional revenue per annum. It also expressed the view that this would be sufficient to provide a reasonable return on the investment in the Utility although the Company's representatives had contended that a much larger amount would be necessary. Our transportation officials still maintain that this amount will not be sufficient to provide a reasonable rate of return.

### GAS UTILITY

The Gas Utility showed a decrease of slightly over 1% in cubic feet of gas sold. This was due principally to a reduction in the number of prepayment meters in use in the downtown rooming-house district in which over-crowding had accumulated during the war years but has since been considerably reduced. Gross revenue increased 4.05%, approximately one half of the increase being obtained from the sale of liquid propane in cylinders to Home Gas Limited which distributes them to its customers in rural districts of Manitoba and the remainder was derived from a general increase in gas rates effective October 15th, 1948. Peak load sendouts running 35% above the original capacity of the plant are carried quite comfortably by the liquid petroleum gas plant installed two years ago. The entire domestic coke production of 45,000 tons is readily absorbed by the local market.



During the year increased wage rates retroactive in full to March 1st and in part to January 1st were granted and in order to provide the additional revenue to meet the higher wage costs, application was made to the Municipal and Public Utility Board for increased rates for gas. By order of that Board new rates, approximately 5% over the previous rates, went into effect on October 15th. The higher wages being in effect for the full year, while the Company benefitted from the increased rates for gas for only 2½ months, considerably raised the ratio of expenses to gross revenue.

### TAX PAYMENTS FOR THE YEAR 1948

(Excluding accrual for Dominion and Provincial Income Taxes)

The Company paid in Taxes in the year 1948 :

To the City of Winnipeg in respect of its Transportation Utility for 5% Gross Earnings Charge, Car and Bus Licenses and Fixed Assessments.....	\$379,697.01	
To the City of Winnipeg for Property and Other Taxes.....	182,281.99	\$561,979.00
To the Province of Manitoba and Municipalities for Property and Other Taxes, including Gasoline Tax, Vehicle Licenses, etc.....	379,883.70	
Winnipeg, Selkirk & Lake Winnipeg Railway Co. and Suburban Rapid Transit Co. Taxes.....	27,193.75	
Total amount of Taxes before Dominion and Provincial Income Taxes.....	<u>\$969,056.45</u>	
Dominion and Provincial Income Taxes for the year 1948 estimated.....	<u>\$589,500.00</u>	

### DIVIDENDS

Dividends totalling 5% on Preference shares and \$1.00 per share on Common shares were paid in the year 1948. These dividends were paid half on June 30th and half on December 31st.

### EMPLOYEES

During the year 502 employees were engaged, 58 of these being students employed during the summer months. The total number of employees at December 31st, 1948, was 2349, being 87 less than on the same day of the previous year.

New wage agreements with our organized employees to replace those which had expired on December 31st, 1947, were finally signed on September 24th, 1948. The Union had demanded terms which the Company could not meet and on application by the Union, the Provincial Department of Labour appointed first a Conciliation Officer, who found it impossible to bring the parties to agreement, and then a Conciliation Board. That Board made a recommendation providing for increases to hourly-rated employees of 5 cents per hour effective January 1st, 1948, and an additional 6 cents per hour effective March 1st which was accepted by both the Company and the employees. Monthly rated employees received corresponding increases. These agreements expired on March 31st, 1949, and the management has been informed by the Union that it will not renew them.

Your Board of Directors is happy to record in this report its sincere appreciation of the capable and energetic services of the executive staff and employees in all departments of your Company during the past year.

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 Northwestern Power Company Limited at cost).....\$84,368,157.80

CASH IN BANKS AND ON HAND.....	\$	303,630.65
CONSUMERS' AND OTHER ACCOUNTS RECEIVABLE, including instalment contracts, less Reserve for Doubtful Accounts..		1,193,410.84
WORKING FUNDS AND DEPOSIT WITH WORKMEN'S COMPENSATION BOARD, etc.....		78,503.73
MATERIALS, SUPPLIES AND MERCHANDISE FOR SALE.....		1,250,587.18
INSURANCE PREMIUMS AND OTHER EXPENSES paid in advance....		92,630.06
FUNDS ON DEPOSIT TO MEET SPECIFIC LIABILITIES (per Contra)...		2,918,762.46
DEFERRED CHARGES, MISCELLANEOUS.....		52,964.60
EXPENDITURE ON LEASED PREMISES (Reserved per Contra).....		38,600.27
DEFERRED ACCOUNTS RECEIVABLE:		
Estimated Refundable Portion of Excess Profits Tax (per Contra).....	\$	219,800.00
Special Contract—Deferred Instalments.....		115,700.56
		335,500.56
		\$87,742,114.16

This is the Balance Sheet referred to in our Report to the Shareholders dated 23rd March 1949.

