

ANNUAL REPORT

STACK

BRITISH COLUMBIA POWER CORPORATION, LIMITED

PRESIDENTIAL
MAR 12 1959
McGILL UNIVERSITY

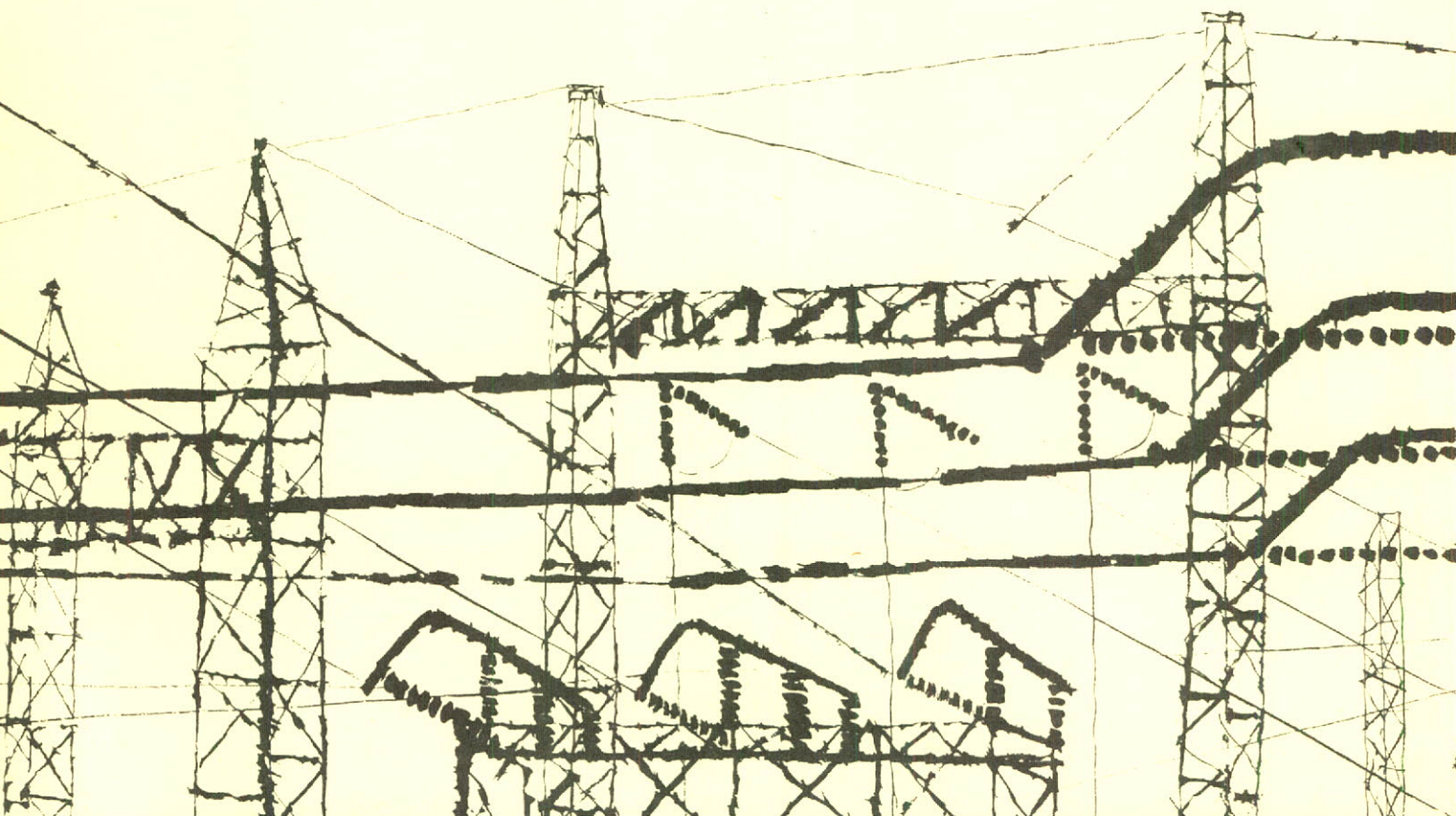
1958



cover: Bridge River # 2 Generating Station under construction, with Bridge River # 1 Plant in the background

THE BOARD OF DIRECTORS

of British Columbia Power Corporation, Limited presents its report for the year 1958 for the information of Shareholders, Employees, Customers and the Community which has entrusted to free enterprise the responsibility for carrying on these essential services under public regulation.



THE PRINCIPAL COMPANIES

AND THE GENERAL NATURE OF THEIR BUSINESS

BRITISH COLUMBIA POWER CORPORATION, LIMITED *(the Power Corporation)*

HOLDING COMPANY

No utility operations

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED *(the Electric Company)*

VOTING SHARES OWNED BY THE POWER CORPORATION

Generation and transmission of electricity

Distribution of gas

Interurban bus transportation

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY LIMITED *(the Railway Company)*

VOTING STOCK OWNED BY THE ELECTRIC COMPANY

Distribution of electricity

Urban passenger transportation

Rail freight operations

B. C. ENGINEERING COMPANY LIMITED *(the Engineering Company)*

WHOLLY-OWNED SUBSIDIARY OF THE POWER CORPORATION

Consulting, design and construction engineering

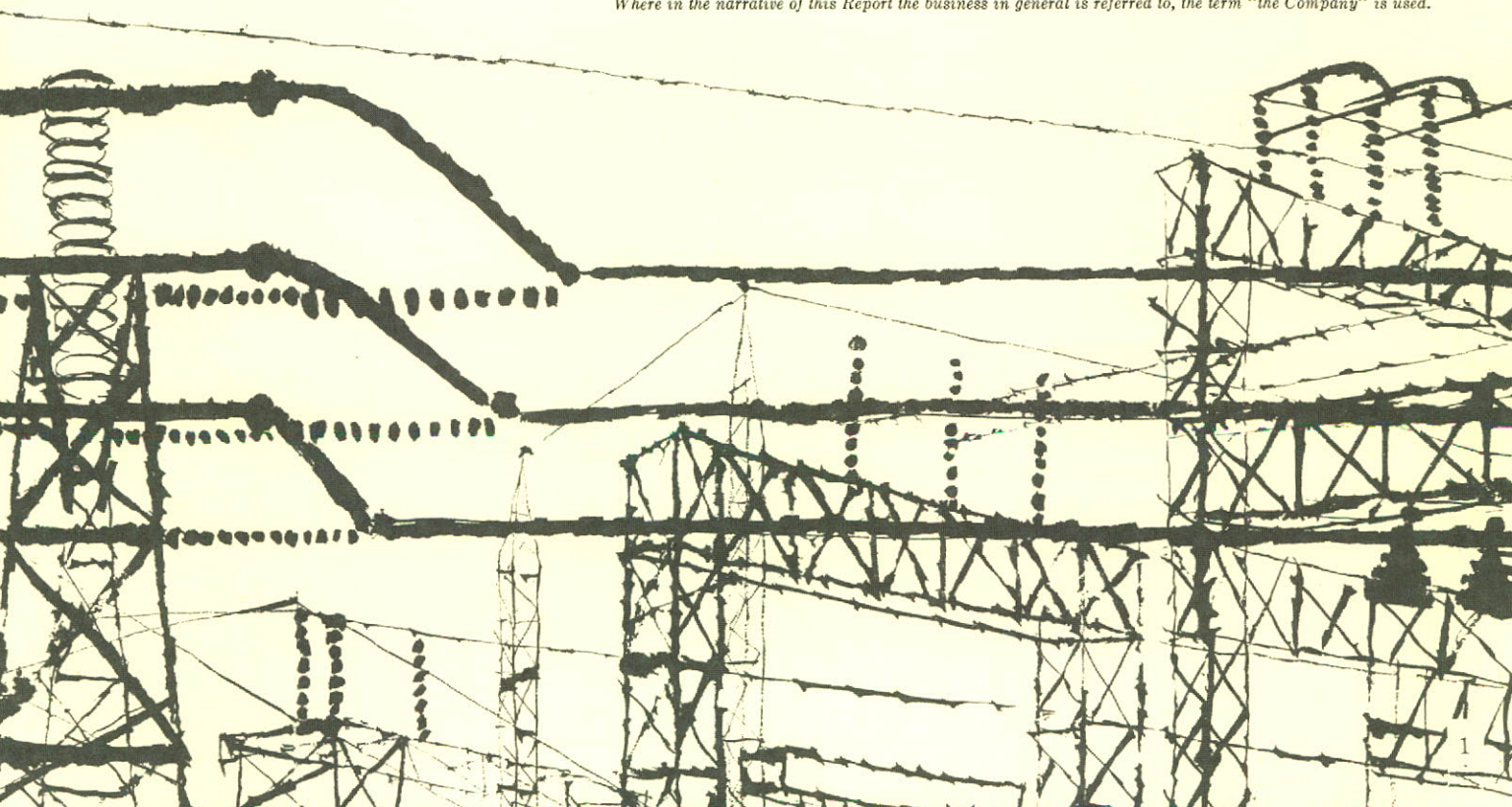
WESTERN DEVELOPMENT AND POWER LIMITED *(the Development Company)*

WHOLLY-OWNED SUBSIDIARY OF THE POWER CORPORATION

Investigation of electric power projects

Promotion of industrial development

Where in the narrative of this Report the business in general is referred to, the term "the Company" is used.



DIRECTORS

E. RONALD CRAMMOND
G. T. CUNNINGHAM
SYDNEY G. DOBSON
H. S. FOLEY, LL.D.
SEVERE GODIN
A. E. GRAUER, LL.D.
C. L. GUNDY
R. H. B. KER
W. G. MURRIN, LL.D.
A. DEANE NESBITT, O.B.E.
H. L. PURDY
J. G. ROBSON
J. L. TRUMBULL, C.B.E.
COL. THE HONOURABLE CLARENCE WALLACE, C.B.E.
J. B. WOODYATT

OFFICERS *

President

A. E. GRAUER, LL.D.

Executive Vice-President

H. L. PURDY (*Mainland Operations, General Sales, Industrial Relations, Public Relations*)

Vice-President

J. J. CARSON (*Industrial Relations*)

Vice-President

T. INGLEDOW, D.Sc. (*the Engineering Company*)

Vice-President

W. C. MEARNS (*Vancouver Island Operations*)

Vice-President and Treasurer

LORN McLEAN, F.C.A. (*Chief Financial Officer*)

Vice-President

A. B. ROBERTSON, Q.C. (*General Solicitor*)

Vice-President

J. H. STEEDE (*Chief Engineer, Electrical Operations*)

Secretary

G. G. WOODWARD

Assistant Secretary

W. B. AFFLECK

*Operating responsibilities shown in brackets

Bankers: THE ROYAL BANK OF CANADA *Transfer Agent:* MONTREAL TRUST COMPANY *Registrar:* THE ROYAL TRUST COMPANY
Fiscal Agent in London, England: THE BRITISH EMPIRE TRUST COMPANY, LIMITED *Auditors:* PRICE WATERHOUSE & CO.

Head Office of the Power Corporation: B.C. Electric Building, 970 Burrard Street, Vancouver 1, B.C.

THE YEAR IN BRIEF

Earnings were \$8,876,483 or \$1.95 per share on the Common Shares outstanding at the year-end as compared with \$9,582,598 or \$2.33 per share for 1957 on a lesser number of outstanding shares. The quarterly dividend rate of 35¢ was continued.

Because of accumulating higher costs, rate increases were obtained in the electric service in July and in the passenger transportation service in November.

Demand for electricity exclusive of export was 8.4% greater than in 1957. Average annual use per residential customer increased 2.8% to 4,494 kwh.

