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BRITISH COLUMBIA POWER CORPORATION, LIMITED ANNUAL REPORT



An impressive addition was made to Vancouver's skyline in March 1957 on completion of the Company's 21-storey Head Office building. The total floor area of 368,758 square feet provides efficient working space for more than 1,000 employees, who formerly occupied offices in several widely separated buildings. Shaped somewhat like a diamond rising 285 feet, the building is supported by a reinforced concrete core and clad with a thin curtain wall of glass and steel. The unusual construction has intrigued both architects and laymen alike. One local writer has stated, "It hangs delicately over the city." During 1957, some 21,600 people in 303 organized groups toured the structure. From a distance at night it appears like a beacon of light, a symbol of architectural and economic progress in British Columbia. *Architects: Thompson, Berwick & Pratt, Vancouver.*



100 years ago, Queen Victoria christened the Canadian mainland that borders the Pacific; New Caledonia, as it was called then, became British Columbia. This year, visitors to British Columbia will be welcomed to an extensive programme of celebrations marking the anniversary. To honour the occasion, Canada has minted this special Centennial silver dollar.

The Board of Directors of

British Columbia Power Corporation, Limited

presents its report for the year 1957

for the information of

Shareholders, Employees and 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 hydro-electric power sites

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
SEVERE GODIN
A. E. GRAUER
C. L. GUNDY
R. H. B. KER
W. G. MURRIN
A. DEANE NESBITT
H. L. PURDY
J. G. ROBSON
J. L. TRUMBULL, C.B.E.
COL. THE HONOURABLE CLARENCE WALLACE, C.B.E.
J. B. WOODYATT

President

A. E. GRAUER

Executive Vice-President

H. L. PURDY (*Gas, Transportation, General Sales, Industrial Relations*)

Vice-President

E. W. ARNOTT (*Vancouver Island operations*)

Vice-President

T. INGLEDOW (*Executive Engineer, Electrical operations*)

Vice-President

W. C. MAINWARING, O.B.E. (*Assistant to President*)

OFFICERS*

Vice-President and Treasurer

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

Vice-President

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

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 Corporation: B.C. Electric Building, 970 Burrard Street, Vancouver 1, B.C.

Earnings were \$9,582,598 or \$2.33 per share, as compared with \$8,706,245 or \$2.34 per share for 1956, on the Common Shares outstanding at the respective year-ends. The quarterly dividend rate of 35¢ was continued.

Demand for electricity, exclusive of export, was 15.6% greater than in 1956. Average annual consumption per residential customer was 4,373 kwh compared with 4,097 kwh the previous year, an increase of 6.7%.

The number of gas customers increased by 13,000—21%—in 1957, the first full year of natural gas distribution. Therms of gas sold more than doubled over 1956.

The Company carried more transportation passengers in 1957 than in 1956, a contrast to the continued declines experienced in most other centres of comparable size in North America.

Capital expenditures for expansion of services reached a new high of \$112.3 million.

The 140,000 kw generating plant at Cheakamus and the 22,000 kw plant at La Joie dam went into operation in late 1957. In January 1958 the 30,000 kw plant at Clowhom was placed in service. Total generating capacity is now three-quarters of a million kilowatts.

Work has commenced on a steam electric generating plant, planned to have a capacity of about 945,000 kw in six units of 157,500 kw each. The first two units are scheduled to go into service in 1961.

A contract was made in 1957 for the completion of a second 120,000 kva circuit between the Mainland and Vancouver Island electrical systems of the Company.

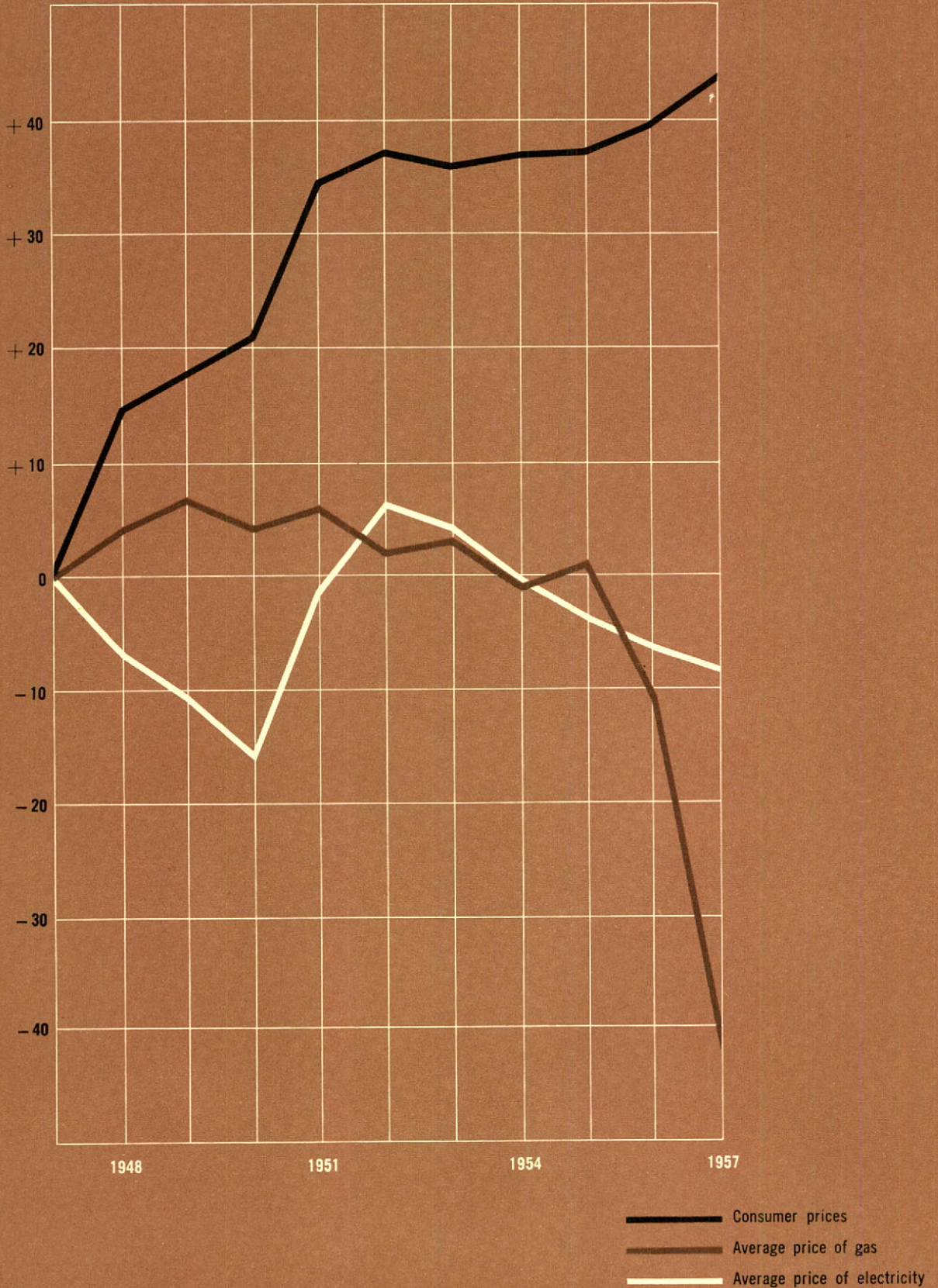
The natural gas pipeline of Westcoast Transmission Company Limited from the Peace River district of British Columbia and Alberta went into service in October 1957 and the Company began receiving natural gas from that source.