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

### 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 1948, and report that we have obtained all the information and explanations we have required.

Depreciation for the year has been provided for at the rates recognized by the Municipal & Public Utility Board of the Province of Manitoba, applied to the Company's book values. Provision has been made for Income and Excess Profits Taxes on what is deemed to be a reasonable basis; this provision is, however, subject to assessment by the Department for fiscal periods 1942 to 1948.

Subject to the question of the sufficiency of the Depreciation Reserve as a whole and of the provision for Income and Excess Profits Tax liability, the above Balance Sheet is, in our opinion, 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 explanations given to us, and as shown by the books.

Winnipeg, 23rd March 1949.

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

# AND SUBSIDIARY COMPANIES

STATEMENT AT 31st DECEMBER 1948

## 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.....	\$13,754,521.07	
Less Adjustments in Property Accounts.....	2,725,205.09	
		11,029,315.98

\$16,029,315.98

### FUNDED DEBT:

2¾% Serial First Mortgage Bonds, maturing \$400,000.00 annually 1st May 1949 to 1956 inclusive.....	\$ 3,200,000.00	
3¾% Series First Mortgage Bonds, due 1st May 1971.....	11,000,000.00	
4% Series First Mortgage Bonds, due 1st May 1971.....	13,000,000.00	
		27,200,000.00

### UNFUNDED DEBT:

Bank of Montreal Demand Loan.....		400,000.00
CURRENT ACCOUNTS PAYABLE, including wages and salaries.....	\$ 1,952,459.84	
CONSUMERS' SECURITY DEPOSITS AND ACCRUED INTEREST.....	141,191.36	
BOND INTEREST ACCRUED.....	170,083.32	
TAXES ACCRUED (estimated).....	461,687.85	
OTHER LIABILITIES.....	177,840.99	
		2,903,263.36

### LIABILITIES FOR WHICH FUNDS ARE SPECIALLY EARMARKED:

Matured Interest Coupons.....	\$ 51,230.60	
Scrip Certificates (Northwestern Power Co. Ltd.).....	1,734.00	
		52,964.60

### DEFERRED LIABILITIES (Payable in instalments)

Lake of the Woods and Lac Seul Storage Charges, etc.....		550,942.01
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### DEFERRED CREDITS TO INCOME.....

103,087.32

### MISCELLANEOUS RESERVES:

For Deferred Maintenance and Reconversion.....	\$ 611,909.80	
For Injuries and Damages, Leased Premises, Contingencies, etc.....	540,900.29	
		1,152,810.09

### DEPRECIATION AND PROPERTY RESERVES:

Depreciation Reserve.....	\$27,965,790.99	
Property Reserve (from Appraisal, Property of Manitoba Power Company Limited).....	7,290,947.36	
		35,256,738.35

### DEFERRED CREDIT TO SURPLUS:

Estimated Refundable Portion of Excess Profits Tax (per Contra).....		219,800.00
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### EARNED SURPLUS (Net Earnings from Operation and other Net Profits).....

3,873,192.45

(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 \$3,000,000.00 in the year 1949 and further substantial capital expenditures in the year 1950.

