

WINNIPEG  
ELECTRIC  
COMPANY

THIRTY-SIXTH  
ANNUAL REPORT  
NINETEEN TWENTY-EIGHT

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THE  
ANNUAL REPORT

OF

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

*Submitted at the Thirty-sixth Annual Meeting  
held on the first day of April  
Nineteen twenty-nine*



*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 31, 1928*

*To the Shareholders:*

Your Directors beg to submit a statement of operations for the year ended December 31st, 1928, as follows:

Gross Earnings from Operation.....	\$6,076,638.97
Operating Expenses before charging Depreciation..	3,922,131.10
Net Operating Income.....	\$2,154,507.87
Miscellaneous Income.....	387,702.41
Gross Income available to Meet Fixed Charges, etc.....	\$2,542,210.28
From which the following deductions are made:	
Interest Charges on Mortgage Stock, Bonds, Bank Loans, etc....	\$909,478.82
City Percentage and Car License Taxes.....	169,607.51
Property and Other Taxes.....	189,646.48
Miscellaneous Non-Operating Taxes	1,902.68
Other Income Deductions.....	52,551.51
	\$1,323,187.00
Net Income as shown on accounts submitted here- with, excluding Depreciation.....	<u>\$1,219,023.28</u>

Miscellaneous Income shows an increase of \$95,849.22 over the amount reported for 1927, and is accounted for principally by an increase in the dividend received from stock held in Manitoba Power Company Limited by the Winnipeg Electric Company, while the Net Income as shown by the accounts is greater by \$67,816.08.

After setting aside out of the Net Income of \$1,219,023.28 a total of \$451,469.81 for Depreciation, the balance of \$767,553.47 is carried forward to Surplus Account, bringing the total Surplus up to \$1,091,218.78 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 on the Common Stock of the Company, there was a balance in Surplus Account of \$451,873.73. From this balance there was appropriated \$77,500.00 to Sinking Fund Reserve, leaving a balance carried forward of \$374,373.73.

### **WEATHER CONDITIONS AFFECT RAILWAY EARNINGS**

The Gross Earnings of the Railway Utility, although showing some increase over 1927, were adversely affected by reason of the exceptional weather conditions prevailing both during the early months of the year and in November and December. In the early part of the year, the small amount of snowfall, combined with relatively high temperatures, resulted in the greater use of the automobile as a means of transportation and also made it easier for people to walk to and from work. Again, in the months of November and December the mild weather conditions prevailing encouraged automobile owners to use their cars freely and to keep them out of Winter storage longer than they ordinarily would. That weather conditions influence traffic to a very considerable degree is the experience of all transportation companies, and it is quite marked in a city, such as Winnipeg, where there is a considerable variation in the snowfall and temperatures experienced in one year when compared with another.

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

Winnipeg has continued to move forward during the year 1928, and the future looks promising. Building permits were three million dollars in excess of the 1927 figures, the figures for 1928 being \$10,547,600 and \$7,569,300 for 1927. The total for 1928 is greater than that of any year since 1914. Population figures show a substantial increase over the preceding year, while employment has steadily increased during the past four years, according to the index of employment prepared by the Dominion Bureau of Statistics, and during 1928 was on a higher level than at any time since the index was created in 1920.

Construction work under way in 1928, the development of the mining industry and the improvement in agriculture in Manitoba have all assisted business in Winnipeg, and 1929 will undoubtedly show further expansion. Generally speaking, the year 1928 was a notable one in Western Canada trade expansion, development, and in the feeling of confidence that has been engendered by the ever increasing interest that is being taken in its present outlook and future. The West is obviously a country of great potential wealth, but recently there has certainly been an enlightenment of its possibilities and pros-



pects that has induced an extremely favorable impression and has undoubtedly tended to the investment of capital in its resources and to an added interest being taken in the trade which is available to take care of its requirements.