The new head office building and the new Engineering Company building were both completed and occupied in 1957.

THE YEAR IN BRIEF

THE COMPANY'S AVERAGE SELLING PRICE OF ELECTRICITY AND GAS FOR RESIDENTIAL USE COMPARED WITH THE CONSUMER PRICE INDEX - CANADA

Percentage change
from 1947



BRITISH COLUMBIA POWER CORPORATION, LIMITED

ANNUAL REPORT 1957

In 1957, comparing it with 1956, expenditures on additional property remained high and so did additional financing as a consequence but there was a nominal falling off in the earnings per share on the larger number of Common Shares outstanding.

RESULTS OF OPERATIONS

The earnings for the year were \$9,582,598, or \$2.33 per share on the 4,115,880 Common Shares outstanding at the year-end as compared with \$8,706,245, or \$2.34 per share on the 3,728,195 Common Shares outstanding at the end of 1956. The rate of dividend on the Common Shares, which was increased from 30¢ to 35¢ for the second quarter of 1956, was continued, bringing the declaration for 1957 to \$1.40 per share as against \$1.35 per share for the previous year.

The operating income for 1957 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 5.0% as against 5.6% in 1956, which figures may be compared with the allowed rate of return of 6.5%.

GROSS REVENUES

The gross revenues from operations for the year amounted to \$74,594,413, an increase over 1956 of \$6,270,614, or 9.2%, to which the various services contributed as follows:

	1957	Increase or Decrease compared with 1956	
		Amount	%
Electric:			
Canadian.....	\$47,863,257	\$4,542,139	10.5
Export.....	34,646	9,097	20.8
Gas.....	7,070,994	1,510,074	27.2
Passenger transportation.....	13,912,379	326,081	2.4
Rail freight.....	5,024,759	207,828	4.0
Miscellaneous.....	688,378	109,245	18.9
	<u>\$74,594,413</u>	<u>\$6,270,614</u>	<u>9.2</u>

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

	1957	Increase or Decrease compared with 1956	
		Amount	%
Kilowatt-hours of electricity sold:			
Canadian.....	2,791,567,919	376,670,369	15.6
Export.....	9,880,728	1,125,646	10.2
Therms of gas sold.....	51,169,289	27,288,131	114.3
Passengers carried.....	106,912,144	2,043,011	1.9
Freight tonnage.....	1,364,838	213,289	13.5

In the electric service the increase in the number of customers for the year was 12,483, bringing the total to 305,921 at the year-end. Average annual consumption per residential customer also increased; it was 4,097 kwh in 1956 and rose to 4,373 kwh in 1957, an increase of 6.7%.

In the gas service the increase in the number of customers for the year was 12,931, bringing the total to 75,278 at the year-end. Natural gas was introduced into the Mainland system in November 1956 and therefore affected only a small part of that year; the increase of 114.3% over 1956 in therms of gas sold, as opposed to the increase of 27.2% in the gross revenues of the gas service, offers a simple proof of the substantially reduced selling price of the newer fuel.

In the passenger transportation service the trend established in 1956 was continued and again the number of passengers carried was in excess of the previous year. In 1957 the increase was 1.9% compared to a mere .3 of 1% in 1956. This trend is in striking contrast to the decline in riding that is being experienced in most other centres of comparable size in North America where declines in 1957 from the 1956 levels have averaged up to 9%.

The level of gross revenues in the rail freight service declined slightly, the result of a falling off in the last six months of the year somewhat more

than offsetting the increases in the first six months. Tonnage declined but the gap was almost bridged, in large part by general rate increases, awarded to the transcontinental lines and extended to the Company, late in 1956 and in August 1957.

OPERATING EXPENSES

Operating expenses at \$54,650,331 show an increase of \$2,573,502 or 4.9% over 1956. Employment costs increased for the most part because 1957 bore the increased second-year rates of collective agreements negotiated in 1956.

Property taxes increased by \$657,057, largely as a result of added property attracting assessment.