Gas revenue in the second full year of natural gas distribution was up 47.3% from 1957 while therms of gas sold increased by 68.9%. The number of residential customers using gas for space heating has increased from less than 2,000 at the end of 1955 to nearly 41,500 at the end of 1958.

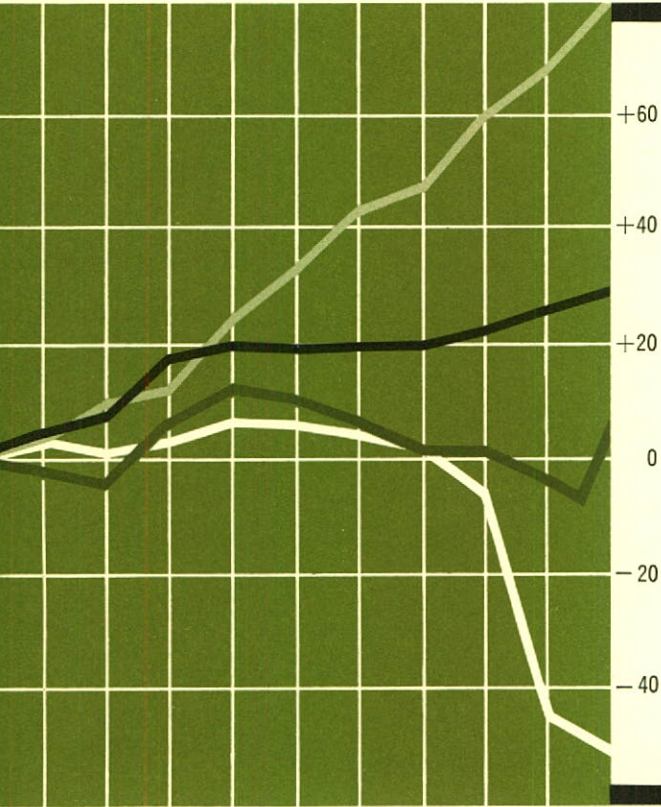
Capital expenditures for expansion of services were \$83.8 million of which almost \$40 million was on major electric generating developments still under construction at the year-end.

A second 120,000 kva circuit between the Mainland and Vancouver Island electrical systems of the Company was completed in 1958.

An interest was acquired in the capital of a new company, incorporated to determine whether it is feasible and economic to generate power on the Peace River and transmit it to the Lower Mainland.

New union agreements were signed in 1958—all but one of which run into 1960.

% change from 1948



The Company's Average Selling Price of Electricity and Gas and Its Employment Costs Compared With the Consumer Price Index

- Employment costs per employee *
- Consumer price index—Canada
- Average price of electricity**
- Average price of gas

* Excluding past service pension costs paid by the Company.

** Average price of electricity for each half of 1958 plotted separately to show effect of rate increases in July.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

A N N U A L R E P O R T 1 9 5 8

As the result of accumulating increased costs, higher rates were applied for during 1958 and obtained. On the whole, 1958 was a difficult year characterized by relatively depressed economic activity, work stoppages and above average temperatures.

RESULTS OF OPERATIONS

The earnings for the year were \$8,876,483, or \$1.95 per share on the 4,549,431 Common Shares outstanding at the year-end, as compared with \$9,582,598, or \$2.33 per share on the 4,115,880 Common Shares outstanding at the end of 1957. The rate of dividend on the Common Shares of 35¢ a quarter was continued, making the declaration for 1958 \$1.40 per share, as was the case in the previous year.

The operating income for 1958 on the basis of the Company's accounting to the Public Utilities Commission of British Columbia represents a return on the investments in the regulated services of approximately 4.9% as against 5.0% in 1957, which figures may be compared with the fair rate of return set by the Commission at 6.5%.

The rate of return in the Mainland natural gas service improved in the second full year according to expectation on the strength of increase in volume, rising from 1.3% in 1957 to 3.1% in 1958. No rate increases were sought in this service, but rather a reduction in rates in the commercial and small industrial classification was volunteered and approved effective in 1959; this was done in order to better the competitive position of natural gas relative to other fuels available to this type of customer.

GROSS REVENUES

The gross revenues from operations for the year amounted to \$83,273,363, an increase over 1957 of \$8,678,950, or 11.6%, to which the various services contributed as follows:

	1958	Increase or Decrease compared with 1957	
		Amount	%
Electric:			
Canadian.....	\$53,195,766	\$5,332,509	11.1
Export.....	24,827	9,819	28.3
Gas.....	10,415,772	3,344,778	47.3
Passenger transportation.....	13,965,491	53,112	.4
Rail freight.....	4,927,687	97,072	1.9
Miscellaneous.....	743,820	55,442	8.1
	<u>\$83,273,363</u>	<u>\$8,678,950</u>	<u>11.6</u>

The corresponding figures for the volume of services rendered were as follows:

	1958	Increase or Decrease compared with 1957	
		Amount	%
Kilowatt-hours of electricity sold:			
Canadian.....	3,026,939,590	235,371,671	8.4
Export.....	1,283,650	8,597,078	87.0
Therms of gas sold.....	86,412,360	35,243,071	68.9
Passengers carried.....	104,157,370	2,754,774	2.6
Freight tonnage.....	1,258,151	106,687	7.8

In the electric service the net increase in the number of customers for the year was 13,987, bringing the total to 319,908 at the year-end. Average annual consumption per residential customer also increased; it was 4,373 kwh in 1957 and rose to 4,494 kwh in 1958, an increase of 2.8%.

In the gas service the net increase in the number of customers for the year was 16,778 (virtually all in the natural gas service on the Mainland), bringing the total to 92,056 at the year-end.

In the passenger transportation service the upward trend established in 1956 and continued in 1957 was reversed and the number of passengers carried fell short of the previous year. In 1958 the decrease was 2.6% compared to an increase of 1.9% in 1957.

In the Mainland freight service the slight decline in revenues, as compared to the more substantial decline in tonnage, largely resulted from a change in the mixture of traffic with a larger proportion carried at higher rates.

RATES

In the electric service, rates were increased in July and are estimated to increase the gross revenues on an annual basis by \$5,090,000 and to have increased them for the part of 1958 for which they were effective by \$2,385,000. In the urban transportation service, rates were increased effective 9 November and are estimated to increase the gross revenues on an annual basis by \$1,730,000 and to have increased them for the part of 1958 for which they were effective by \$285,000. In the interurban bus service, rates were increased effective 15 November and are estimated to increase the gross revenues on an annual basis by \$91,000 and to have increased them for the part of 1958 for which they were effective by \$8,000. These changes in rates were

approved by the Public Utilities Commission of British Columbia after public hearings. The decision of the Commission on rates for the electric and urban transportation services may be affected by proceedings before the Court of Appeal, of which the outcome is not expected until some months after this report is issued.

Effective 1 December the Board of Transport Commissioners for Canada awarded to the trans-continental railways an increase in rates, which was extended to the Company. The effect of this increase is difficult to assess but it has been estimated that it will, on an annual basis, increase the Company's rail freight revenues by some \$290,000 and that it did increase them for December 1958 by \$20,000.

OPERATING EXPENSES

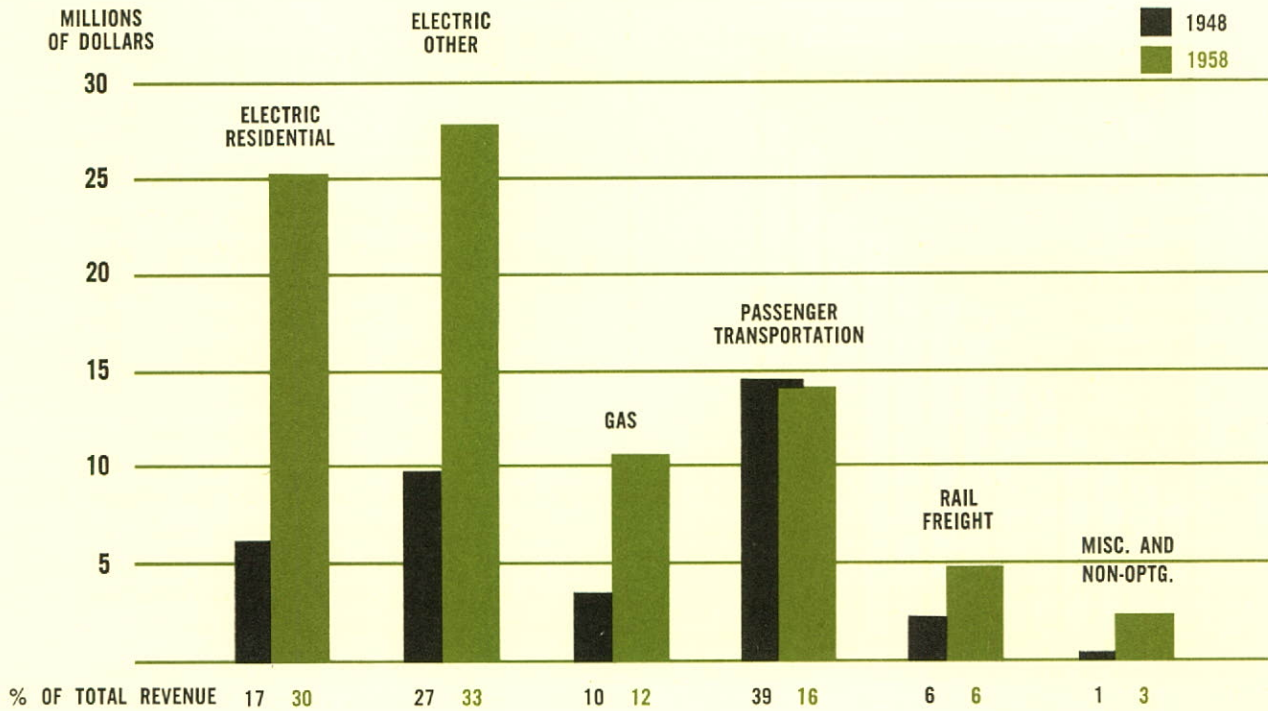
Operating expenses at \$59,794,542 show an increase of \$5,144,211 or 9.4% over 1957.

Salaries and wages were up by \$2,342,774 as a result, in substantial part, of the higher rates of pay negotiated in collective bargaining.

