

WINNIPEG  
ELECTRIC  
COMPANY

THIRTY-EIGHTH  
ANNUAL REPORT  
NINETEEN THIRTY

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THE  
ANNUAL REPORT

OF

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

*Submitted at the Thirty-eighth Annual Meeting  
held on the sixth day of April  
Nineteen thirty-one*



*DIRECTORS:*

EDWARD ANDERSON, K.C., *President*

W. R. BAWLF, *Vice-President*

W. J. BULMAN

J. B. WOODYATT

A. J. NESBITT

N. J. BREEN

S. L. FULLER

J. B. COYNE, K.C.

W. H. CARTER

P. A. THOMSON

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EDWARD ANDERSON, K.C., *President and General Manager*

J. S. MACKENZIE, *Treasurer*

L. PALK, *Secretary*

S. N. CURRIE, *Assistant Secretary*

G. T. McINTOSH, *Assistant Secretary*



# Report of the President and Directors Winnipeg Electric Company

*For the year ended December 31st, 1930*

*To the Shareholders:*

Your directors beg to submit a statement of operations for the year ended December 31st, 1930, as follows:

Gross Earnings from Operation.....	\$6,078,055.37
Operating Expenses before charging Depreciation.....	4,023,039.22
	\$2,055,016.15
Net Operating Income.....	\$2,055,016.15
Miscellaneous Income.....	376,899.04
	\$2,431,915.19
Gross Income available to meet Fixed Charges, etc.....	\$2,431,915.19
From which the following deductions are made:	
Interest Charges on Mortgage	
Stock, Bonds, Bank Loans, etc. \$951,289.71	\$951,289.71
Taxes.....	361,343.05
Other Income Deductions.....	31,129.41
	1,343,762.17
Net Income as shown on accounts submitted herewith, excluding Depreciation.....	\$1,088,153.02

Miscellaneous Income shows a decrease of \$92,193.11 from the amount reported for 1929. In 1929 interest on advances made temporarily to Northwestern Power Company Limited until that company could complete its financing totalled \$96,558, as compared with \$47,804 this year, thus reducing Miscellaneous Income account from this source by \$48,754. Miscellaneous Income for the year 1929 included dividends on the Company's holdings in Manitoba Power Company Stock to the amount of \$211,463, as compared with \$130,879 for 1930, a decrease of \$80,584.

The Net Income for the year was \$1,088,153.02, which represents a decrease of \$369,757.90 from the preceding year, due to conditions referred to elsewhere in this report. Out of the Net Income of \$1,088,153.02, a total of \$515,344.95 was set aside for Depreciation, the balance of \$572,808.07 being carried forward to Surplus Account, bringing the total surplus up to \$934,867.20 before providing for payment of dividends. After the payment of the regular quarterly dividend at the rate of 7% on the Preferred Stock and one dividend of \$1.00 per share

on the Common Stock of the Company, there was a balance carried forward of \$344,978.20. As usual, the Sinking Fund instalment, which in 1930 amounted to \$71,900.00, was paid over and deposited with the Trustees.

## UTILITIES

The Gross Earnings of the Electric, Railway and Gas Utilities were adversely affected by reason of the depression in trade and attendant unemployment. Gross Receipts of the Electric Utility, however, showed a small increase over 1929, despite unfavorable economic conditions and a shortage of power occurring in the months of October and November resulting from a less than normal flow of water in the Winnipeg river. This shortage of power likewise affected the earnings of Manitoba Power Company Limited, the major portion of the stock in which Company is owned by Winnipeg Electric Company.

Railway Earnings, dependent as they are on business activity, were considerably reduced during 1930 when compared with the preceding twelve-month period. Our experience was similar to that of most street railways on this continent, which recorded an average decrease in traffic during 1930 amounting to seven and one-half percent, which decrease is attributed entirely to the financial depression. Another factor affecting the earnings of this Utility was the exceptionally mild weather prevailing in the months of November and December, which permitted the greater use of the automobile as a means of transportation and made it possible for people to walk to and from work.