The same factor of increased property in service accounts for the provision for depreciation for 1957 exceeding that for 1956 by \$1,564,335.

COLLECTIVE AGREEMENTS

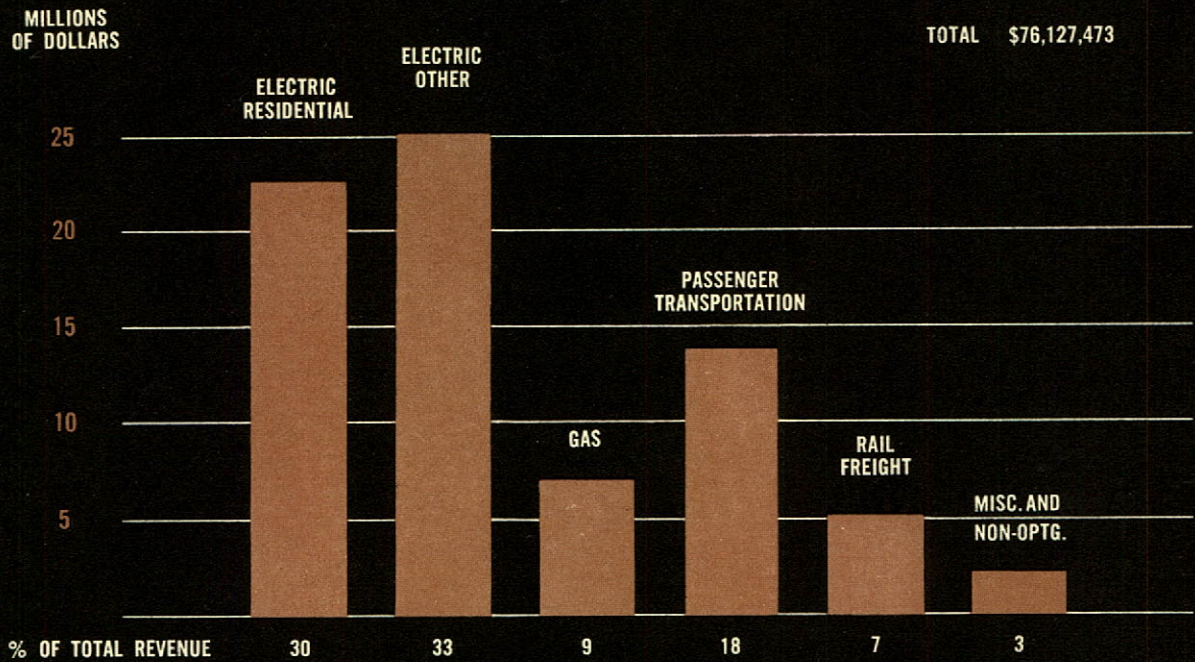
The only agreement which fell open in 1957 was that with the International Brotherhood of Electrical Workers (Electric Division) which expired on 31 July 1957.

On 14 February 1958, when this report was necessarily closed off to meet the requirements of the printer, the situation was this: Although a strike vote had been taken at the end of January and had been passed by the membership of the union, negotiations for a settlement were again proceeding.

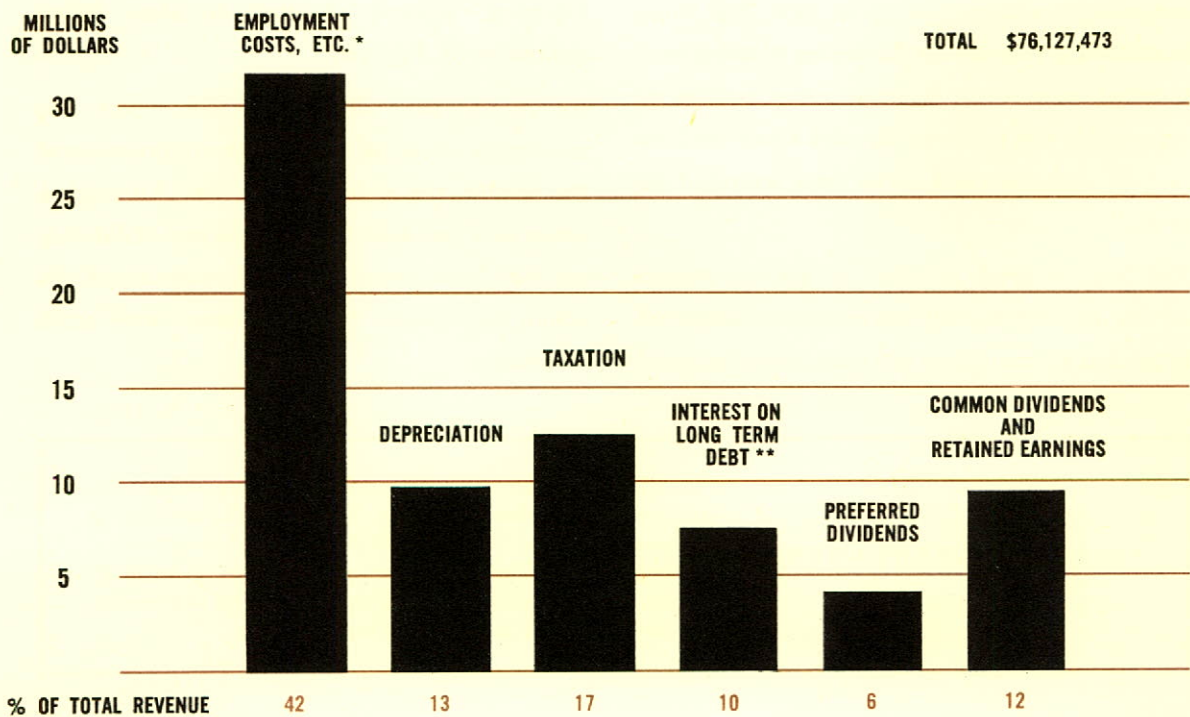
TO THE SHAREHOLDERS

Your Directors appreciate the interest shown by shareholders who are present at the Annual General Meetings and participate in the discussions of the Company's affairs. This year the meeting will be held on Thursday, 27 March, at 10:30 a.m. in the Bay Theatre, 935 Denman St., Vancouver, B.C. and all shareholders who find it possible to attend are urged to do so.