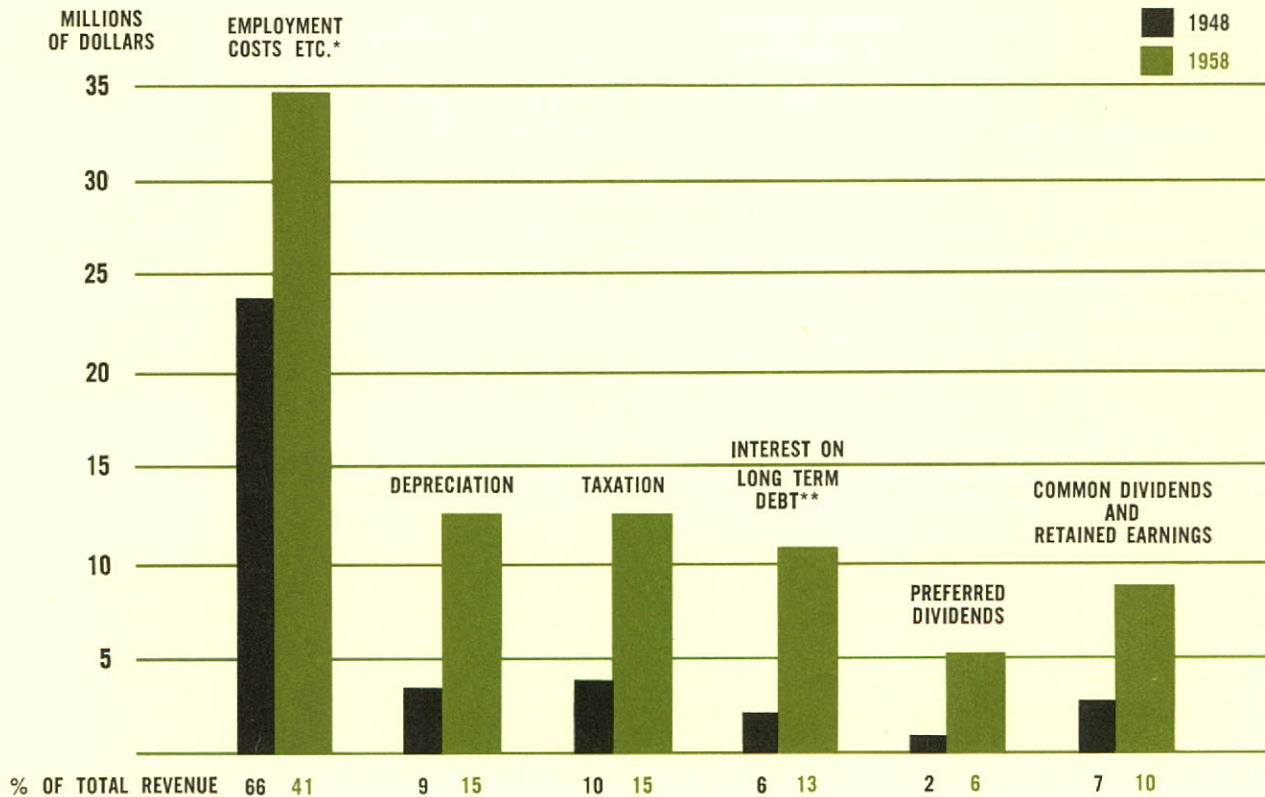
The increased property in service was the substantial cause of an increase in provision for depreciation of \$2,809,809 and in property taxes of \$903,970.

On the other hand, the provision for taxes on income shows a decrease of \$1,187,010. A special factor is at work here: By a change of legislation, the remainder of past service pension costs which we were claiming over the years through 1962 had to be claimed in 1958 or not at all; as a result of this factor the tax benefit of incurring these costs arose earlier than had been contemplated—it arose in 1958 and amounted to some \$500,000. The remainder of the decrease in provision arose in the ordinary course through lower taxable income.

SOURCES OF REVENUE 1948 AND 1958



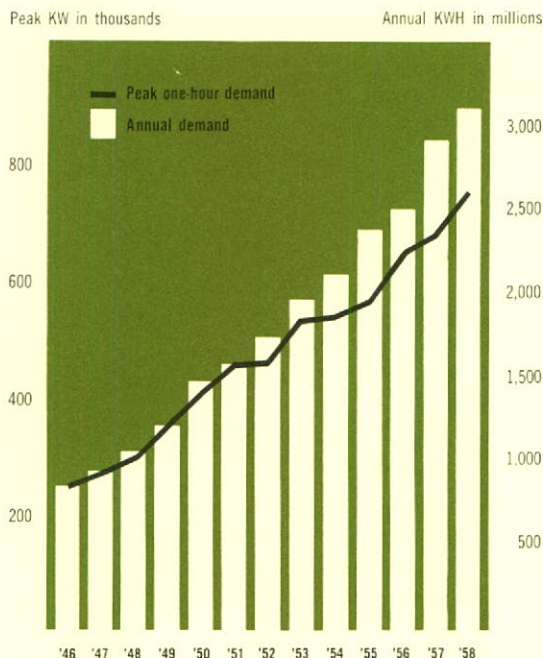
DISPOSITION OF REVENUE 1948 AND 1958



* Employment costs, materials and outside services, etc.

** Interest etc. on long term debt, less interest charged to construction.

Growth in Peak and Annual Demands for Electricity



COLLECTIVE AGREEMENTS

On 3 March the Company's electrical workers, whose agreement came open on 1 August 1957, went on strike following their rejection of the unanimous report of a Conciliation Board. The Company was able to operate the system with the aid of supervisory and engineering staff drawn from all divisions. The strike was concluded on 28 March by the decision of management and the union to submit the outstanding issues to binding arbitration.

All other union agreements came open for negotiation during 1958 and in each case, as with the electrical workers, a two-year contract was signed. These agreements increased costs for 1958 by an estimated \$1,750,000 and are expected to further increase costs in 1959 over 1958 by \$1,300,000.

CONSTRUCTION PROGRAMME

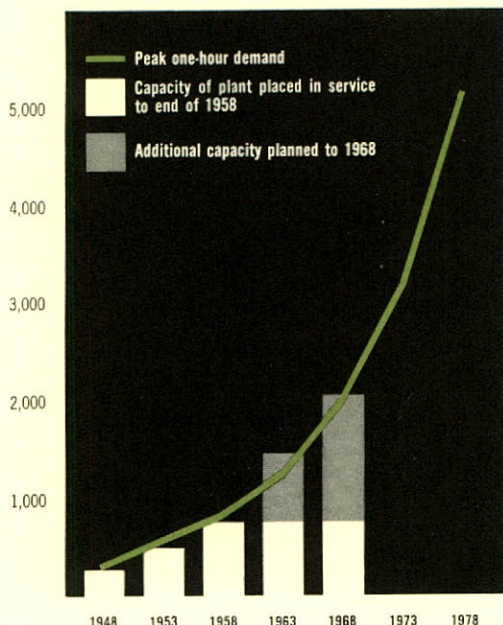
The net additions to property account for the year amounted to \$79,103,487 as compared with \$102,465,802 in 1957. The net additions in 1958 comprised gross expenditures of \$83,846,895 less retirements of \$4,743,408.

Major expenditures in 1958 by projects or broad classifications included the following:

Electric extensions, Mainland and Vancouver Island, including cost to connect 14,488 new customers.....	\$ 8,019,667
Gas extensions, Mainland and Vancouver Island, including cost to connect 18,901 new customers.....	6,509,806
Major generating developments:	
Port Mann gas turbine plant.....	6,768,214
Bridge River No. 2 plant, including 345 kv switching facilities.....	28,584,559
Burrard steam plant.....	3,478,009
Major electric transmission line construction:	
Arnott to Stratford—132 kv second circuit.....	4,060,810
Bridge River to Cheekye—345 kv line.....	973,157
Cheekye to Horne Payne—230 kv line.....	761,369
Substations, associated distribution facilities and local transmission systems.....	8,779,385
Land and land rights for generating, transmission and substation facilities	1,503,740
Natural gas trunk lines and associated plant	3,432,753

Growth in Demand for Electricity Projected to 1978*

KW in thousands



*Based on annual growth in peak demand of 10% from 1958.
Average annual growth from 1948 to 1958 was 10.2%.

The Clowhom generating plant (the expenditures on which in 1958 were not sufficiently large to appear under the heading of "Major generating developments" in the foregoing table), consisting of a single unit of 30,000 kw, went into operation in January 1958.

Completion of the Port Mann gas turbine plant was delayed by labour disputes affecting contractors and the current schedule calls for all four units, each of 25,000 kw, to be placed in service in 1959.

The present schedule for the four units of 62,000 kw each of the Bridge River No. 2 plant calls for two of them to be put into service in 1959 and two in 1960.

For the Burrard steam plant, excavation for the power house and switch yard was well advanced at the year-end. The design of this plant allows for an ultimate capacity of six units of 157,500 kw each. It is planned to have the first unit in service in 1961 and units will be added subsequently as required.

During 1958 the capacity of the interconnection between the Mainland and Vancouver Island electrical systems (Arnott to Stratford) was increased to 240,000 kva with the completion of a second submarine circuit and its associated lines.

Work was started on the circuit between Bridge River and Cheekye substation and that between Cheekye and Horne Payne substations. The former is scheduled for completion in 1961 and the latter in 1959.

SUPPLY OF ENERGY

Earlier annual reports, in discussing big rivers not yet developed for hydro-electric power, mentioned two, namely, the Fraser and the upper Columbia. It was pointed out that the Fraser River was not available until means were devised of avoiding interference with the salmon runs and that the upper Columbia River, where problems of salmon did not exist, was an international river and its development had to await the unknown time of completion of negotiations between the governments of Canada and the United States. The respective problems still exist. The Peace River is wholly within Canada and has no salmon problem. Preliminary engineering indicates that the possibility of laying down economically in the Lower Mainland power which might be developed from the Peace River justifies close study. For the purpose of such study, Peace River Power Development Company Ltd. was incorporated and our Development Company has acquired an interest in its capital. The investigations commissioned by Peace River Power Development Company Ltd. are to be completed by 31 December 1959, by which time it should be known whether the generation of power on the Peace River and its transmission to the Lower Mainland are feasible and economic.

The Burrard steam plant is designed to protect the needs of the Company's customers until the middle 1960's, by which time it is hoped to have power from the Peace River or the Columbia. Earlier reports dealt with our Development Company's acquisition of control of Pleasant Valley Gas & Oil Co. and the latter's efforts to develop underground gas storage facilities at Birch Bay in the State of Washington and more recently in Lewis County, near Chehalis in the same State. During 1958 further development work was carried out, including the drilling of an exploratory well at Chehalis, with encouraging results.

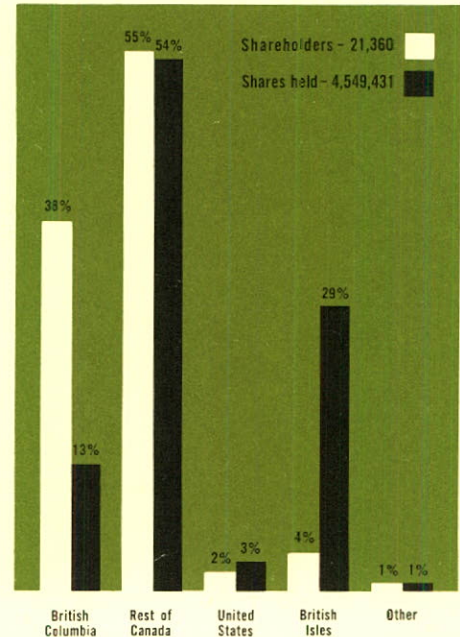
Geographic Distribution of Common Shareholdings
as at 31 December 1958

FINANCING

During the year, final instalment deliveries of First Mortgage Bonds, Series "L", and of Series A Debentures, both of the Electric Company, were made in the amounts of \$4,725,000 and \$1,917,500 respectively.

An issue of \$50,000,000 principal amount of the Electric Company's First Mortgage Bonds, 5 1/8% Series "M", was placed.

Through the giving of rights to its shareholders to subscribe for additional Common Shares to the extent of one additional Share for each ten Common Shares held, the Power Corporation in May placed 413,536 additional Common Shares.



The following table shows the source and application of funds for the year:

Funds Provided

Net receipts from issues of bonds and shares	\$61,868,341
Sales of property	927,828
Estimated amount by which taxes on income currently payable have been reduced as a result of claiming for tax purposes capital cost allowances in excess of depreciation recorded.....	6,470,000
Funds arising from operations—	
Earnings on common shares.....	\$ 8,876,483
Add back—Charges against operations calling for no current outlay of cash:	
Provision for depreciation	\$12,776,621
Discount and expense on long term debt.....	655,280 13,431,901 22,308,384
Decrease in net current assets (less net change in miscellaneous other items of \$26,211).....	2,742,279
	<u>\$94,316,832</u>

Funds Applied

Additions to property.....	\$83,846,895
Payments to sinking funds made or provided for.....	4,245,993
Dividends on common shares of parent company	6,223,944
	<u>\$94,316,832</u>

INDUSTRIAL DEVELOPMENT

In the report for 1957 mention was made of an investment by the Development Company in the common shares of Western Copper Mills Ltd., and the circumstances were described, namely, that the latter company was constructing a plant on Annacis Island and was expected to become a substantial customer for the electric, gas and rail freight services of the Company. During the year the construction of the plant was completed and production by multiple shift began in January 1959.