\$87,742,114.16

WINNIPEG ELECTRIC COMPANY AND  
SUBSIDIARY COMPANIES

CONSOLIDATED INCOME ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1948

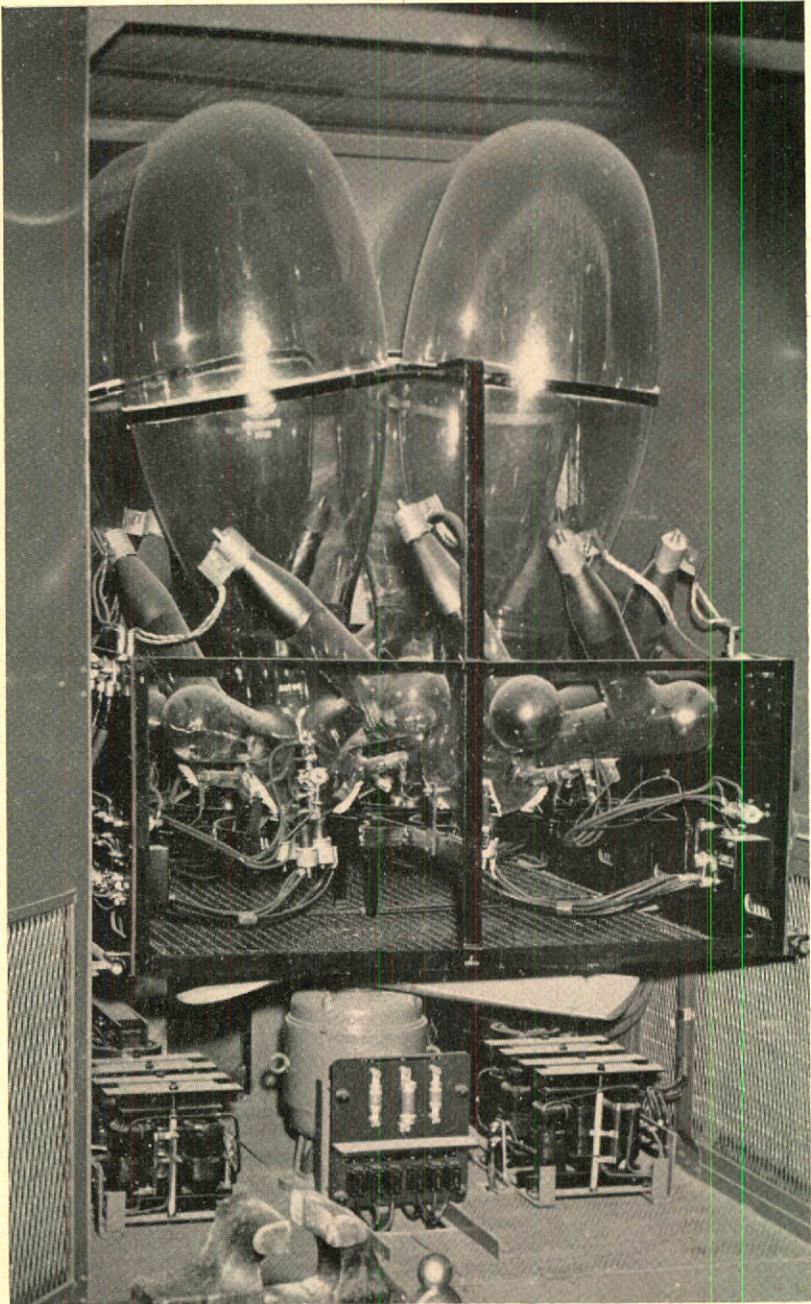
GROSS EARNINGS FROM OPERATION.....	\$13,538,974.46
OPERATING EXPENSES.....	7,741,450.66
NET OPERATING INCOME.....	\$ 5,797,523.80
Miscellaneous Income, net (including credit for Interest charged during construction \$101,051.03).....	206,142.82
GROSS INCOME.....	\$ 6,003,666.62
Interest on Funded Debt.....	\$1,024,166.66
Other Interest.....	38,464.95
Taxes.....	800,121.99
Depreciation.....	2,280,556.64
Provision for Dominion and Provincial Income Taxes (esti- mated).....	589,500.00
Other Income Deductions.....	928.12
	4,733,738.36
NET INCOME.....	\$ 1,269,928.26