SOURCES OF 1957 REVENUE



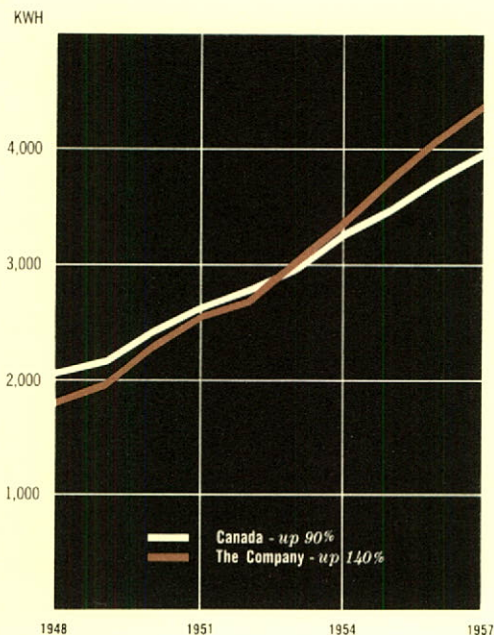
DISPOSITION OF 1957 REVENUE



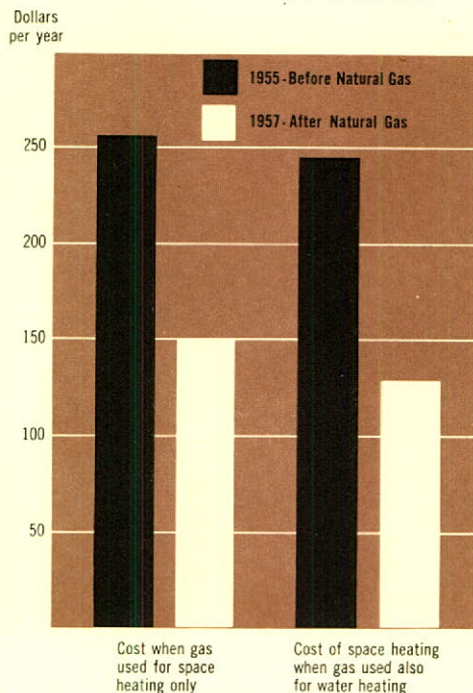
* Employment costs, materials and outside services, etc.

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

Average Annual Use of Electricity per Residential Customer



Annual Cost of Heating Typical Houses* with Gas in the Vancouver Area



* 1,200 sq. ft. uninsulated or 1,800 sq. ft. with 2-inch insulation on ceiling and walls.

CAPITAL EXPENDITURES

The net additions to property account for the year amounted to \$102,465,802 as compared with \$90,485,043 for 1956. The net additions in 1957 comprised gross expenditures of \$112,310,195 less retirements of \$9,844,393.

Major expenditures in 1957 by projects or broad classifications included the following:

Electric extensions, Mainland and Vancouver Island, including cost to connect 11,988 new services.....	\$ 8,691,312
Gas extensions, Mainland and Vancouver Island, including cost to connect 12,373 new services.....	8,735,898

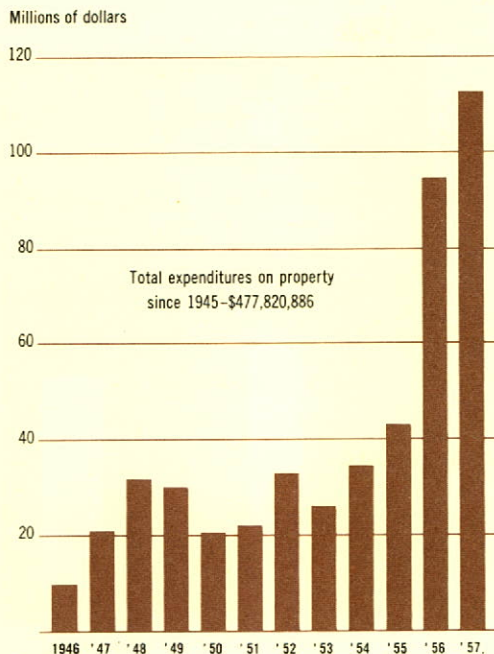
Major generating developments:

Cheakamus plant.....	14,076,915
La Joie plant.....	2,577,323
Clowhom plant.....	7,145,171
Gas turbine plant.....	3,954,069
Bridge River No. 2 plant.....	15,004,083

Major electric transmission line construction:

Kidd-Mainwaring-Newell 230 kv underground cable.....	4,324,623
Bridge River to Creekside.....	2,337,056
Substations, associated distribution facilities and local transmission systems.....	15,468,883
Land and land rights for generating, transmission and substation facilities.....	2,778,471
Natural gas trunk lines and associated plant.....	5,952,266
Completion of head office building and construction of Engineering Company building.....	6,325,199
Land assemblies of the Development Company.....	1,908,071

Expenditures on Property



The Cheakamus plant, comprising two units of 70,000 kw each, went into operation during the year, the first unit in October and the second in December.

The plant at La Joie dam, consisting of a single unit of 22,000 kw, went into operation in December.

The Clowhom generating plant, with its single unit of 30,000 kw, was placed in operation in January 1958.