The report for 1957 referred to the land assembly programme of the Development Company. During 1958 understandings were reached with two land development companies covering the planning and developing of the two largest blocks, in Langley and Surrey; the transactions had not been consummated at the year-end and are not reflected in the attached accounts.

SENIOR MANAGEMENT

On 1 April 1958 Mr. E. W. Arnott, Vice-President i/c Vancouver Island Operations, retired and his place was taken by Mr. W. C. Mearns. Mr. Arnott had entered the service of the Company on 1 May 1910 and his long and valuable services were eulogized by the Chairman at the last annual meeting.

Effective 1 October 1958 the following changes occurred: Mr. T. Ingledow vacated his appointment as Vice-President and Executive Engineer (while remaining a Vice-President of the Power Corporation) to devote full time to his duties as President of the Engineering Company. Mr. J. H. Steede was appointed a Vice-President with the title for operating purposes of Vice-President and Chief Engineer. Mr. W. C. Mainwaring retired from all his offices, including the presidency of the Development Company, whereupon Mr. Grauer assumed that position in addition to his duties as Chairman. Mr. E. D. Sutcliffe was appointed General Manager of the Development Company. Mr. J. J. Carson was appointed a Vice-

President with the title for operating purposes of Vice-President i/c Industrial Relations. At the same time it was announced that Mr. Steede would report to Mr. H. L. Purdy, the Executive Vice-President, as would also Mr. P. C. Woodward, Public Information Manager, and as Mr. Carson would continue to do.

Mr. Mainwaring's abilities and energy will be very much missed and his acts of kindness to them will long be remembered by many employees.

For the reflection of other important changes in position that occurred during the year reference is made to the particulars of "Departmental Organization", which appear at page 28 and on the inside back cover of this report.

EMPLOYEES

Of the employees retiring on pension during the year, 13 had service of 40 years or more, and of them seven had more than 45 years' service. Of these seven, four were on the Mainland—Mr. W. J. Henshaw, Superintendent of Power Plants on the Stave River, with service of 49 years and 6 months; Mr. Thomas G. Provan, Street Light Patrolman, with service of 48 years and 8 months; Mr. John C. McVicar, Foreman Wireman, with service of 46 years and 2 months; and Mr. John A. H. Twist, Transit Operator, with service of 45 years and 4 months: and three were on Vancouver Island—Mr. Robert D. Travis, District Representative Supervisor, with service of 50 years; Mr. Ira F. Smith, Special Assistant to the General Superintendent—Electrical Department, with service of 46 years and 7 months; and Mr. Henry G. Rough, Journeyman Operator, First Class, with service of 45 years and 4 months.

The difficulties under which the Company operated during the year were many and the directors desire to record their appreciation of the efforts of the members of the organization who aided in overcoming them.

SHAREHOLDERS

The directors appreciate the interest shown by shareholders who are present at the annual general meetings and take part in the discussion of the Company's affairs. The attendance at the annual meeting in 1957 was the largest ever.

Suggestions from shareholders are most welcome, whether at the meeting or outside of it. Last year a shareholder wrote to ask that the names of the directors signing the balance sheet should appear in print as well as in script; this suggestion has been adopted in the financial statements in the present report.

FINANCIAL STATEMENTS

The Consolidated Balance Sheet, the Consolidated Statement of Income and the Consolidated Statement of Earnings Employed in the Business of the Power Corporation and subsidiary companies are attached. Since this report is to be sent also to the preferred shareholders of the Electric Company, there are included corresponding state-

ments for that company and its subsidiaries. The statements have been prepared by the management of the Company and have been examined by the shareholders' auditors, whose opinion upon them is also attached.

PROSPECTS

This report is necessarily closed off more than a month before the time of the annual meeting at which it is to be presented to the shareholders. Again, as on former occasions, the Chairman will discuss the economic situation and prospects at the annual meeting. The previous practice will be followed of having his address printed and copies sent to the common shareholders, and to those preferred shareholders resident in British Columbia, as well as to all others who apply for them.

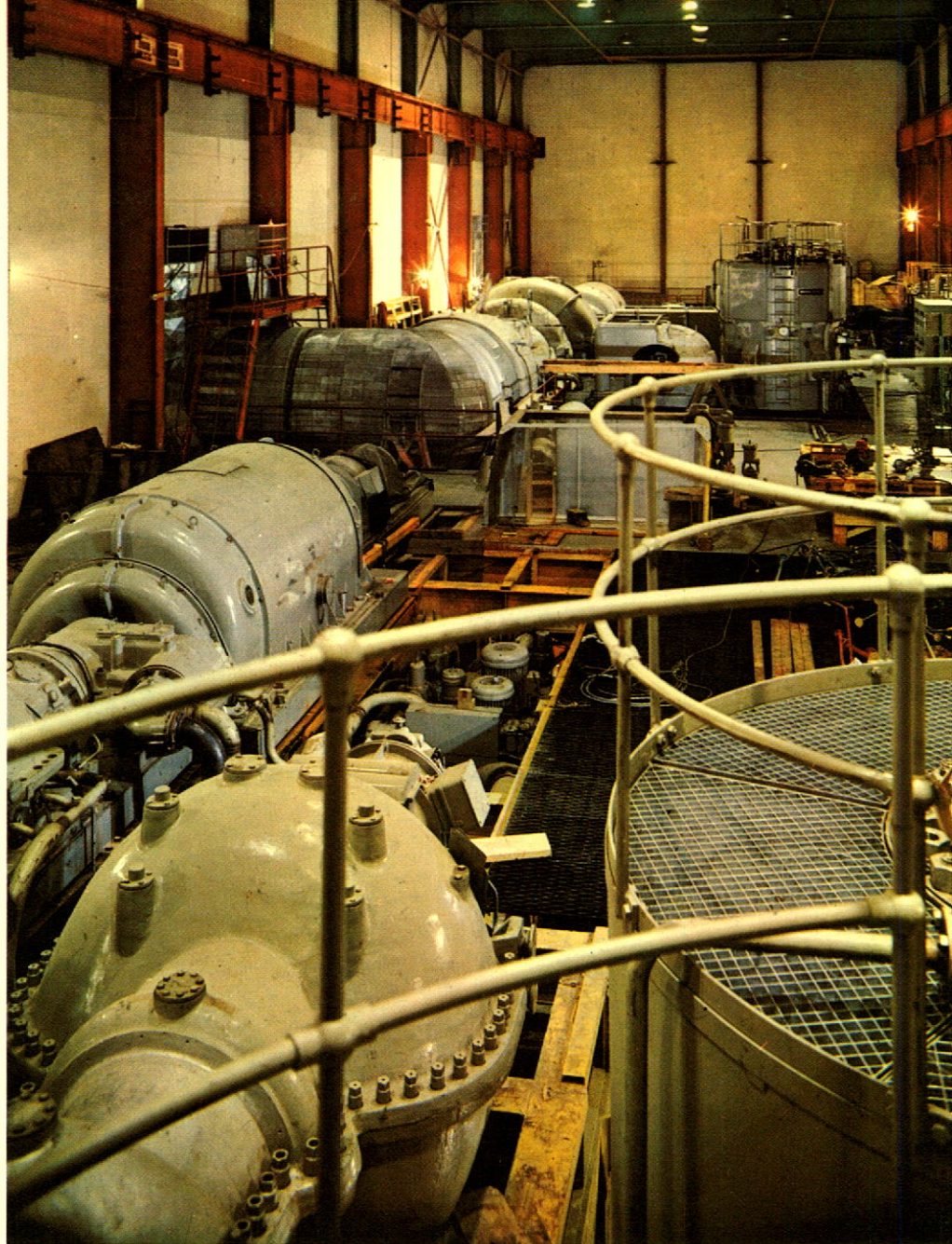
On behalf of the Board of Directors,

A. E. GRAUER,
President.

Vancouver, B.C.,
23 February 1959.

to the shareholders

This year a Special General Meeting, open only to holders of common shares, will be held on Tuesday, 24 March, at 10:30 a.m. in the Bay Theatre, 935 Denman Street, Vancouver, B.C. This meeting will be followed in the same place at 10:45 a.m. by the Annual General Meeting and all common and preferred shareholders who find it possible to attend are urged to do so.



The four 25,000 kw units of the Port Mann gas turbine plant will be placed in service in 1959

POWER DEVELOPMENT

Several years ago the management of the Company began voicing warnings that, with demand for electricity growing at a steady and rapid rate, and with most hydro sites close to the centres of population being brought into full use, there was an urgent need to start developing one of British Columbia's larger river systems.

To help achieve this objective was one of the main reasons the Development Company was formed in 1956. An initial grant of \$50,000 was made to the University of British Columbia by the Company to investigate the feasibility of power being developed on the Fraser River without harm to the salmon runs. A beginning has been made on this investigation but Fraser River power must be regarded as some time away.

The Company proceeded to have an independent engineering survey of the upper Columbia system made, and the resulting report has recently been given to the governments of British Columbia and Canada.

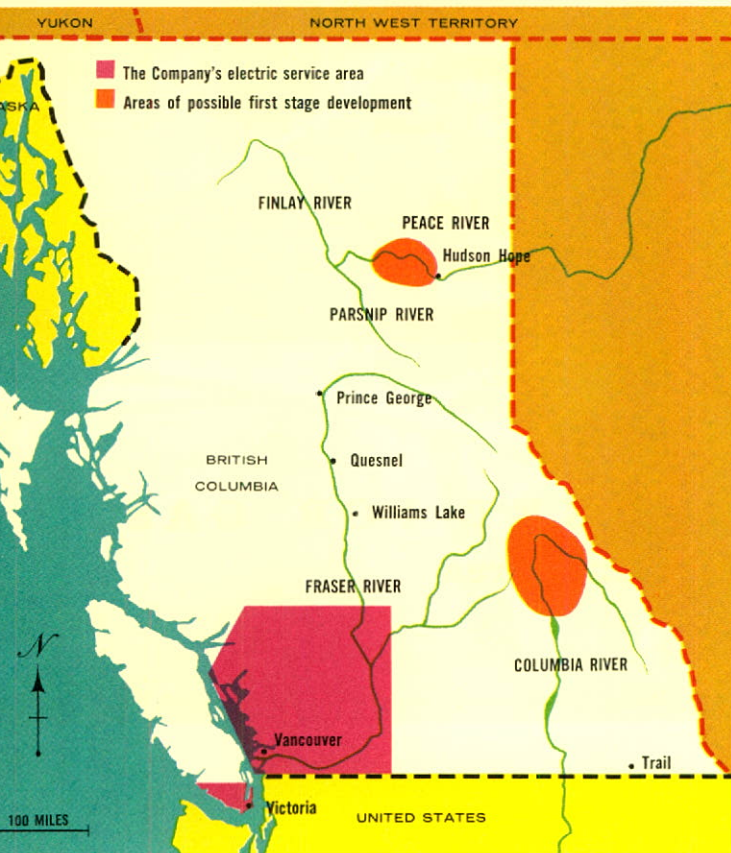
Development of the upper Columbia requires agreement on several problems between Canada and the United States before an approach can be made to provincial and federal authorities in Canada for necessary approvals. No one can presently set a date by which power from the Columbia might be forthcoming, or state the terms or price.