### **SEVEN SISTERS FALLS**

In 1928, after long and protracted negotiations, the Company secured the right to develop what is known as the Seven Sisters Reach on the Winnipeg River, having a potential capacity of 225,000 horsepower, and a subsidiary company called Northwestern Power Company Limited was formed for the purpose of carrying on this development, stock in which company will be controlled by Winnipeg Electric Company. Work has already been commenced on this undertaking, a railway having been built from Whitemouth into the site, a distance of approximately fourteen miles; a power transmission line from the Pinawa line to Seven Sisters; a distance of eight miles, has been constructed to supply power for construction purposes; most of the camp buildings have been put up and work is now actively under way on the dam itself. Up to date approximately one million dollars has been expended and the contract has been let to cover the first and second steps necessary to complete the first stage of the development, the first step being the installation of the three units to develop 42,000 horsepower and the next step the completion of the dyke and additional work on the tail race cut so that the head on these three machines is increased sufficiently to produce 112,000 horsepower. The growing demand for power in the Greater Winnipeg area imperatively requires putting us into a position of getting power from Seven Sisters at the earliest possible moment.

### **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 1928. The principal additions are: Construction of a second track from the junction of St. Mary's and St. Anne's Roads to the end of the St. Mary's Road line at Berrydale Avenue, a distance of 4,800 lineal feet; laying 1,200 lineal feet of single track from Aynsley Street to Lilac Street on Pembina Highway.

During the year track rehabilitation was carried out on Portage Avenue between Donald Street and Colony Street; on Academy Road between Wellington Crescent and Stafford Street, and on Redwood Avenue Bridge.

The Company added to its fleet of motor buses five 40-passenger Fageol Twin Coaches and five 25-passenger Mack buses.

Seven 25-passenger G.M.C. buses were also purchased to replace buses that had served their period of usefulness.

In the Electric Utility various additions were made in the form of substation equipment and distribution circuits to take care of the added volume of business that has been secured. An additional bank of transformers of 30,000 k.v.a. capacity was installed at McPhillips Street terminal station, one of 6,000 k.v.a. capacity at St. James substation and another of 4,500 k.v.a. capacity at Sherbrooke Street substation. In the latter case, it was necessary to enlarge the building to accommodate the additional equipment. An outside switch yard was constructed at Mill Street substation in order to make interconnection with the transmission lines of the Winnipeg Hydro Electric System so that power might be delivered to them in accordance with our contract.

The Company's property as a whole has been maintained in good operating condition, and it continues to serve its patrons efficiently.

### **FINANCIAL OPERATIONS**

There was no change in the capital structure of the Company during the year, and no additional preferred stock was issued, as had been done in the three preceding years.

### **CHANGES IN DIRECTORATE OF COMPANY**

During the past year the Company suffered the loss through death of one of its directors, Mr. G. V. Hastings. At the time of his passing, Mr. Hastings was the senior surviving member of the Board and had for many years given valuable help in the affairs of the Company.

Since the close of the year, Mr. A. W. McLimont, who for eleven years was General Manager of the Company and for the past three years its President, found it necessary on account of ill-health to sever his connection and seek a milder climate. A great deal of the wonderful progress the Company has made in recent years is due to the ability, energy and vision displayed by Mr. McLimont and it is only fitting that this report should refer to his great services to the Company.

EDWARD ANDERSON,  
*President.*



# WINNIPEG ELECTRIC COMPANY

## BALANCE SHEET

At 31st December, 1929

### ASSETS

PHYSICAL PROPERTIES at Reproduction Cost as appraised by the J. G. White Engineering Corporation, as of 31st December, 1916, and additions since.....\$31,796,517.95

#### SINKING FUNDS:

First Refunding Mortgage 30-Year 5% Sinking Fund Gold		
Bonds at par value.....	\$1,125,000.00	
Cash in hand of Sinking Fund Trustees.....	28,882.08	
		1,153,882.08

ADVANCES TO AND STOCK AND BONDS HELD IN SUBSIDIARY AND OTHER COMPANIES AT BOOK VALUE.....		6,334,564.94
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#### CURRENT ASSETS:

Cash in Bank and on Hand.....	\$126,583.92	
Cash in Bank—Special Accounts (held for Bond Interest, etc.).....	238,497.93	
Consumers' and other Accounts Receivable less Reserve for Doubtful Accounts.....	564,825.56	
Working Funds and Deposit with Workmen's Compensation Board, etc.....	49,936.57	
Material and Supplies.....	697,190.79	
		1,677,034.77

#### ACCRUED ASSETS:

Dividend on Stock of Manitoba Power Company Limited (payable 1st of February, 1929).....		136,485.00
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#### PREPAID ACCOUNTS, ETC.:

Prepaid Accounts, Prepaid Insurance Premiums, etc.....		112,747.42
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\$41,211,232.16

### 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, 1928, 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, 1928, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

Winnipeg, 26th March, 1929.