The gas turbine plant, which is to go into service in 1958, is to consist of four units of 25,000 kw, 100,000 kw in all. It is designed to use either natural gas or oil as fuel. Its purpose is a special one, namely, to supplement the hydro system in a below average water year or on very short notice to serve as stand-by plant in the event of trouble in other plants.

Work is continuing on the second and final stage of the Bridge River development, which will have

four units of 62,000 kw each, or 248,000 kw in all, to be put into service in 1959. Its associated dam, in addition to providing more storage, will increase the head of water for the Bridge River No. 1 plant and hence increase the capacity of that plant by some 20,000 kw.

The 230 kv underground cable is to conduct power through residential areas to supply the Mainwaring and Newell substations.

The transmission line from Bridge River No. 1 plant to Creekside makes connection with the line from Creekside to Rosedale, which was completed previously, and the two sections together provide a second route for the transmission of power from Bridge River to Vancouver.

The head office building was completed and occupied in the spring of 1957. The Engineering Company building was completed and occupied just before the year-end. It permits the entire staff of the Engineering Company to be accommodated under one roof for the first time since that company was formed.

SUPPLY OF ENERGY

A steam electric generating station is being constructed. This was not mentioned under the head of "Capital Expenditures" for the reason that the expenditures upon it to the end of 1957 were comparatively small. With the Fraser River not available because of the salmon spawning problem, with the development of the upper Columbia River delayed until after the completion of negotiations now pending between the Governments of Canada and the United States respecting international rivers, and without other hydro sites

that can be developed both economically and in time, the Company had to turn to a steam electric generating plant. The plant is planned to have a capacity of about 945,000 kw in six units of 157,500 kw each, the first two of which are to go into service in 1961, with additional units as required in the years following. A contract has been signed with Westcoast Transmission Company Limited which makes available as required, in increasing quantities beginning in 1961, up to 144,000,000 cu. ft. per day of natural gas, which is sufficient to operate all six units of this plant.

The annual report for 1956 dealt with the new transmission line, in large part submarine, that had been constructed to connect the Company's electrical systems on Vancouver Island and the Mainland. The line has a capacity of 120,000 kva. A contract was made in 1957 for the completion of a second circuit of the same capacity, to go into service in 1958.

In October 1957 the natural gas pipeline of Westcoast Transmission Company Limited from the Peace River district of British Columbia and Alberta to the international boundary at Huntingdon went into service and the Company began to obtain natural gas from that source. For the previous 11 months its supply of natural gas came from Pacific Northwest Pipeline Corporation in the United States.

The annual report for 1956 dealt with the Company's acquisition of majority control of the shares of Pleasant Valley Gas & Oil Co. and that company's holding of storage rights on a substantial acreage some 30 miles from Vancouver at Birch Bay in the State of Washington. The

work by Pleasant Valley in 1957 to establish the feasibility of underground storage of gas beneath its acreage was pursued and found of some promise. More recently a second area offering possibility of underground storage is being investigated. This area is also in the State of Washington and has the additional attraction of being traversed by the transmission line of Pacific Northwest Pipeline Corporation.

FINANCING

In February the Electric Company sold \$40,000,000 of First Mortgage Bonds, 5% Series "L", to yield to the public 5.5%, of which \$35,275,000 were issued by the year-end and the remaining \$4,725,000 in January 1958.

In April the sale was made of 400,000 Common Shares of the Power Corporation, of which 380,825 were issued by the year-end, and the remaining 19,175 in January 1958, and of \$40,000,000 Sinking Fund Debentures, 5 $\frac{3}{4}$ % Series A of the Electric Company, of which \$38,082,500 were issued by the year-end and the remaining \$1,917,500 in January 1958; the offering was in units, sold to the public for \$700 each, a unit consisting of \$500 of Debentures and 5 Common Shares. The units were split into their respective components as at the close of business on 30 September 1957.

Towards financing capital expenditures for 1958, in December the Electric Company sold \$15,000,000 of its 5 $\frac{1}{2}$ % Cumulative Redeemable Preferred Shares which were marketed at a price to yield to the public 5.67%, and in January 1958 sold \$50,000,000 of its First Mortgage Bonds, 5 $\frac{1}{8}$ % Series "M", which were offered to the public to yield the coupon rate.

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

Funds Provided

Net receipts from issues of bonds, debentures and shares.....			\$103,636,643
Sales of property.....			3,021,161
Estimated amount of reduction in taxes on income currently payable resulting from:			
Claiming for tax purposes capital cost allowances in excess of depreciation recorded.....	\$ 6,000,000		
Recording estimated insufficiency of depreciation in respect of the obsolete manufactured gas plant	433,000	6,433,000	
Funds arising from operations—			
Earnings on common shares.....	\$ 9,582,598		
Add back—Charges against operations calling for no current outlay of cash:			
Provision for depreciation.....	\$9,966,812		
Discount and expense on long term debt.....	588,049	10,554,861	20,137,459
			<u>\$133,228,263</u>

Funds Applied

Additions to property.....			\$112,310,195
Purchase, less sales, of securities of other companies.....			885,249
Payments to sinking funds made or provided for.....			3,326,136
Dividends on common shares of parent company.....			5,616,372
Completion of conversion of customers' gas appliances and associated costs.....	\$382,309		
Less—resulting reduction in taxes on income.....	173,392	208,917	
Increase in net current assets (less net change in miscellaneous other items of \$164,596).....			10,881,394
			<u>\$133,228,263</u>

INDUSTRIAL DEVELOPMENT

In pursuance of one of its chief functions, the promotion of industrial development in a way to benefit the Company's utility operations, two matters undertaken by the Development Company during 1957 require mention.