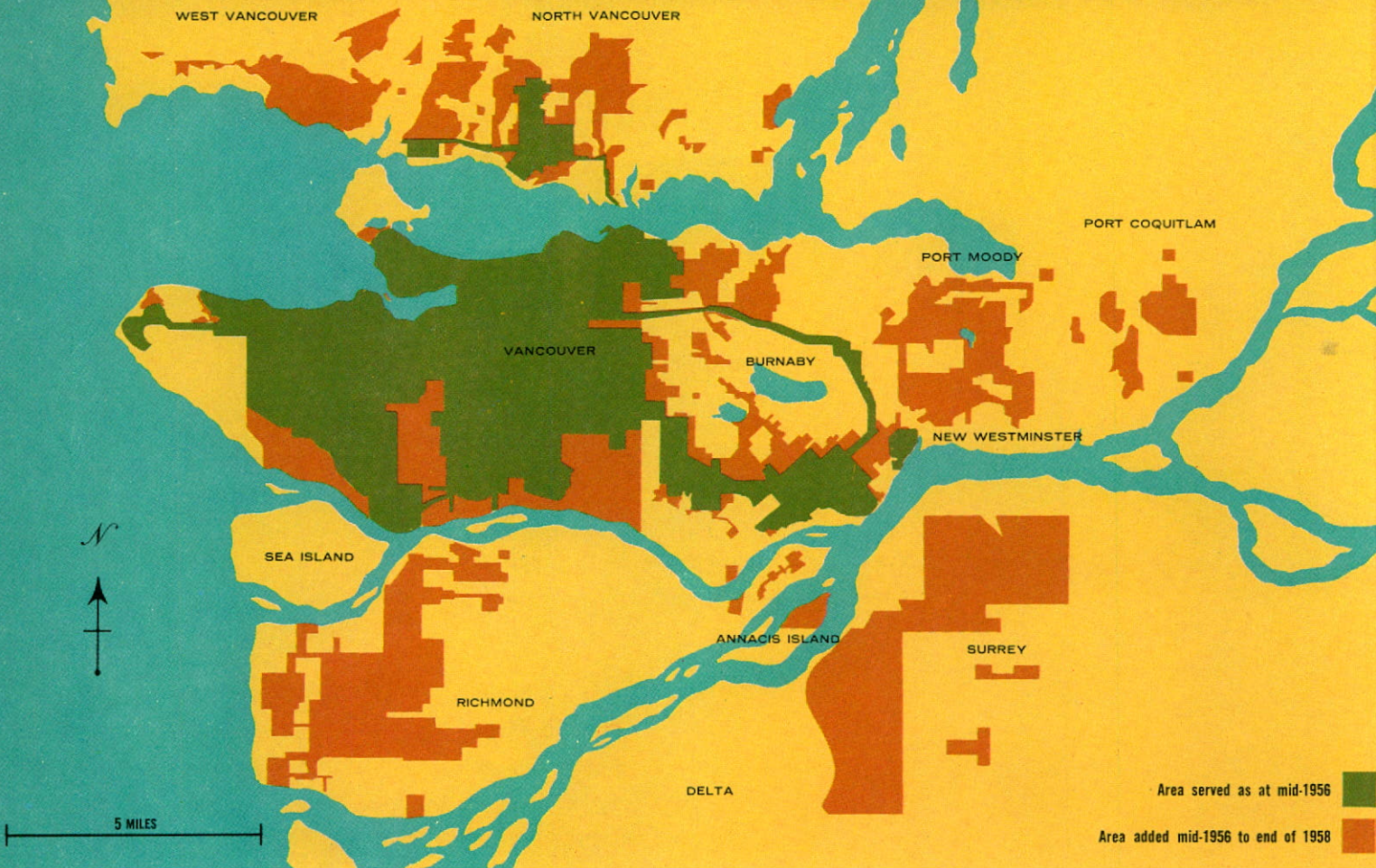
Little was known of the power potential of the Peace River system in north-east British Columbia until preliminary surveys conducted by the Wenner-Gren interests during 1957 and 1958 indicated that not less than 3,000,000 kilowatts could be produced there at low cost, and probably could be transmitted to the heavily-populated areas of the Province at an acceptable price.

As mentioned previously in the narrative of this report, the Development Company has purchased an interest in a company which is conducting further investigations to establish by 31 December 1959 more accurate costs of generating and transmitting Peace River power. These investigations will provide much needed information on the practicability of this project as a source of power for the Lower Mainland.

Present projections of load growth indicate that by 1978 there will be a need in British Columbia for substantially all the power from both the Columbia and Peace. Scheduling the several stages of their respective developments for production of energy as required should present no insurmountable problems.

Projects of this magnitude take several years of construction after decision to proceed has been reached. The Company must soon decide how to meet demand for power from the mid-1960's on. Investigation of all possible sources of power, including nuclear, will be continued. It is hoped that a start may be made soon on one or more of the major rivers, as the large hydro sources promise the lowest-cost power and their development would be a tremendous stimulus to the economy of British Columbia.

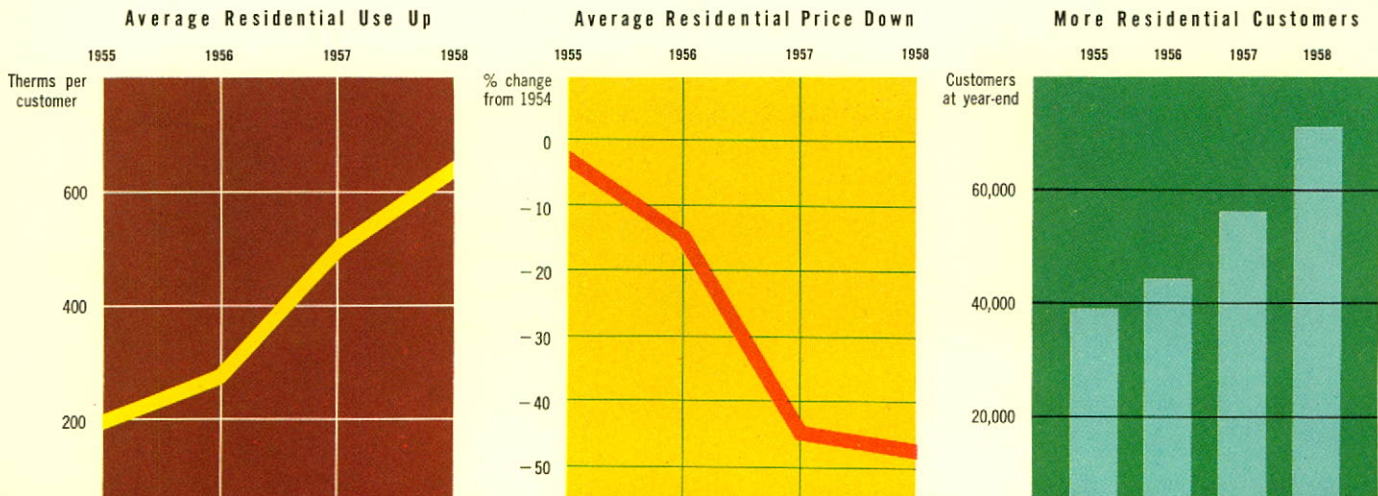




Natural gas is available to thousands of additional premises by expansion of service in the Vancouver metropolitan area shown above.

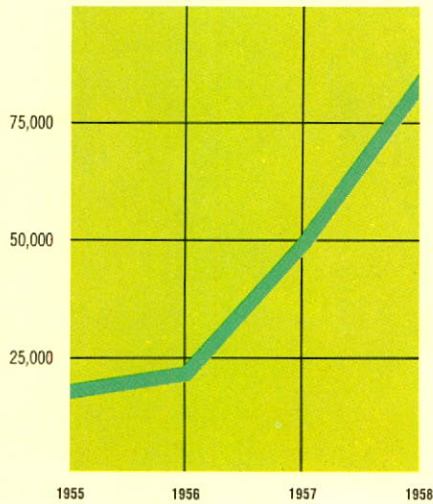
THE EXPANDING MARKET FOR GAS in the Lower Mainland Area

Rapid growth of the gas distribution system in the Lower Mainland continued in 1958, the third year of expansion related to the introduction of natural gas in this area in November 1956. During the year nearly 190 miles of new mains were laid in the Vancouver metropolitan area and more than 150 miles in the Fraser Valley. By the year-end, gas mains extended 1,888 miles, compared with 717 miles in 1955, and gas service was



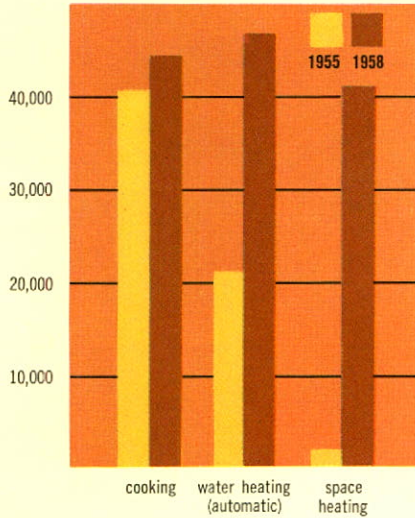
Total Sales Increasing

Thousands of therms



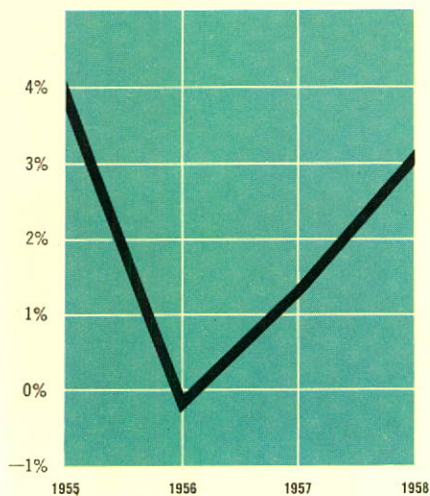
More Equipment in Residential Use

Customers at year-end



Return on Investment Rising

Rate of earned return



accessible to an estimated 90% of the homes in the metropolitan area and 50% of the homes in the Fraser Valley.

Spurred by a policy of extending gas mains quickly and by an active sales programme, natural gas has won wide acceptance. During the three-year period from 31 December 1955 to 31 December 1958, the number of Mainland residential gas customers increased by 32,197 to a total of 71,642.

Of these customers, those using natural gas for heating increased from 1,871 to 41,150, with 17,981 of these added in 1958. About 85% of new homes built in the Company's natural gas service area during 1958 were equipped with automatic gas furnaces and about 70% with gas water heaters.

Included in the revised tariff which became effective near the end of 1956 on arrival of natural gas, and which provided substantially lower rates, was a new rate for large volume accounts. By 31 December 1958, there were 77 large volume accounts, 41 of which were added during 1958. Some of the new industrial uses for gas include ingot heating, lumber and plywood drying, poultry dressing, poultry brooding and greenhouse heating.

An attractive rate was offered to interruptible customers in agreements which provide that the supply can be cut off during times of peak demand on the Company's system. This is desirable load, in that it encourages use of seasonal surpluses of gas and improves utilization of the Company's system capacity without any substantially increased capital cost. There were 24 interruptible customers being billed at the end of 1958, nine of which were added during the year. An additional four had signed contracts to take service by the summer of 1959, and one other large concern has indicated that it will require a daily volume up to 5,000,000 cubic feet.

In January 1959 construction was started on a third natural gas trunk line into Vancouver. This 18-mile line will have a capacity of about double the combined capacity of the two existing lines completed in 1956 and 1958.