SURPLUS ACCOUNT

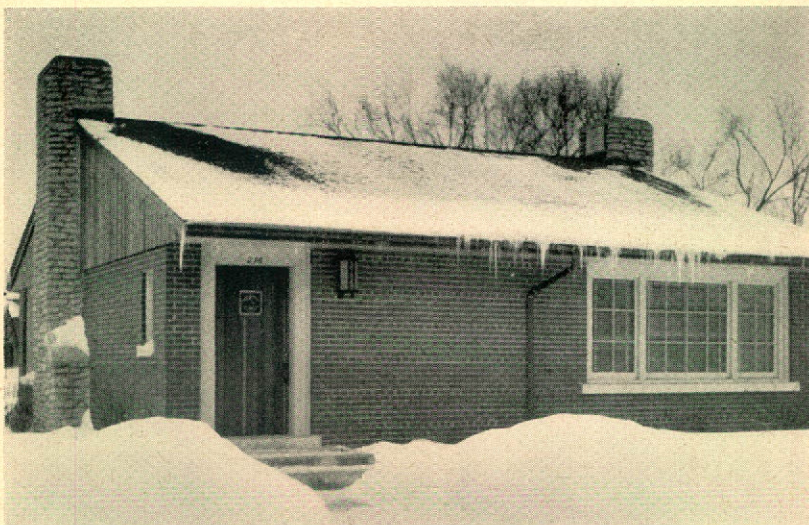
BALANCE, 1st January 1948.....	\$ 3,315,347.23
ADD:	
Net Income for the year 1948.....	\$1,269,928.26
Adjustment in accounts of Subsidiary Companies.....	97,786.96
	1,367,715.22
	\$ 4,683,062.45
DEDUCT:	
Dividends on Preference Stock.....	\$ 250,000.00
Dividends on Common Stock.....	559,870.00
	809,870.00
BALANCE, 31st December 1948.....	\$ 3,873,192.45



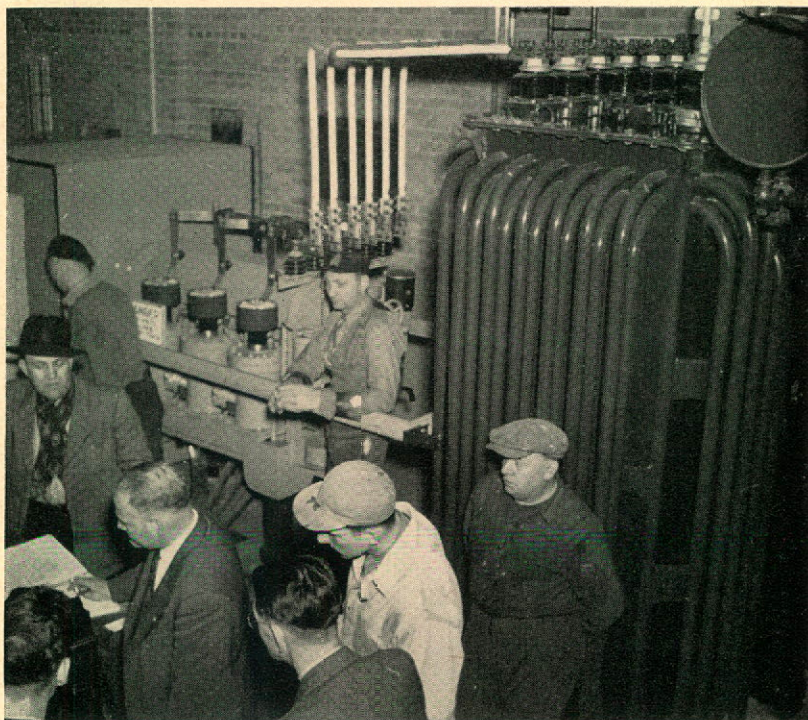
Osborne Street Substation.