Pursuant to the application for relief from paving maintenance charges and the abolition of the 5% gross earnings tax and an upward revision of fares, referred to in the annual report for 1929, the City Council agreed to an interim fare increase, which was approved by the Municipal and Public Utility Board, the new schedule becoming effective on July 14th. This interim schedule of fares was to be operative "pending full investigation of the whole street car fare problem by the said Board." Hearings were held before the Board from July to the end of the year, and an exhaustive enquiry was made into the operations of the Street Railway Utility of Winnipeg Electric Company, as well as those of its two subsidiaries, the Suburban Rapid Transit Company and the Winnipeg, Selkirk & Lake Winnipeg Railway Company. As it did not appear that a finding could be made for some time, and as the interim fare schedule made effective July 14th had not sufficiently improved the situation, the Board on October 6th placed in effect an experimental fare schedule under which we are now operating but which the Company contends does not afford sufficient relief. The report of Mr. A. E. K. Bunnell, expert, who was retained by the Municipal and Public Utility Board at the beginning of its investigation, has recently been completed and supports in very large meas-



ure the representations made by the Company before the Board. The final decision of the Board in the above matter is expected shortly.

The Gas Utility also showed a decrease in revenue during 1930, which was due to a large extent to one of its largest customers being out of production most of the year.

### **GENERAL CONDITIONS IN TERRITORY SERVED**

Winnipeg, dependent as it is upon the purchasing power of the Prairie Provinces, has gone through a trying year during 1930. The estimated value of field crops in the three provinces was \$270,000,000 in 1930, as compared with \$471,000,000 in 1929 and \$683,000,000 in 1928. If allowance be made for the decrease in the price of manufactured goods during the past two years, it is estimated that the new purchasing power put into circulation in the prairies during 1930 is about 36 percent below the corresponding figure for 1929 and almost exactly half that for 1928.

The Western farmer, fortunately, is not so dependent now as formerly upon field crops, particularly in the Provinces of Manitoba and Alberta. In 1929, for example, the last year for which information is available, the average farmer in these provinces earned approximately \$600.00 from the sales of live stock, poultry and dairy products. In 1930 the Manitoba dairy industry had the best year in its history.

Conditions in Winnipeg and Western Canada, however, are not different to those existing elsewhere. The economic depression of 1930 was international in its scope and one of the most severe in time of peace, being due in a large measure to economic maladjustments resulting directly and indirectly from the Great War. The attention that is being at present directed towards overcoming the most serious aspects of this and other depressions should, in the long run, prove beneficial to the world at large.

With respect to the immediate local situation, it is interesting to note that a further increase in population totalling 6,409 was recorded in Winnipeg during 1930. For this period building permits in Greater Winnipeg amounted to \$9,586,451, a substantial total. The Industrial Development Board of Manitoba estimates the value of products manufactured in Winnipeg during 1930 at \$132,000,000, which compares favorably with the 1929 total of \$155,000,000, when the lower price of commodities is taken into consideration. The survey of this board indicates that 32 new industries were established in Manitoba during the year, 16 established industries added new lines, and 12 have expanded their factories.

It would appear that we have passed through the most serious stage of the depression, and it can be said that prospects are believed to be somewhat brighter. There has been a substantial increase in manufacturing in Winnipeg during recent

years, and this development will continue; our mineral resources are being developed; our fishing industry is growing; there is available plenty of low cost electrical energy, and, all in all, we can confidently anticipate a continued interest in the development of Winnipeg and Western Canada.

### IMPROVEMENTS TO COMPANY'S PROPERTY

**In the Electric Field**, the most important work undertaken during the year was the changing over of the transmission lines and the Great Falls power plant from 60,000 volts to 110,000 volts. Work involved the changing of all transformer connections at McPhillips Street Terminal Station and at Great Falls, replacing some switching and re-arranging the local service at the latter point, increasing the insulation of the various transmission lines supplying power from Great Falls, and building a two-circuit 110,000 volt line from Great Falls to Lac du Bonnet. A bank of three 10,000 K.V.A. transformers was installed at Transcona to reduce the voltage from 110,000 volts to 60,000 volts. The result of all this work was a great improvement in the line regulation and a large decrease in energy losses through the transmission lines.

Other major improvements to the Electric Utility included replacing the inadequate 22,000 volt switches in St. James Substation by modern switches, the installation of an additional 22,000 volt underground cable feeder between St. James Substation and Sherbrooke St. Substation, and the re-arrangement of the 60,000 volt switching at the St. Boniface Substation by the installation of a 9,000 K.V.A. bank of transformers and new 60,000 volt switching. There were also the usual extensions to take care of new customers.

**Railway Utility**—In pursuance of its agreement with the City following the granting of an interim fare increase in July, the Company proceeded with a re-construction programme with respect to both track and rolling stock. Track work included the re-construction of tracks between Garry and Donald Streets on Portage Avenue, and likewise between Colony and Maryland Streets on Portage Avenue, where a heavier grooved rail was used with a foundation and pavement of concrete construction. Re-construction of track on Osborne Street between Stradbroke Avenue and Corydon Avenue, involving the laying of 2,900 feet of single track, was also completed. These are main travelled lines which we expect will remain in use many years.