By the fall of 1959, gas will become available to the western part of Delta Municipality, south of Vancouver, and most of the population centres in the Lower Mainland will thus be within reach of natural gas service.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 1958
(with corresponding figures for the year ended 31 December 1957)
(see notes attached)

	1958			1957
Gross revenue from operations.....	\$83,273,363			\$74,594,413
<i>Deduct—</i>				
Employment costs, materials and outside services, etc. (Notes 1 and 2).....	\$34,438,222			\$31,935,410
Provision for depreciation (Note 4).....	12,776,621			9,966,812
Required for government:				
Provision for taxes on income (Note 5).....	\$ 7,338,355			\$ 8,525,365
Property taxes.....	4,129,457			3,225,487
Other charges.....	1,111,887	12,579,699		997,257
Total operating expenses.....	\$59,794,542			\$54,650,331
Operating income.....	\$23,478,821			\$19,944,082
<i>Add—</i>				
Non-operating income:				
Return from temporary and other investments.....	\$ 1,113,082			\$ 1,462,597
Profit through redemption of bonds at less than principal amount.....	347,487	1,460,569		70,463
Interest charged to construction.....		2,898,903		2,827,610
		\$27,838,293		\$24,304,752
<i>Deduct—</i>				
Interest on long term debt.....	\$13,292,422			\$ 9,924,489
Amortization of discount and expense on long term debt.....	655,280			588,049
Minority interest in earnings of a subsidiary.....	12,648	13,960,350		—
Net income for the year.....	\$13,877,943			\$13,792,214
<i>Deduct—</i>				
Dividends on shares of subsidiaries owned by the public:				
British Columbia Electric Company Limited.....	\$ 4,952,136			\$ 4,160,136
British Columbia Electric Railway Company Limited.....	49,324	5,001,460		49,480
Earnings for the year on Common Shares of parent company:				
Amount.....	\$ 8,876,483			\$ 9,582,598
Per share on 4,549,431 shares (1957—4,115,880 shares) outstanding at year-end.....	\$1.95			\$2.33

BRITISH COLUMBIA POWER CORPORATION, LIMITED

CONSOLIDATED BALANCE SHEET

*(with corresponding figures
(see notes*

CURRENT AND WORKING ASSETS:	1958	1957
Cash.....	\$ 2,388,112	\$ 665,901
Temporary investments (Note 3).....	11,813,555	13,509,425
Accounts receivable and unbilled revenues.....	13,148,783	11,199,049
Funds receivable on issue of balance of Series A debentures.....	—	1,859,975
Funds withdrawable from Trustee for bondholders.....	71,660	4,725,000
Recoverable taxes on income.....	—	366,410
Sundry investments.....	452,147	376,353
Materials and supplies at average cost.....	8,348,604	10,964,743
Prepaid expenses.....	353,655	213,897
	<u>\$ 36,576,516</u>	<u>\$ 43,880,753</u>
 INVESTMENTS:		
Shares, at cost (quoted market value \$1,553,454).....	\$ 1,222,749	\$ 1,222,749
Shares and debentures having no quoted market value, at cost.....	1,875,000	1,500,000
	<u>\$ 3,097,749</u>	<u>\$ 2,722,749</u>
 DEFERRED CHARGES:		
Unamortized transportation franchise payments, etc.....	\$ 266,382	\$ 370,562
Unamortized discount and expense on long term debt.....	10,787,587	10,124,437
	<u>\$ 11,053,969</u>	<u>\$ 10,494,999</u>
 PROPERTY ACCOUNT (Note 4):		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electricity and gas, trolley coaches, motor buses, freight railway and rolling stock, etc.....	\$573,675,424	\$530,571,937
Unfinished construction.....	75,000,000	39,000,000
	<u>\$648,675,424</u>	<u>\$569,571,937</u>
<i>Less—</i>		
Accumulated depreciation.....	86,485,185	77,523,932
	<u>\$562,190,239</u>	<u>\$492,048,005</u>
	<u>\$612,918,473</u>	<u>\$549,146,506</u>

TO THE SHAREHOLDERS,
BRITISH COLUMBIA POWER CORPORATION, LIMITED:

We have examined the consolidated balance sheet of British Columbia Power Corporation, Limited and subsidiary companies as at 31 December 1958, and the consolidated statements of income and of earnings employed in the business for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of income and of earnings employed in the business, supplemented by the

notes appended thereto,

(1) are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at 31 December 1958 and the results of their combined operations for the year ended on that date; and

(2) have been prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Vancouver, B.C.
18 February 1959.

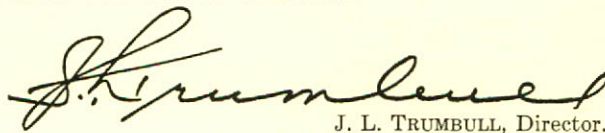
PRICE WATERHOUSE & Co.
Chartered Accountants
Auditors.

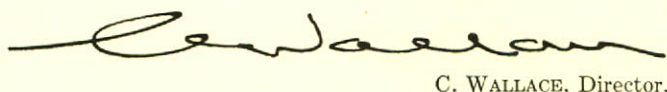
AS AT 31 DECEMBER 1958

as at 31 December 1957)
attached)

CURRENT AND ACCRUED LIABILITIES:	1958	1957
Bank overdraft.....	\$ —	\$ 2,908,917
Notes payable.....	104,250	1,078,000
Accounts payable.....	19,564,025	23,017,640
Taxes payable—		
Taxes on income.....	501,945	—
Other taxes.....	1,379,577	1,177,599
Interest accrued on long term debt.....	4,838,314	3,534,208
Dividends declared, since paid.....	2,856,271	2,534,073
Sinking fund payments due within one year.....	3,892,863	3,265,423
Provision for accidents.....	290,900	445,971
	<u>\$ 33,428,145</u>	<u>\$ 37,961,831</u>
 DEFERRED CREDIT:		
Estimated amount of deferred taxes on income, arising from claiming capital cost allowances in excess of depreciation recorded.....	\$ 28,306,009	\$ 21,836,009
 LONG TERM DEBT (Note 6).....	<u>\$307,236,959</u>	<u>\$261,482,952</u>
 SHARES OF SUBSIDIARIES OWNED BY THE PUBLIC (Note 7).....	<u>\$106,482,540</u>	<u>\$106,446,642</u>
 CONTRIBUTIONS IN AID OF CONSTRUCTION.....	<u>\$ 858,050</u>	<u>\$ 651,612</u>
 CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital (Note 8)—		
Authorized:		
5,000,000 Common Shares without nominal or par value		
Issued:		
4,549,431 Common Shares (433,551 issued in 1958) representing a total cash consideration of.....	\$115,736,043	\$102,089,569
Capital surplus.....	505,515	505,515
Earnings employed in the business—per statement attached.....	20,365,212	18,172,376
	<u>\$136,606,770</u>	<u>\$120,767,460</u>
	<u>\$612,918,473</u>	<u>\$549,146,506</u>
 PENSION PLANS (Note 1)		
COMMITMENTS (Note 9)		

APPROVED ON BEHALF OF THE BOARD:


J. L. TRUMBULL, Director.


C. WALLACE, Director.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS EMPLOYED IN THE BUSINESS
FOR THE YEAR ENDED 31 DECEMBER 1958

(with corresponding figures for the year ended 31 December 1957)

	1958	1957
As at the beginning of the year.....	\$18,172,376	\$15,260,925
<i>Add—</i>		
Earnings on Common Shares of parent company per consolidated statement of income.....	8,876,483	9,582,598
	\$27,048,859	\$24,843,523
<i>Deduct—</i>		
Commission and expenses on issue of Cumulative Redeem- able Preferred Shares of British Columbia Electric Com- pany Limited..... \$	—	\$ 1,021,445
Commission and expenses (1957—expenses only) on issue of Common Shares of parent company and of British Columbia Electric Company Limited (1957—parent company only).....	459,703	33,330
	459,703	1,054,775
	\$26,589,156	\$23,788,748
<i>Deduct—</i>		
Dividends on Common Shares of parent company.....	6,223,944	5,616,372
As at the end of the year.....	\$20,365,212	\$18,172,376

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO 1958 FINANCIAL STATEMENTS

Note 1—Pension plans:

The companies support a number of contributory retirement plans and trustee contributory pension plans. Provision for pensions in respect of employees' services prior to the respective dates of commencement of the several plans ("past services") is actuarially estimated to have been completed in 1956.

There is also an earlier non-contributory plan, under which a number of retired employees are being paid pensions from a fund, actuarially determined, held by The Royal Trust Company. The Trustee has been given a covenant of indemnity to make good any deficiency in this fund, if one should develop, in the ultimate settlement of such pensions.

Certain employees of the companies whose periods of employment commenced before any contributory plan came into force have not elected to acquire rights under any such plan. Approximately 280 of these employees will, if they retire at 65 years of age or over and after 25 years of service, be entitled to be paid pensions under the non-contributory plan, but no provision has been made in the attached accounts in this respect, as it is the intention of the companies to pay such pensions from general funds over the years during which the pensions are payable, and \$10,827 was paid on this score in 1958 to 10 pensioners.

Note 2—Legal fees, executive remuneration, and directors' fees:

Legal fees and executive remuneration paid or accrued during the year amounted to \$466,423 (\$577,048 in 1957), and directors' fees amounted to \$28,100 (\$31,000 in 1957).

Note 3—Temporary investments:

Government of Canada bonds, at cost (quoted market value \$2,487,500).....	\$ 2,487,500
Government of Canada Treasury bills, at cost (market value \$5,983,392).....	5,983,318
	\$ 8,470,818
British Columbia Electric Company Limited First Mortgage Bonds and Sinking Fund Debentures, at cost, purchased for sinking funds (quoted market value \$3,237,069*)....	3,342,737

*For sinking fund purposes bonds are accountable at cost, and debentures at their principal amount, which closely approximates cost.

\$11,813,555

Note 4—Property account:

The properties are included in the accompanying consolidated balance sheet at cost to the consolidation.

A valuation of the properties for rate-making purposes was made by the Public Utilities Commission of British Columbia as at 30 June 1939, and this, when brought up to date to reflect subsequent additions and retirements, computed on the same basis, amounted at 31 December 1958 to approximately \$546,000,000; to this should be added unfinished construction of \$75,000,000 and the book value of properties outside the purview of the Public Utilities Act and not so valued, amounting to some \$14,000,000, making a total of approximately \$635,000,000 before deducting accumulated depreciation.

The accumulated depreciation was found adequate for rate-making purposes by the Public Utilities Commission as at 30 June 1939 and since that date the provisions for depreciation charged to operations have been calculated on the basis of annual percentages and property valuations approved by the Commission. Stated approximately, the accumulated depreciation of \$78,000,000 established for the purpose of the Commission, together with \$3,800,000 applicable to properties not valued by the Commission, totalled \$81,800,000 at 31 December 1958.

The valuations by the Commission are established for rate-making purposes and neither they nor the amounts at which the properties are carried in the consolidated balance sheet purport to represent either present realizable value or replacement value.

Note 5—Taxes on income:

Pursuant to a 1958 amendment to the Income Tax Act, the companies are required to claim as a deduction from 1958 taxable income, if at all, the balance of employees' past service pension costs which were being claimed over a period ending in 1962. As a result of taking the benefit of the amendment, the provision for taxes on income for 1958 has been reduced by approximately \$500,000.