In order to complete the financing of Western Copper Mills Ltd., the Development Company purchased an interest in its common shares. Western Copper Mills Ltd. is constructing its plant on Annacis Island and it is expected to

become a substantial customer for the electric, gas and rail freight services of the Company.

The Development Company also, in the course of its land assembly programme, purchased several blocks of potential industrial land adjacent to the Company's rail freight lines. These acquisitions were designed to prevent the encroachment of piecemeal residential sprawl and will make industrial sites available for sale to enterprises that will use the Company's rail freight service.

EMPLOYEES

It is with sadness that the death of Mr. J. P. Fraser, Assistant Chief Engineer (Executive), is recorded.

At the year-end Mr. W. G. Huber, General Manager of the Engineering Company, retired but was retained as a Special Assistant to Mr. T. Ingledow, the President of that company. Mr. H. W. Smith, the Assistant General Manager, replaced Mr. Huber as General Manager and Mr. R. M. Bibbs, who had been Executive Assistant to Mr. Ingledow in his capacities of President of the Engineering Company and Vice-President and Executive Engineer of the Company, became Assistant General Manager of the Engineering Company. Mr. Bibbs' former position was taken over by Mr. H. W. J. Peck.

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.

Of the employees retiring on pension during the year, 12 had service of 40 years or more, of whom four had more than 45 years' service: Mr. Samuel W. MacIntosh, Special Assignment Clerk, Sales Department, Victoria, with service of 50 years and 8 months; Mr. Thomas Carson, Freight Operator, New Westminster, with service of 47 years and 8 months; Mr. C. Percival West, Armature Winder, Electrical Shops and Laboratory Department, Electrical Division, Vancouver, with service of 47 years and 4 months; and Mr. William T. Bradley, Bus Operator, Victoria, with service of 46 years and 3 months.

In a year of heavy volume, both of operation and construction, the employees of the Company have undertaken the additional load willingly and have discharged their responsibilities in a commendable manner.

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 statements 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 and the previous practice will be followed of having his address printed and copies sent to all who apply for them.

On behalf of the Board of Directors,

A. E. GRAUER,
President.

Vancouver, B.C.,
25 February 1958.



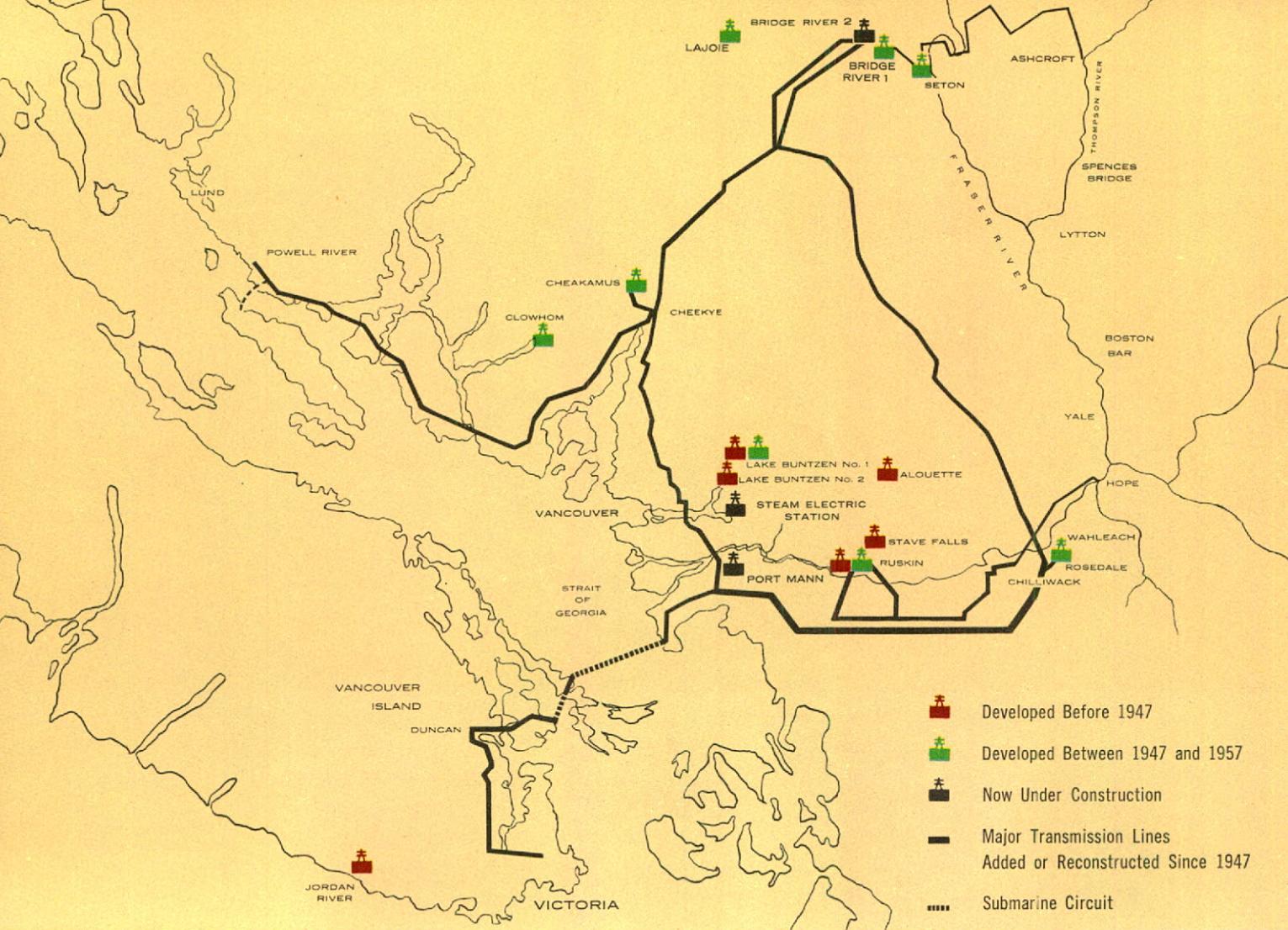
598 miles of mains were laid in 1957 to bring the benefits of natural gas to more customers.