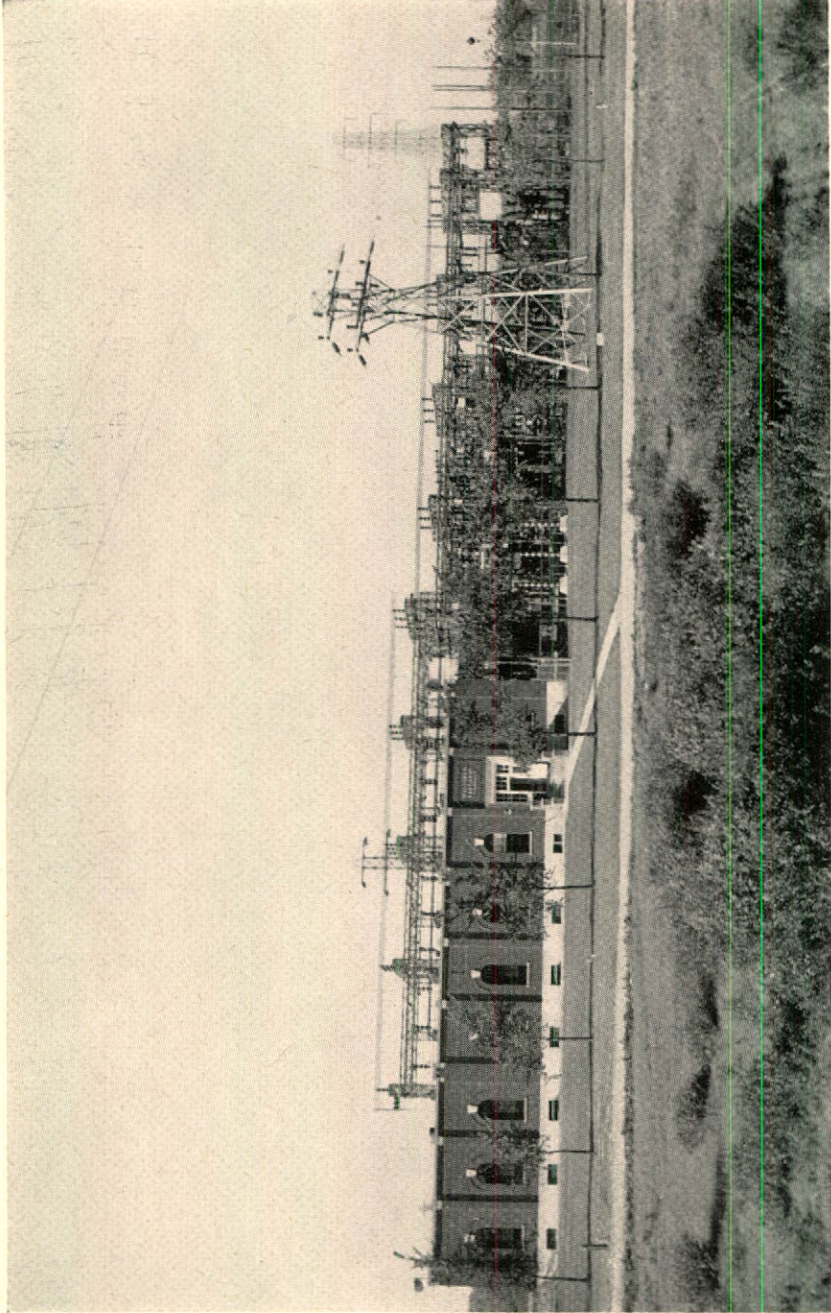
Mercury Arc Rectifier made in England for Osborne Street Substation.



Academy Road Substation.



Testing Mercury Arc Rectifier or Ignitron made in Canada for Academy Road Substation.



Harrow Street Substation, terminal for transmission line from Seven Sisters Falls.



## FACTS ABOUT YOUR COMPANY AND ITS SUBSIDIARIES

(As at December 31st, 1948)

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1. It renders service to a population of approximately 350,000.
2. It has 3 hydro-electric plants on the Winnipeg River with an ultimate capacity of 400,000 h.p.
3. It has 4 terminal stations, 9 major substations and 18 tap-off stations.
4. It has 761 miles of high tension transmission circuits.
5. The power generated by its power plants during the year totalled 1,278,084,000 kilowatt hours.
6. It carried 100,377,593 revenue passengers in 1948.
7. It operated 15,896,477 car, motor bus and trolley bus miles during the year.
8. It had 199 passenger street cars, 188 motor buses and 94 trolley buses.
9. It operates 30 miles of street car routes; 86 miles of motor bus and 21 miles of trolley bus routes.
10. It has 64.62 gross miles of track, of which 35.00 miles is paved and 29.62 open track.
11. It has a By-Product Coke Oven plant with a total daily gas capacity of 2,500,000 cubic feet, and an annual domestic coke production of 45,000 tons. A Liquid Petroleum gas plant of 500,000 cubic feet capacity per day is available for heavy peak or other emergency loads.
12. It has a water gas standby plant capable of taking over the entire load of the coke oven plant. It has 145 miles of gas mains.
13. It employs 2,349 people.
14. It had a total payroll in 1948 of \$5,657,978.53.
15. Average annual earnings per employee, excluding executives, \$2,348.
16. Average weekly earnings per employee, excluding executives, \$45.15.
17. It paid in taxes in 1948 a total of \$969,056.45 exclusive of Dominion and Provincial Income Taxes.