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

# RIC COMPANY

## SHEET

ber, 1928

### CAPITAL AND LIABILITIES

#### CAPITAL STOCK:

7% Cumulative Preferred Stock		
Authorized 100,000 Shares of \$100.00 each.		
Issued and outstanding 49,874 Shares of \$100.00 each.	\$	4,987,400.00
Common Shares of no par value as authorized by Sup-		
plementary Act assented to 9th March, 1928.		
Authorized 150,000 Shares.		
Issued and Outstanding 150,000 Shares		10,866,255.77
		<u>\$15,853,655.77</u>

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

Mortgage Stock	\$	4,380,000.00
Bonds		12,000,000.00
		<u>16,380,000.00</u>

#### CURRENT AND ACCRUED LIABILITIES:

Notes Payable to Bankers (Secured)	\$	1,275,000.00
Accounts Payable (Material and Supplies, Operating and		
Construction)		731,928.20
Wages and Salaries Payable		91,656.75
City of Winnipeg Percentage and Car License		169,607.51
Consumers' Security Deposits		45,572.70
Other Liabilities		92,063.79
Accrued Interest Charges, etc.		189,728.28
Bond Interest (Payable 2nd January, 1929)		125,000.00
Dividend on Preferred Stock (Payable 2nd January, 1929)		87,179.75
Dividend on Common Stock (Payable 1st February, 1929)		150,000.00
		<u>2,957,736.98</u>

PREFERRED STOCK SUBSCRIPTIONS..... 12,600.00

#### DEFERRED LIABILITY:

Pavement Charges Payable in Installments..... 147,682.95

#### RESERVES:

Accrued Depreciation	\$	4,975,992.54
Injuries and Damages, etc.		205,410.19
Sinking Fund Reserve		303,780.00
		<u>5,485,182.73</u>

SURPLUS..... 374,373.73

\$41,211,232.16

#### CONTINGENT LIABILITIES:

In respect of the Principal and Interest of the Bonds of the		
Winnipeg, Selkirk and Lake Winnipeg Railway Company	\$	50,000.00
Suburban Rapid Transit Company		500,000.00
Manitoba Power Company Limited		11,500,000.00
		<u>12,050,000.00</u>

# WINNIPEG ELECTRIC COMPANY

## FUNDED DEBT

*At 31st December, 1928*

### 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, 1928*

GROSS EARNINGS FROM OPERATION.....	\$6,076,638.97
OPERATING EXPENSES before charging Depreciation.....	3,922,131.10
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NET OPERATING INCOME.....	\$2,154,507.87
MISCELLANEOUS INCOME.....	387,702.41
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GROSS INCOME.....	\$2,542,210.28
 DEDUCT:	
Interest charges on Mortgage Stock, Bonds, Bank Loans, etc.	\$909,478.82
City Percentages and Car License.....	169,607.51
Taxes.....	189,646.48
Miscellaneous Non-Operating Taxes.....	1,902.68
Other Income Deductions.....	52,551.51
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	1,323,187.00
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NET INCOME BEFORE CHARGING DEPRECIATION.....	\$1,219,023.28
 DEDUCT:	
Depreciation.....	201,050.04
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NET INCOME TRANSFERRED TO SURPLUS.....	\$1,017,973.24
 SURPLUS BROUGHT FORWARD FROM 1927, AS ADJUSTED.....	
	\$ 323,665.31
NET INCOME TRANSFERRED.....	\$1,017,973.24
ADDITIONAL DEPRECIATION.....	250,419.77
	<hr/>
	767,553.47
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	\$1,091,218.78
DIVIDENDS on 7% Cumulative Preferred Stock.....	\$ 339,345.05
DIVIDENDS on Common Stock.....	300,000.00
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	639,345.05
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	\$ 451,873.73
 DEDUCT APPROPRIATIONS:	
Sinking Fund Reserve.....	77,500.00
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SURPLUS CARRIED FORWARD.....	\$ 374,373.73











