

WINNIPEG
ELECTRIC
COMPANY

THIRTY-SEVENTH
ANNUAL REPORT
NINETEEN TWENTY-NINE

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THE
ANNUAL REPORT

OF

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

*Submitted at the Thirty-seventh Annual Meeting
held on the seventh day of April
Nineteen-thirty*

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

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, 1929

To the Shareholders:

Your directors beg to submit a statement of operations for the year ended December 31st, 1929, as follows:

Gross Earnings from Operation.....	\$6,415,539.98
Operating Expenses before charging Depreciation..	4,068,892.23
	\$2,346,647.75
Net Operating Income.....	\$2,346,647.75
Miscellaneous Income.....	469,092.15
	\$2,815,739.90
Gross Income available to meet Fixed Charges, etc.....	\$2,815,739.90
From which the following deductions are made:	
Interest Charges on Mortgage	
Stock, Bonds, Bank Loans, etc....	\$930,078.82
City Percentage and Car License....	172,348.26
Taxes.....	198,689.37
Miscellaneous Non-Operating Taxes	1,756.27
Other Income Deductions.....	54,956.26
	\$1,357,828.98
Net Income as shown on accounts submitted here- with, excluding Depreciation.....	\$1,457,910.92

Miscellaneous Income shows an increase of \$81,389.74 over the amount reported for 1928, and is accounted for by interest charged on temporary advances made to Subsidiary Companies.

The Net Income for the year was \$1,457,910.92, which represents an increase of \$238,887.64 over the preceding year. Out of the Net Income of \$1,457,910.92, a total of \$488,416.41 was set aside for Depreciation, the balance of \$969,494.51 being carried forward to Surplus Account, bringing the total surplus up to \$1,251,254.86 before providing for payment of dividends. After the payment of the regular quarterly dividend at the rate of 7% on the Preferred Stock and two dividends of \$1.00 per share each on the Common Stock of the Company, there was a balance in Surplus Account of \$471,827.92. From this balance there was appropriated \$74,760.00 to Sinking Fund Reserve, leaving a balance carried forward of \$397,067.92.

UTILITIES

Light and Power—The gross receipts of the Electric Utility showed an increase of \$190,000 over the preceding year. This reflects the increased industrial activity prevailing in Winnipeg during the year under review.

The operating expenses of this Utility showed an increase of \$94,548, which is due very largely to the purchase of additional power required to supply the increased demands of customers of this Utility.

Street Railway—The gross receipts of the Railway Utility were up \$83,000 when compared with 1928, the number of passengers carried having shown an increase of 1,015,479 when compared with the total for the preceding year. Despite annual increases in the number of passengers carried in each succeeding year since 1924, the number carried last year was less than the number transported in 1920. Improved business conditions in Winnipeg have meant an increase in the number of passenger automobiles in operation and there are 19,000 more vehicles of this class operating in Greater Winnipeg today than in 1920. This condition has naturally affected the showing of this Utility to a very considerable degree, but, nevertheless, we expect that with the growth of Winnipeg we will record a corresponding increase in passengers carried.

Although there has been a gradual improvement in street railway traffic, service improvements and extensions have necessitated capital expenditure, and the Management, feeling that the fares were too low to provide further extensions or give additional service, has applied to the city for relief from paving maintenance charges and the abolition of the 5% Gross Earnings Tax, or, as an alternative, asked for an upward revision in fares, which application is now pending.

Gas—Sales were considerably augmented due to the establishment of the Mid-West Glass Company, a company manufacturing bottles of various kinds. The taking on of this customer made necessary the installation of a Water Gas Plant in the month of October, with a daily capacity of three and one-half million cubic feet.

The domestic gas load has decreased to some extent due to domestic cooking ranges being replaced by electric ranges, but is largely offset by additional business secured in the form of industrial installations and furnaces for gas house heating.

GENERAL CONDITIONS IN TERRITORY SERVED

During 1929 Winnipeg continued to grow at a substantial rate, the increase in population being 6,727 over the preceding year, according to information supplied by Henderson Directories Limited.

Building permits for 1929 totalled \$11,050,250, or an increase of \$502,850 over 1928. There were 28 apartment blocks constructed during the year at a value of \$2,490,000 with 754 suites, which compares favorably with 20 blocks valued at \$1,800,000 with 539 suites constructed in 1928. There were 774 new dwellings constructed in Winnipeg during 1929, with a total value of \$3,670,400.

The survey of industrial development made by the Manitoba Industrial Development Board shows a continuance during 1929 of the increase and progress which made the record of 1928 so remarkable. There were 51 new industries established in Manitoba during this time, while there is assurance that new plants manufacturing explosives, paper, gypsum, chemical and wood products, with a combined capital of more than \$5,000,000 will be established in Manitoba during 1930. Twenty-five Manitoba industries have already announced plans for extensions of plants early in 1930.