Note 6—Long term debt:

Details of the outstanding long term debt (amounts issued less sinking fund redemptions) as at 31 December 1958 and 1957 were as follows:

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO 1958 FINANCIAL STATEMENTS (*continued*)

Bond Debt—

	1958	1957
British Columbia Electric Company Limited:		
First Mortgage Bonds—		
3¼% Series "A" due 2 January 1967.....	\$ 28,336,000	\$ 28,881,000
3¼% Series "B" due 1 October 1967.....	8,587,000	8,753,000
3¼% Series "C" due 1 April 1968.....	14,905,000	15,175,000
3¼% Series "D" due 1 February 1969.....	15,146,000	15,406,000
3½% Series "E" due 1 March 1975.....	18,009,000	18,313,000
4% Series "F" due 1 July 1991.....	3,415,000	3,474,000
3¾% Series "G" due 1 December 1976, \$18,402,000 (1957—\$18,663,000) payable in United States funds, carried at exchange rates prevailing on dates of issue.....	18,299,926	18,559,479
4¾% Series "H" due 1 December 1977.....	13,979,000	14,179,000
4¾% Series "I" due 1 February 1979.....	14,355,000	14,538,000
3¾% Series "J" due 1 June 1980.....	14,489,000	14,687,000
4¼% Series "K" due 1 February 1981.....	29,350,000	29,703,000
5% Series "L" due 1 February 1982.....	39,579,000	40,000,000
5½% Series "M" due 2 January 1988.....	50,000,000	—
	\$268,449,926	\$221,668,479
<i>Less—</i>		
Sinking fund payments due within one year, included in current and accrued liabilities.....	3,492,863	2,865,423
	\$264,957,063	\$218,803,056
British Columbia Electric Railway Company Limited:		
4¼% Perpetual Consolidated Debenture Stock— Issued—£2,788,170 (less £2,153,140 owned by British Columbia Electric Company Limited), carried at \$4.85.....	3,079,896	3,079,896
	\$268,036,959	\$221,882,952
<i>Debenture Debt—</i>		
British Columbia Electric Company Limited:		
Sinking Fund Debentures—		
5¾% Series A due 1 April 1977.....	\$ 39,600,000	\$ 40,000,000
<i>Less—</i>		
Sinking fund payment due within one year, included in current and accrued liabilities.....	400,000	400,000
	\$ 39,200,000	\$ 39,600,000
Total.....	\$307,236,959	\$261,482,952

Note 7—Shares of subsidiaries owned by the public:

Shares of subsidiaries owned by the public as at 31 December 1958 and 1957 consisted of the following:

	1958	1957
British Columbia Electric Company Limited:		
Cumulative Redeemable Preferred Shares—		
4% shares of \$100 each (redeemable at a premium of 3%)—120,000 shares.....	\$ 12,000,000	\$ 12,000,000
4¼% shares of \$50 each (redeemable at a premium of 4%)—220,000 shares.....	11,000,000	11,000,000
4½% shares of \$50 each (redeemable at a premium of 4%)—300,000 shares.....	15,000,000	15,000,000
4¾% shares of \$100 each (redeemable at a premium of 5%)—264,134 shares.....	26,413,400	26,413,400
5% shares of \$50 each (redeemable at a premium of 4%)—500,000 shares.....	25,000,000	25,000,000
5½% shares of \$50 each (redeemable at a premium of 4%)—300,000 shares.....	15,000,000	15,000,000
	\$104,413,400	\$104,413,400
British Columbia Electric Railway Company Limited:		
5% Cumulative Perpetual Preference Stock— Issued—£1,440,000 (less £1,076,679 owned by British Columbia Electric Company Limited), carried at \$4.85.....	1,762,107	1,762,107
Minority interest in other subsidiaries.....	307,033	271,135
	\$106,482,540	\$106,446,642

Note 8—Share capital:

As at 31 December 1958 options to purchase 10,430 Common Shares, a balance of those granted in previous years to a number of officials of the Power Corporation and its subsidiaries, remained to be exercised.

Note 9—Commitments:

Purchase commitments of the companies for capital projects and materials and supplies aggregated approximately \$65,000,000 as at 31 December 1958.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED
(the principal direct subsidiary of British Columbia Power Corporation, Limited)
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME AND EARNINGS EMPLOYED
IN THE BUSINESS FOR THE YEAR ENDED 31 DECEMBER 1958
(with corresponding figures for the year ended 31 December 1957)

	1958	1957
Net income for the year of British Columbia Power Corporation, Limited and subsidiary companies (per their Consolidated Statement of Income).....	\$13,877,943	\$13,792,214
<i>Deduct—</i>		
Net income of British Columbia Power Corporation, Limited and its subsidiary companies other than British Columbia Electric Company Limited and subsidiary companies.....	144,781	104,601
Net income for the year of British Columbia Electric Company Limited and subsidiary companies.....	\$13,733,162	\$13,687,613
<i>Add—</i>		
Earnings employed in the business as at the beginning of the year.....	17,755,436	14,982,884
	\$31,488,598	\$28,670,497
<i>Deduct—</i>		
Expenses on issue of Common Shares.....	\$ 11,544	\$ —
Commission and expenses on issue of Cumulative Redeemable Preferred Shares.....	—	1,021,445
Commission on issue of Common Shares of British Columbia Power Corporation, Limited.....	307,583	—
	319,127	1,021,445
	\$31,169,471	\$27,649,052
<i>Deduct—</i>		
Dividends:		
British Columbia Electric Railway Company Limited—		
Cumulative Perpetual Preference Stock.....	\$ 49,324	\$ 49,480
British Columbia Electric Company Limited—		
Cumulative Redeemable Preferred Shares.....	4,952,136	4,160,136
Common Shares (all owned by British Columbia Power Corporation, Limited).....	6,143,000	5,684,000
	11,144,460	9,893,616
Earnings employed in the business as at the end of the year.....	\$20,025,011	\$17,755,436

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

(the principal direct subsidiary of British Columbia Power Corporation, Limited)

CONSOLIDATED BALANCE SHEET

(with corresponding figures

	1958	1957
CURRENT AND WORKING ASSETS:		
Cash.....	\$ 2,083,970	\$ 663,312
Temporary investments (Note 3).....	11,813,555	13,509,425
Accounts receivable and unbilled revenues.....	12,822,047	11,008,596
Funds receivable on issue of balance of Series A debentures.....	—	1,859,975
Funds withdrawable from Trustee for bondholders.....	71,660	4,725,000
Recoverable taxes on income.....	—	461,232
Sundry investments.....	452,147	376,353
Materials and supplies at average cost.....	8,348,604	10,964,743
Prepaid expenses.....	350,934	209,614
	<u>\$ 35,942,917</u>	<u>\$ 43,778,250</u>
 DEFERRED CHARGES:		
Unamortized transportation franchise payments, etc.....	\$ 258,579	\$ 352,695
Unamortized discount and expense on long term debt.....	10,662,897	9,939,315
	<u>\$ 10,921,476</u>	<u>\$ 10,292,010</u>
 PROPERTY ACCOUNT (Note 4):		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electricity and gas, trolley coaches, motor buses, freight railway and rolling stock, etc.....	\$570,520,152	\$528,026,858
Unfinished construction.....	75,000,000	39,000,000
	<u>\$645,520,152</u>	<u>\$567,026,858</u>
<i>Less—</i>		
Accumulated depreciation.....	86,373,786	77,460,229
	<u>\$559,146,366</u>	<u>\$489,566,629</u>
	<u>\$606,010,759</u>	<u>\$543,636,889</u>

**TO THE SHAREHOLDERS,
BRITISH COLUMBIA ELECTRIC COMPANY LIMITED:**

We have examined the consolidated balance sheet of British Columbia Electric Company Limited and subsidiary companies as at 31 December 1958, and the consolidated statement of income and earnings employed in the business for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related consolidated statement of income and earnings employed in the business, supplemented by the

notes appended thereto,

(1) are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at 31 December 1958 and the results of their combined operations for the year ended on that date; and

(2) have been prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Vancouver, B.C.
18 February 1959.

PRICE WATERHOUSE & Co.
*Chartered Accountants
Auditors.*

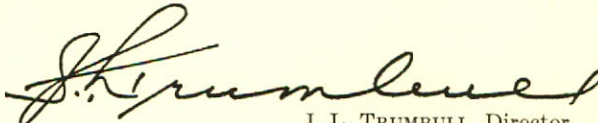
AS AT 31 DECEMBER 1958


as at 31 December 1957)

	1958	1957
CURRENT AND ACCRUED LIABILITIES:		
Bank overdraft.....	\$ —	\$ 2,999,246
Notes payable.....	—	1,078,000
Accounts payable.....	18,986,868	22,773,191
Taxes payable—		
Taxes on income.....	397,617	—
Other taxes.....	1,379,561	1,177,035
Interest accrued on long term debt.....	4,838,314	3,534,208
Dividends declared, since paid.....	1,263,970	1,093,515
Amount owing to parent company, British Columbia Power Corporation, Limited, and its other subsidiaries.....	5,369,210	5,264,458
Sinking fund payments due within one year.....	3,892,863	3,265,423
Provision for accidents.....	290,900	445,971
	<u>\$ 36,419,303</u>	<u>\$ 41,631,047</u>
DEFERRED CREDIT:		
Estimated amount of deferred taxes on income, arising from claiming capital cost allowances in excess of depreciation recorded.....	\$ 28,306,009	\$ 21,836,009
LONG TERM DEBT (Note 6)	<u>\$307,236,959</u>	<u>\$261,482,952</u>
SHARES OF SUBSIDIARIES OWNED BY THE PUBLIC:		
British Columbia Electric Railway Company Limited—		
5% Cumulative Perpetual Preference Stock:		
Issued—£1,440,000 (less £1,076,679 owned by British Columbia Electric Company Limited), at \$4.85.....	\$ 1,762,107	\$ 1,762,107
Minority interest in other subsidiaries.....	3,110	4,360
	<u>\$ 1,765,217</u>	<u>\$ 1,766,467</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>\$ 858,050</u>	<u>\$ 651,612</u>
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital (Note 8)—		
Authorized:		
510,000 Preferred Shares of \$100 each		
1,980,000 Preferred Shares of \$50 each		
6,000,000 Common Shares of no par value		
Issued and paid up:		
Cumulative Redeemable Preferred Shares (Note 7).....	\$104,413,400	\$104,413,400
3,708,586 Common Shares of no par value (429,562 issued in 1958).....	106,481,295	93,594,451
	<u>\$210,894,695</u>	<u>\$198,007,851</u>
Capital surplus.....	505,515	505,515
Earnings employed in the business—per statement attached.....	20,025,011	17,755,436
	<u>\$231,425,221</u>	<u>\$216,268,802</u>
	<u>\$606,010,759</u>	<u>\$543,636,889</u>
PENSION PLANS (Note 1)		
COMMITMENTS (Note 9)		

The explanatory notes (with the exception of Note 8) which supplement the accompanying 1958 financial statements of British Columbia Power Corporation, Limited and subsidiary companies, also supplement and should be read in conjunction with the financial statements of British Columbia Electric Company Limited and subsidiary companies. The totals of the property valuations and accumulated depreciation referred to in Note 4, and the amount of the minority interest in other subsidiaries in Note 7, relate to the consolidated balance sheet of British Columbia Power Corporation, Limited and subsidiary companies.