NATURAL GAS

There was enthusiastic customer acceptance of natural gas in 1957, the first full year in which the Company distributed the new fuel in its Mainland service area. During the year, natural gas service was extended to an additional 18 municipalities and communities, and mains were installed to enable another district to receive gas early in 1958. Natural gas heating was installed in more than 17,000 residences during the year, which was about 5,000 more than the number anticipated. In the natural gas service area there was an increase of 128% over 1956 in terms of gas sold. In October 1957 the pipeline of Westcoast Transmission Company Limited from the Peace River area of British Columbia and Alberta was placed in operation and the Company commenced distributing Canadian gas. The previous supply was piped from the United States.



Attractive styling and time-saving efficiency of modern gas appliances have found favour with homemakers.



THE EXPANDING ELECTRIC SYSTEM



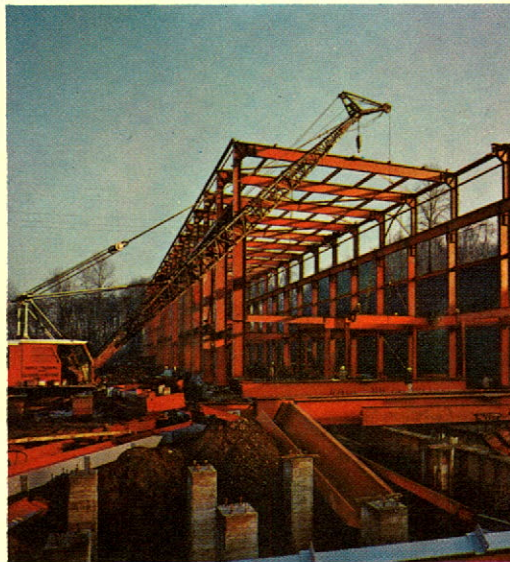
This dam stores water for the new Clowhom hydro-electric station, which can produce 30,000 kw, 10 times the capacity of the small, two-unit plant it replaced.

The Company's installed generating capacity, which totalled 231,800 kw in 1947, reached 744,700 kw on completion of the Cheakamus, La Joie and Clowhom hydro-electric stations. These projects brought to eight the number of generating stations built, enlarged or reconstructed since 1947. The map above shows how the system has been augmented to meet sharply expanded power needs, brought about by vigorous growth in population and industry, and an increase of more than 180% in the average residential consumption of electricity over the past 10 years.

Construction continued in 1957 on a gas turbine generating station at Port Mann and the second stage of hydro development at Bridge River. The Port Mann station, which will burn either natural gas or crude oil, will enter service in 1958 and will add 100,000 kw to supplement the hydro system in a below average water year or in an emergency. At Bridge River four units are scheduled for completion in 1959 to produce another 248,000 kw, while an increased head of water will raise capacity of the existing plant by 20,000 kw. Apart from major river systems of great potential which, if made available for development, would take several years to bring into service, there are no other substantial sources of firm, economical energy within reasonable transmission distance of the Company's service area. To ensure adequate power for the years immediately following 1960, a gas-fueled high pressure steam electric plant is under construction near loco, about 10 miles east of Vancouver. Two units of 157,500 kw each will be completed in 1961, with four units to be added as required, raising total capacity of this plant to 945,000 kw. The cost of long distance transmission is avoided by locating this plant in the Greater Vancouver area.



The Cheakamus development can produce 140,000 kw. Water diverted through a 6¾ mile tunnel is dropped through penstocks 1,700 feet long to the powerhouse on Squamish River.



When completed in 1958, the Port Mann gas turbine station will be the largest of its kind in the world, with four generating units capable of developing a total of 100,000 kw within 20 minutes of a cold start.



At Bridge River, this new dam will store an increased head of water to drive turbines in a second power station, now under construction, and raise the capacity of the existing plant.



ENGINEERING COMPANY HEADQUARTERS—The Engineering Company's office staff of 320 was brought together from several different office locations on reconstruction of this seven-storey building in Vancouver, which was occupied on 30 December 1957. Previously a three-storey building housing the Company's General Sales Division, it was completely rebuilt and enlarged to accommodate this important subsidiary. Since it was formed in 1954 the Engineering Company has offered a comprehensive consulting service and has designed and supervised construction of the varied projects in the Company's intensive modernization and expansion program.



An extensive preventive medical program was instituted in 1957 to protect the health of employees. Seen above is one of several consulting and examining rooms in the new medical centre, located in the Head Office building. The centre also includes a first aid room, x-ray room, laboratory, film-reading and dark rooms, and offices for the staff, comprising a full-time doctor as the director of medical services, part-time consultants, a technician, two nurses and a receptionist.