Winnipeg, like the rest of Canada, has experienced some recession in business since the late fall of 1929. Our economic structure, however, is sound, and in view of the rapid growth in the industrial field in Winnipeg and Manitoba, there is good reason to be optimistic as to the future.

EXTENSIONS TO COMPANY'S PROPERTY

In accordance with franchise agreements, and to meet service requirements, the Company made certain additions and improvements to its railway property in 1929. Among the principal additions are:

Construction of a double track extension on Stafford Street between Grosvenor and Lorette Avenues, a distance of 2,672 lineal feet, and on Corydon Avenue, between Lilac and Wilton Streets, a distance of 2,830 lineal feet.

An extension of 2,000 lineal feet of track on Notre Dame Avenue from the old terminus on Lipton Street to Worth Street.

Laid second track of 1,500 lineal feet on Watt Street between Harbison and Munroe to provide better facilities to handle increased traffic on Morse Place line.

The Company also re-constructed its tracks on Main Street, between Portage and Higgins Avenues. The old track, which had centres of 25 feet 3 inches, was shifted and the new track has centres of 12 feet, which narrowed down considerably the space occupied by street cars on the street, making available more roadway for vehicular traffic. This work involved the laying of 7,200 lineal feet of track.

In the Electric Utility various additions were made in the form of substation equipment and distribution facilities to take care of the added volume of business that has been secured. Extensive alterations to a former minor substation have resulted in making the West Kildonan one of our principal substations in order to satisfactorily supply the rapidly growing loads in the four Kildonan suburbs, the north end of Winnipeg, as well as the Electric Utility load of the Winnipeg, Selkirk & Lake Winnipeg Railway. This substation is fully automatic in its operation.

Another link in the transmission ring planned eventually to connect our principal substations and terminal stations was added this year with the completion of the three-phase overhead circuit from McPhillips terminal station to the new West Kildonan substation.

An additional bank of transformers was installed at Dawson Road substation.

Gas Utility—A new three and one-half million capacity Carburetted Water Gas Plant was constructed at the Gas Works in order to properly take care of the demands for gas from the Mid-West Glass Company, and to provide for future industrial expansion.

Proper maintenance of the Company's property in order to keep it in a good operating condition has been continued, and its patrons are being efficiently served. A valuation of the Company's property is being made for the purpose of substantiating values and to determine rates of depreciation. Results up to date more than confirm book values.

SEVEN SISTERS FALLS

During the year 1929, an active construction programme has been carried on with the plan that the building of this plant will be proceeded with somewhat as was done with the Great Falls plant: the dam and the entire power house sub-structure for the six generating units will be completed with the initial installation. The super-structure for only three of these units will be built at this time, leaving the completion of the super-structure to be made when our growing system load necessitates the addition of further generating units. It is anticipated that the first unit will be placed in operation in the summer of 1931, with the second unit following within a few weeks, and that the third unit will be ready for operation by the end of 1931, thus adding to our system 42,000 h.p. of installed generating capacity by January 1st, 1932, to enable the anticipated power demands to be satisfied. The next step will involve the completion of the dyke and additional work on the tail race cut so that the head

on these three machines will be increased sufficiently to produce 112,000 horsepower.

FINANCIAL OPERATIONS

Additional Common Stock Issued

In January, 1929, the authorized Common Capital Stock of the Company was increased and 50,000 shares were offered to holders of common Stock of record January 31st, 1929 at the price of \$60.00 per share on the basis of one share of the new Stock for each three shares held at that date. All of these shares were taken up, making the issued Common Capital Stock 200,000 shares of No Par Value.

Rate of Dividend on the Unissued Preference Stock Changed from 7% to 6%

In April a special general meeting of shareholders authorized a change in the rate of dividend on the unissued Preference Stock of the Company from 7% to 6%. Prior to that date 100,000 7% Cumulative Preference shares had been authorized and 50,000 of these issued. So far there have been no 6% Preference Shares issued.

Manitoba Power Company Limited Shareholders Offered Shares of Winnipeg Electric Company on a Share for Share Basis.

On October 10th, 1929, there were outstanding 150,000 shares of the Common Stock of Manitoba Power Company Limited, of which Winnipeg Electric Company owned 90,990 shares. On that date 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 so that now Winnipeg Electric Company holds 120,473 shares in Manitoba Power Company Limited out of the issued Capital Stock of 150,000 shares.