Changes to rolling stock included conversion of thirty high floor cars into the front exit type, which cars were also completely overhauled and painted and had new leather cross seats installed. In addition to this group of thirty cars, sixty-four other high floor cars were equipped with front exits to facilitate egress of passengers and to induce a better distribution of passenger loads within the cars.

**In the Gas Utility**, no major changes were effected.

The Company's property is being carefully maintained in order that it may serve its patrons efficiently. The last annual report stated that a valuation of the Company's property was being made for the purpose of substantiating book values and to determine rates of depreciation. Completion of this valuation substantiates the values of property shown on the books of the Company.

### SEVEN SISTERS FALLS

During the year 1930, Northwestern Power Company Limited, formed for the purpose of carrying on the Seven Sisters Falls development, most of the stock in which Company is owned by Winnipeg Electric Company, proceeded with a very active construction programme.

During this time, the heavy construction work for the initial development at this site, consisting of power house substructure and superstructure for the installation of the first three units, dam and initial dykes, was practically completed. The substructure for the remaining three units has been constructed to a point where unwatering expense will be at a minimum for the installation of the additional turbines and generators as required.

Installation of the turbines, mechanical and electrical equipment, and construction of the transmission line between Seven Sisters Falls and Winnipeg is now in progress, and it is anticipated that the first units will be in operation in the summer of 1931.

### FINANCIAL OPERATIONS

No permanent financing was done by the Company during the year 1930.

Last year's report stated that on October 10th, 1929, the Directors of Winnipeg Electric Company offered to the minority shareholders of Manitoba Power Company Limited the privilege of exchanging Manitoba Power Company Limited stock for stock of Winnipeg Electric Company on a share for share basis, and as of December, 31st, 1929, the holders of 29,483 shares of Manitoba Power Company Limited had taken advantage of this offer and that Winnipeg Electric Company then held 120,473 shares in Manitoba Power Company Limited. As of December 31st, 1930, the number of shares held by Winnipeg Electric Company in Manitoba Power Company Limited stock had increased to 132,914 out of a total issued capital stock of 150,000 shares.

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The loyal and efficient services rendered by the executives and employees in conducting the affairs of your Company and its subsidiaries are most gratefully acknowledged.

EDWARD ANDERSON,  
*President.*

# WINNIPEG ELECTRIC

## BALANCE SHEET

As at 31st December, 1930.

### ASSETS

PHYSICAL PROPERTIES at Reproduction Cost as appraised by the J. G. White Engineering Corporation, as of 31st December, 1916, and additions since.....		\$33,797,188.73
SINKING FUNDS:		
First Refunding Mortgage 30-year 5% Sinking Fund Gold Bonds at par value.....	\$1,405,000.00	
Cash in hand of Sinking Fund Trustees.....	35,472.50	
Amount Due this Date (per contra).....	71,900.00	
		1,512,372.50
Advances to and Stock and Bonds held in Subsidiary and other Companies at Book Value.....		6,951,241.31
CURRENT ASSETS:		
Cash in Bank and on Hand.....	\$ 101,032.12	
Cash in Bank—Special Accounts (held for Bond Interest, etc.).....	196,502.45	
Consumers' and Other Accounts Receivable, less Reserve for Doubtful Accounts.....	598,514.25	
Working Funds and Deposit with Workmen's Compensation Board, etc.....	55,093.50	
Material and Supplies.....	634,578.52	
		1,585,720.84
Deferred Charges to Operation, Insurance Premiums and Other Expenses paid in advance.....		315,624.38

\$44,162,147.76

### AUDITORS' REPORT

To the Shareholders of Winnipeg Electric Company, Winnipeg.

We have audited the books and accounts of Winnipeg Electric Company for the year ended 31st December, 1930, and report that we have received all the information and explanations we have required.

An appraisal of the Company's properties on the basis of depreciated replacement value shows an appreciable excess over the net book values. We believe, however, consideration should be given to the question of the adequacy of the annual charge for depreciation. Subject to this, in our opinion the above Balance Sheet is properly drawn up so as to present a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the books of the Company.

(Signed) GEORGE A. TOUCHE & CO.

Chartered Accountants, Auditors.

Winnipeg, 25th March, 1931.