APPROVED ON BEHALF OF THE BOARD:


J. L. TRUMBULL, Director.


C. WALLACE, Director.

FINANCIAL STATISTICS OF COMBINED COMPANIES

(in millions of dollars)

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
SOURCES OF REVENUE										
From operations										
Electric—residential.....	7.0	8.3	10.8	13.1	14.5	16.5	18.7	20.9	22.9	25.4
Electric—other.....	10.7	12.9	14.5	16.4	17.9	19.1	21.0	22.5	25.0	27.8
Gas.....	3.8	3.9	4.0	4.3	4.6	4.9	5.1	5.5	7.1	10.4
Passenger transportation.....	15.2	14.9	14.2	15.2	15.1	14.9	13.8	13.6	13.9	14.0
Rail freight.....	2.3	2.6	2.9	3.2	3.5	3.3	4.2	5.2	5.0	4.9
Miscellaneous.....	.6	.4	.5	.5	.4	.5	.6	.6	.7	.8
Gross revenue from operations.....	39.6	43.0	46.9	52.7	56.0	59.2	63.4	68.3	74.6	83.3
Non-operating income.....	.2	.2	.1	.2	.6	.9	.6	.8	1.5	1.4
DISPOSITION OF REVENUE										
Employment costs, materials and outside services, etc.....	24.4	24.7	25.0	27.4	28.8	29.4	28.7	30.8	31.9	34.4
Wear and exhaustion of property (1).....	4.7	5.5	6.1	6.4	7.1	7.5	8.2	8.4	10.0	12.8
Taxation (1) (2).....	4.4	5.5	7.6	9.4	9.3	10.3	11.9	12.8	12.7	12.6
Interest and other costs on long term debt.....	3.2	3.8	3.8	4.3	5.1	5.7	6.1	7.4	10.5	13.9
Interest charged to construction (deduct).....	.3	.2	.1	.4	.4	.5	1.2	2.7	2.8	2.9
Dividends on preferred shares.....	1.1	1.3	1.7	1.8	2.1	2.6	3.3	3.7	4.2	5.0
Dividends on common shares.....	1.7	2.0	2.0	2.0	2.3	3.1	3.8	4.9	5.6	6.2
Retained and employed in the business.....	.6	.6	.9	2.0	2.3	2.0	3.2	3.8	4.0	2.7
OPERATING INCOME										
Amount.....	6.1	7.3	8.2	9.5	10.8	12.0	14.6	16.3	20.0	23.5
As a percentage of gross revenue from operations...	15.3	17.0	17.5	18.1	19.3	20.3	23.1	23.8	26.7	28.2

(1) For all years except 1949, 1950 and 1953, before additional capital cost allowances and resultant income tax deferment.

(2) Excludes sales taxes and customs duty on material purchased, as well as sales tax on electricity and gas sold (collected from customers on behalf of government). These approximated \$6.5 million in 1958.

OPERATING STATISTICS OF COMBINED COMPANIES

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
ELECTRIC										
Generating capacity at year-end (rated kw in thousands) ⁽¹⁾	352	381	416	476	480	525	525	570	715	745
Peak one-hour demand (kw in thousands).....	361	405	456	468	522	527	566	645	668	755
Meters on line at year-end (in thousands).....	220	230	239	246	256	268	284	299	311	327
Electricity sold (kwh in millions).....	1,105	1,393	1,512	1,653	1,902	2,051	2,304	2,426	2,801	3,028
Proportionate sales by class of customer (percentages)										
Residential.....	32	32	33	33	33	36	38	41	40	40
Other systems (largely residential).....	6	4	4	3	2	3	2	3	3	2
Commercial, industrial, etc.....	54	50	51	52	50	53	54	55	57	58
Export.....	8	14	12	12	15	8	6	1	....	....
Residential service										
Average annual kwh use per customer.....	1,977	2,299	2,523	2,734	2,974	3,372	3,765	4,097	4,373	4,494
Average price per kwh (in cents).....	2.0	1.9	2.2	2.4	2.3	2.2	2.1	2.1	2.1	2.1
⁽¹⁾ Excluding electricity available from other systems, and furthermore with favourable conditions rated capacity can be and has been exceeded on occasion.										
GAS										
One-day capacity at year-end (therms in thousands)										
Mainland—pipeline contract.....	.....	.....	.....	.....	.....	.....	.....	320.0	592.3	592.3
—plant.....	78.3	80.4	93.9	96.4	96.4	96.4	100.9	72.0	159.5	190.0
Greater Victoria—plant.....	12.2	18.9	20.3	28.9	28.9	18.0	18.0	18.0	27.0	27.0
Peak one-day demand (therms in thousands)										
Mainland system.....	57.2	68.9	60.7	58.4	58.2	74.3	84.7	155.7	294.1	559.2
Greater Victoria system.....	10.2	13.1	10.7	9.4	9.2	12.1	13.2	13.7	14.2	13.4
Meters on line at year-end (in thousands).....	67	68	69	70	69	67	66	69	82	99
Gas sold (therms in millions).....	15.2	15.8	15.7	16.6	17.7	19.1	20.4	23.9	51.2	86.4
TRANSPORTATION										
Vehicles at year-end										
Urban—street cars.....	225	165	118	85	57	51	.....	.....	.....	.....
—buses.....	381	380	356	347	343	338	327	323	340	348
—trolley coaches.....	168	256	311	311	311	327	327	349	351	351
total.....	774	801	785	743	711	716	654	672	691	699
Interurban rail passenger cars.....	69	59	54	54	32	21	17	11	11	.....
Interurban buses.....	105	101	95	95	88	85	74	70	69	70
Revenue miles run—urban (in millions).....	27.0	26.8	25.1	24.1	24.0	24.3	23.7	23.2	23.3	23.6
Passengers carried (in millions)										
Urban.....	135.1	126.1	120.5	114.1	109.8	106.1	100.0	100.4	102.7	100.8
Interurban rail.....	8.2	7.1	6.0	5.3	4.0	1.7	1.1	1.1	.9	.1
Interurban bus.....	5.4	5.0	4.9	4.5	4.3	3.9	3.4	3.4	3.3	3.2
Passenger revenue per mile—urban (in cents).....	43.3	44.7	45.6	51.5	52.7	53.0	50.2	49.9	51.2	50.9
Rail freight (tons in thousands).....	953	1,016	1,127	1,127	1,129	1,089	1,363	1,578	1,365	1,258
NUMBER OF EMPLOYEES AT YEAR-END	5,977	5,744	5,417	5,324	5,086	4,955	5,028	5,815	6,051	5,897

B.C. ENGINEERING COMPANY LIMITED

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 H. W. SMITH *General Manager*
 R. M. BIBBS *Assistant General Manager*
 F. B. BEARDSLEY *Director, Financial Division*
 J. S. DON *Personnel Manager*

K. F. KANGAS *Director, Design Division*
 J. E. MACDONALD *Director, Construction Division*
 V. W. RUSKIN *Director, Planning Division*
 N. A. WARDLE *Director, Production Division*
 R. E. WILKINS *Assistant to President*

B.C. ELECTRIC

H. J. MERILEES *General Executive Assistant*
 G. A. JOHNSON *Executive Assistant to Executive Vice-President*

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J. DAVIS *Director of Research and Planning*
 C. A. MANSON *Rate Engineer*
 J. A. POLSON *Planning Engineer*

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 J. R. P. POWELL *Executive Assistant to Director of Budgeting and Control*

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 P. W. BARCHARD *Assistant General Manager*
 M. H. ALLAN *Distribution Engineer*
 J. GEMMELL *Construction Superintendent*
 L. J. C. JARVIS *Gas Plant Manager*
 J. KIRKHOPE *Gas Supply Manager*
 H. T. LIBBY *Manager Gas Engineering and Development*
 D. W. MINION *Distribution Manager, Metropolitan Area*
 A. J. MACDONALD *Distribution Manager, Fraser Valley Area*
 W. A. SMITH *Customer Services Superintendent*
 G. S. STOREY *Distribution Engineer, Fraser Valley Area*

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 R. G. SCOTT *Assistant General Sales Manager*
 A. P. CROKER *Fraser Valley Sales Manager*
 H. A. ELLIOTT *Industrial Sales Manager*
 F. NOSWORTHY *Coastal Area Sales Manager*
 J. H. TAYLOR *Metropolitan Sales Manager*

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 F. A. LAZENBY *Assistant Chief Engineer (Executive)*
 W. F. MILES *Assistant Chief Engineer (Operations)*
 H. W. J. PECK *Assistant to the Vice-President*
 C. ARNOTT *Superintendent, Generating Stations*
 E. G. BEGG *Office Manager*
 N. S. CLARK *Superintendent, Electric Meter Department*
 T. COLLINS *Superintendent, Transmission and Distribution Maintenance*
 E. L. DUN *Superintendent, Building Operation and Maintenance*
 A. J. DUNCAN *Assistant Superintendent, Distribution Engineering*
 C. T. EYFORD *Superintendent, Distribution Engineering*
 W. D. GILL *Superintendent, Substations*
 W. GOSBEE *Superintendent, Shops*
 T. F. HADWIN *District Manager, Bridge River*
 G. J. HENRIKSON *Assistant Superintendent, Distribution Engineering*
 W. F. JARRETT *Operations Manager, Coastal Area*
 J. F. MILES *Project Engineer*
 H. E. SLADEN *Assistant Superintendent, Distribution Engineering*

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 J. E. ALLAN *Manager, Pacific Stage Lines*
 C. DOBELL *Director, Safety and Training*
 H. C. GIVINS *Transportation Maintenance Engineer*
 J. F. INTIHAR *General Superintendent, City Lines*
 W. W. McAULAY *Assistant to the General Manager*
 W. J. MARSHALL *Freight Traffic Manager*
 D. J. MARTIN *General Superintendent, New Westminster*
 P. J. SCHRODT *Superintendent, Transportation Maintenance*
 J. T. TURNER *Transportation Maintenance Manager*

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W. A. DOW *Industrial Analyst*

J. C. INGRAM *Director of Industrial Development*

R. H. GRAM *Area Development Manager*

B.C. ELECTRIC

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D. M. M. GOLDIE *Senior Solicitor*

R. W. GROSS *Senior Solicitor*

B. S. LOWE *Senior Solicitor*

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P. E. PAULSON *Manager Land Department*

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Chief Financial Officer*

T. CHAMBERS *Comptroller*

G. J. KINLEN *Treasurer*

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G. EWING *Budget Accountant*

E. S. GARDINER *Data Processing Manager*

L. E. F. GRAHAM *Plant Records and
Property Tax Manager*

G. L. HASZARD *General Purchasing Agent*

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S. H. JAGGER *Assistant General Purchasing Agent*

J. S. LANG *Internal Auditor*

L. J. LASCELLES *Staff Accountant*

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J. S. PURVES *Stores Manager*

J. M. TODD *Cashier Manager*

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M. H. FOX *Labour Relations Manager*

P. A. HOARE *Security Officer*

DR. A. J. NELSON *Director of Medical Services*

R. W. PURVES *Personnel Manager*

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R. H. GRAM *General Manager*

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E. F. CAMPBELL *Director of Advertising*

T. F. DAGGS *Administrative Assistant to Manager*

E. F. FOX *Director of Public Information, Regional Offices*

N. A. McKELVIE *Supervisor, Publications and
Weekly News*

J. C. SEXTON *Supervisor, Metropolitan Press Section*

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G. BARCLAY *General Superintendent
Electrical Department*

C. A. BURGESS *Cost Accountant*

W. D. BURTON *Transmission and Distribution
Maintenance Superintendent*

B. CLARKE *Transportation Maintenance Superintendent*

M. H. COLLINS *Public Information Manager*

K. EASTON *Pay and Cashier Manager*

J. M. ELLIOTT *Electrical Stations Superintendent*

H. R. HALLS *Transportation Manager*

E. G. HART *Buildings and Structures Superintendent*

R. H. LUND *Personnel Manager*

J. A. McARTHUR *Customers' Accounts Manager*

D. A. M. PATTERSON *Solicitor*

K. L. ROACH *Gas Superintendent*

A. W. J. SMITH *Sales Manager*

A. M. URQUHART *Superintendent Transmission and
Distribution Engineering*

E. B. WILLIAMS *Purchasing and Stores Manager*

Our aim is to serve our customers well,
and at the lowest rates consistent with a high
standard of service;

to deal frankly and fairly with our
customers and employees;

to conduct our business with courtesy
and efficiency;

to be good citizens and assist in the development
of the communities we serve.



BRITISH COLUMBIA POWER CORPORATION, LIMITED