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

At 31st December 1929

ASSETS

<p>PHYSICAL PROPERTIES at Reproduction Cost as appraised by the J. G. White Engineering Corporation, as of 31st December, 1916, and additions since. (A Valuation of the Company's Properties is being made for the purpose of substantiating Book Values and determining Rates of Depreciation).....</p>		\$33,111,639.24
<p>SINKING FUNDS:</p>		
First Refunding Mortgage 30-Year 5% Sinking Fund Gold Bonds at Par Value.....	\$1,262,000.00	
Cash in Hand of Sinking Fund Trustees.....	32,498.28	
		1,294,498.28
<p>ADVANCES TO AND STOCK AND BONDS HELD IN SUBSIDIARY AND OTHER COMPANIES AT BOOK VALUE.....</p>		8,961,397.20
<p>CURRENT ASSETS:</p>		
Cash in Bank and on Hand.....	\$ 97,090.37	
Cash in Bank—Special Accounts (held for Bond Interest, etc.).....	212,624.69	
Consumers' and Other Accounts Receivable, less Reserve for Doubtful Accounts.....	606,002.51	
Working Funds and Deposit with Workmen's Compensation Board, etc.....	40,565.16	
Material and Supplies.....	621,796.14	
		1,578,078.87
<p>ACCRUED ASSETS:</p>		
Dividend on Stock of Manitoba Power Company Limited (payable 1st of February, 1930).....		120,473.00
<p>PREPAID ACCOUNTS, ETC.:</p>		
Prepaid Accounts, Prepaid Insurance Premiums, etc.....		101,437.46
		\$45,167,524.05

AUDITORS' REPORT

To the Shareholders of Winnipeg Electric Company, Winnipeg.

We have examined the books and accounts of Winnipeg Electric Company for the year ended 31st December, 1929, and we report that we have obtained all the information and explanations we have required, and that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st December, 1929, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

GEORGE A. TOUCHE & CO.

Chartered Accountants, Auditors.

Winnipeg, 20th March, 1930.

RIC COMPANY

SHEET

ember, 1929

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 outstanding 50,000 shares of 7% Cumulative Preferred Stock.....	\$ 5,000,000.00	
Common Shares of no par value.		
Authorized 500,000 Shares.		
Issued and Outstanding 229,483 Shares.....	13,865,055.77	
		\$18,865,055.77

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).....	\$ 1,700,000.00	
Accounts Payable (Material and Supplies, Operating and Construction).....	770,951.75	
Wages and Salaries Payable.....	95,957.87	
City of Winnipeg Percentage and Car License.....	172,348.26	
Consumers' Security Deposits.....	45,222.55	
Other Liabilities.....	219,422.07	
Accrued Interest (Payable 2nd January, 1930).....	125,000.00	
Accrued Interest Charges.....	191,503.99	
Dividend on Preferred Stock (Payable 2nd January, 1930)	87,500.00	
Dividend on Common Stock (Payable 1st February, 1930)	229,483.00	
		3,637,389.49

DEFERRED LIABILITIES:

Pavement Charges—Payable in Installments.....	\$ 105,544.66	
Lake of the Woods Storage—Payable in Installments.....	61,773.38	
		167,318.04

RESERVE:

Accrued Depreciation.....	\$ 5,246,794.39	
Injuries and Damages, etc.....	95,358.44	
Sinking Fund Reserve.....	378,540.00	
		5,720,692.83

SURPLUS..... 397,067.92

\$45,167,524.05

CONTINGENT LIABILITIES:

In respect of the Principal and Interest of the		
Bonds of the Manitoba Power Company Limited.....	\$11,500,000.00	
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, 1929

MORTGAGE STOCK:

5% Refunding Mortgage Stock or Bonds, Redeemable 2nd October, 1954, total issue.....	£ 2,643,000
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....	305,628. 6.9
	<u>1,743,000</u>
Outstanding in Hands of Public.....	£ 900,000
	<u>\$ 4,380,000.00</u>

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.....	<u>\$16,380,000.00</u>

WINNIPEG ELECTRIC COMPANY

INCOME ACCOUNT

For the year ended 31st December, 1929

GROSS EARNINGS FROM OPERATION.....	\$6,415,539.98
OPERATING EXPENSES before Charging Depreciation.....	4,068,892.23
NET OPERATING INCOME.....	\$2,346,647.75
MISCELLANEOUS INCOME.....	469,092.15
GROSS INCOME.....	\$2,815,739.90
DEDUCT:	
Interest charged on Mortgage Stock, Bonds, Bank Loan, etc.....	\$930,078.82
City Percentage and Car License.....	172,348.26
Taxes.....	198,689.37
Miscellaneous Non-Operating Taxes.....	1,756.27
Other Income Deductions.....	54,956.26
	<u>1,357,828.98</u>
NET INCOME BEFORE CHARGING DEPRECIATION.....	\$1,457,910.92
DEDUCT:	
Depreciation.....	488,416.41
NET INCOME TRANSFERRED TO SURPLUS.....	<u>\$ 969,494.51</u>
SURPLUS BROUGHT FORWARD FROM 1928 AS ADJUSTED.....	\$ 281,760.35
NET INCOME TRANSFERRED.....	969,494.51
	<u>\$1,251,254.86</u>
DIVIDENDS on 7% Cumulative Preferred Stock.....	\$349,943.94
DIVIDENDS on Common Stock.....	429,483.00
	<u>779,426.94</u>
	\$ 471,827.92
DEDUCT APPROPRIATIONS:	
Sinking Fund Reserve.....	74,760.00
SURPLUS CARRIED FORWARD.....	<u>\$ 397,067.92</u>