# RIC COMPANY

## SHEET

ember, 1930

### CAPITAL AND LIABILITIES

#### CAPITAL STOCK:

Cumulative Preferred Stock—		
Authorized 50,000 7% Shares of \$100.00 each and		
50,000 6% Shares of \$100.00 each. Issued and Out-		
standing 50,000 Shares of 7% Cumulative Preferred		
Stock.....	\$ 5,000,000.00	
Common Stock of no par value—		
Authorized 500,000 Shares.		
Issued and Outstanding 241,924 Shares.....	13,866,255.77	
		\$18,866,255.77

#### FUNDED DEBT (AS PER SCHEDULE):

Mortgage Stock.....	\$ 4,380,000.00	
Bonds.....	12,000,000.00	
		16,380,000.00

#### CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers (Secured).....	\$ 850,000.00	
Accounts Payable (Material and Supplies, Operating and		
Construction).....	512,006.09	
Wages and Salaries Payable.....	88,700.35	
Consumers' Security Deposits.....	45,557.72	
Other Liabilities.....	387,844.61	
Accrued Interest (Payable 2nd January, 1931).....	125,000.00	
Accrued Interest Charges.....	193,346.16	
Dividend on Preferred Stock (Payable 2nd January, 1931)..	87,500.00	
Sinking Fund Accrual (per contra).....	71,900.00	
		2,361,854.93

#### DEFERRED LIABILITIES:

Pavement Charges—Payable in Installments.....	\$ 76,423.28	
Lake of the Woods Storage—Payable in Installments.....	60,785.63	
		137,208.91

#### RESERVE:

Accrued Depreciation.....	\$ 5,578,562.54	
Injuries and Damages, etc.....	114,747.41	
Sinking Fund Reserve.....	378,540.00	
		6,071,849.95

#### SURPLUS.....

344,978.20

\$44,162,147.76

#### CONTINGENT LIABILITIES:

In respect of the Principal and Interest of the Bonds of—		
Manitoba Power Company, Limited.....	\$11,500,000.00	
Northwestern Power Company, Limited.....	10,000,000.00	
Suburban Rapid Transit Company.....	500,000.00	
Winnipeg, Selkirk and Lake Winnipeg Railway Company.....	50,000.00	
Other.....	25,000.00	

# WINNIPEG ELECTRIC COMPANY

## FUNDED DEBT

*At 31st December, 1930*

### MORTGAGE STOCK:

5% Refunding Mortgage Stock or Bonds, Redeemable 2nd October, 1954, total issue.....	£	2,713,000	
Less converted into dollars at \$4.87 and issued as 30-Year Refunding Mortgage 6% Bonds.....	£1,437,371.13.3		
Pledged as Security for Notes to Bankers..	375,628. 6.9		
		<u>1,813,000</u>	
Outstanding in Hands of Public.....	£	900,000	\$ 4,380,000.00

### BONDS:

First Refunding Mortgage 30-Year 5% Sinking Fund Gold Bonds, Redeemable 1st January, 1935.....	\$5,000,000.00		
30-Year 6% Refunding Mortgage Bonds, redeemable 2nd October, 1954.....	7,000,000.00		
		<u>12,000,000.00</u>	
Total.....		\$16,380,000.00	

# WINNIPEG ELECTRIC COMPANY

## INCOME ACCOUNT

*For the Year ended 31st December, 1930*

GROSS EARNINGS FROM OPERATION.....	\$6,078,055.37
OPERATING EXPENSES before charging Depreciation.....	4,023,039.22
NET OPERATING INCOME.....	<u>\$2,055,016.15</u>
Miscellaneous Income.....	376,899.04
Gross Income.....	<u>\$2,431,915.19</u>
DEDUCT:	
Interest charged on Mortgage Stock, Bonds, Bank Loans, etc. \$951,289.71	
Taxes, etc.....	361,343.05
Other Income Deductions.....	31,129.41
	<u>1,343,762.17</u>
NET INCOME BEFORE CHARGING DEPRECIATION.....	<u>\$1,088,153.02</u>
DEDUCT:	
Depreciation.....	515,344.95
NET INCOME TRANSFERRED TO SURPLUS.....	<u>\$ 572,808.07</u>
SURPLUS BROUGHT FORWARD FROM 1929 AS ADJUSTED.....	\$ 362,059.13
NET INCOME TRANSFERRED.....	572,808.07
	<u>\$ 934,867.20</u>
DIVIDENDS on 7% Cumulative Preferred Stock.....	\$350,000.00
DIVIDENDS on Common Stock.....	239,889.00
	<u>589,889.00</u>
SURPLUS CARRIED FORWARD.....	<u>\$ 344,978.20</u>