Twenty-two new diesel-powered buses were purchased in 1957 to supplement the completely modernized transit fleets serving Vancouver and Victoria.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 1957

(with corresponding figures for the year ended 31 December 1956)
(see notes attached)

	1957	1956	
Gross revenue from operations.....	\$74,594,413	\$68,323,799	
<i>Deduct—</i>			
Employment costs, materials and outside services, etc. (Notes 1 and 2).....	\$31,935,410	\$30,837,061	
Provision for depreciation (Note 5B).....	9,966,812	8,402,477	
Required for government:			
Provision for taxes on income.....	\$8,525,365	\$9,318,400	
Property taxes.....	3,225,487	2,568,430	
Other charges.....	997,257	12,748,109	950,461
Total operating expenses.....	\$54,650,331	\$52,076,829	
Operating income.....	\$19,944,082	\$16,246,970	
<i>Add—</i>			
Non-operating income:			
Return from temporary and other investments.....	\$1,462,597	\$ 783,892	
Profit through redemption of bonds at less than principal amount.....	70,463	1,533,060	31,591
Interest charged to construction (Note 5A).....		2,827,610	2,747,403
		\$24,304,752	\$19,809,856
<i>Deduct—</i>			
Interest on long term debt.....	\$9,924,489	\$7,039,969	
Amortization of discount and expense on long term debt:			
Refunded issues.....	80,208	80,208	
Outstanding issues.....	507,841	10,512,538	315,817
Net income for the year.....	\$13,792,214	\$12,373,862	
<i>Deduct—</i>			
Dividends on shares of subsidiaries owned by the public:			
British Columbia Electric Company Limited.....	\$4,160,136	\$3,618,336	
British Columbia Electric Railway Company Limited.....	49,480	4,209,616	49,281
Earnings for the year on Common Shares of parent company:			
Amount.....	\$ 9,582,598	\$ 8,706,245	
Per share outstanding at year-end	\$2.33	\$2.34	

BRITISH COLUMBIA POWER CORPORATION, LIMITED

CONSOLIDATED BALANCE SHEET

*(with corresponding figures
(see notes*

CURRENT AND WORKING ASSETS:	1957	1956
Cash.....	\$ 665,901	\$ 2,090,119
Temporary investments (Note 3).....	13,509,425	16,867,208
Accounts receivable and unbilled revenues.....	11,199,049	9,425,169
Funds receivable on issue of balance of Series A debentures (since received).....	1,859,975	—
Funds withdrawable from Trustee for bondholders (since withdrawn).....	4,725,000	1,000,000
Recoverable taxes on income.....	366,410	—
Sundry investments.....	376,353	275,987
Materials and supplies at average cost.....	10,964,743	8,517,309
Prepaid expenses.....	213,897	87,843
	<u>\$ 43,880,753</u>	<u>\$ 38,263,635</u>
 INVESTMENTS (Note 4).....	 <u>\$ 2,722,749</u>	 <u>\$ 1,837,500</u>
 DEFERRED CHARGES:		
Unamortized transportation franchise payments, etc.....	\$ 370,562	\$ 356,395
Unamortized discount and expense on long term debt—		
Refunded issues.....	227,970	308,178
Outstanding issues.....	9,896,467	5,321,700
	<u>\$ 10,494,999</u>	<u>\$ 5,986,273</u>
 PROPERTY ACCOUNT (Note 5):		
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.....	\$530,571,937	\$413,106,135
Unfinished construction.....	39,000,000	54,000,000
	<u>\$569,571,937</u>	<u>\$467,106,135</u>
Less—		
Accumulated depreciation.....	77,523,932	73,457,351
	<u>\$492,048,005</u>	<u>\$393,648,784</u>
	<u>\$549,146,506</u>	<u>\$439,736,192</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 1957, 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 1957 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 1958.

PRICE WATERHOUSE & Co.
*Chartered Accountants
Auditors.*

AND SUBSIDIARY COMPANIES

AS AT 31 DECEMBER 1957

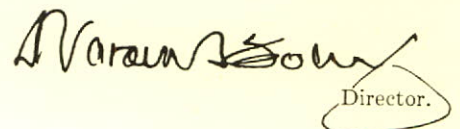
as at 31 December 1956)
attached)

CURRENT AND ACCRUED LIABILITIES:	1957	1956
Bank overdraft.....	\$ 2,908,917	\$ —
Notes payable.....	1,078,000	10,000,000
Accounts payable.....	23,017,640	23,589,320
Taxes payable—		
Taxes on income.....	—	1,344,617
Other taxes.....	1,177,599	1,036,503
Interest accrued on long term debt.....	3,534,208	2,225,389
Dividends declared (since paid).....	2,534,073	2,304,566
Sinking fund payments due within one year.....	3,265,423	2,372,855
Provision for accidents.....	445,971	517,453
	<u>\$ 37,961,831</u>	<u>\$ 43,390,703</u>
 DEFERRED CREDIT:		
Estimated amount of deferred taxes on income, arising from claiming capital cost allow- ances in excess of depreciation recorded.....	<u>\$ 21,836,009</u>	<u>\$ 15,836,009</u>
 LONG TERM DEBT (Note 6).....	<u>\$261,482,952</u>	<u>\$184,809,088</u>
 SHARES OF SUBSIDIARIES OWNED BY THE PUBLIC (Note 7).....	<u>\$106,446,642</u>	<u>\$ 91,446,642</u>
 CONTRIBUTIONS IN AID OF CONSTRUCTION.....	<u>\$ 651,612</u>	<u>\$ 472,850</u>
 CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital (Note 8A)—		
Authorized:		
5,000,000 Common Shares without nominal or par value		
Issued:		
4,115,880 Common Shares (387,685 issued in 1957) representing a total cash consideration of.....	<u>\$102,089,569</u>	<u>\$ 87,315,543</u>
Capital surplus (Note 9).....	505,515	1,204,432
Earnings employed in the business—per statement attached.....	18,172,376	15,260,925
	<u>\$120,767,460</u>	<u>\$103,780,900</u>
	<u>\$549,146,506</u>	<u>\$439,736,192</u>
 PENSION PLANS (Note 1)		
COMMITMENTS (Note 10).		

APPROVED ON BEHALF OF THE BOARD:



Director.



Director.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

**CONSOLIDATED STATEMENT OF EARNINGS EMPLOYED IN THE BUSINESS
FOR THE YEAR ENDED 31 DECEMBER 1957**

(with corresponding figures for the year ended 31 December 1956)

	1957	1956
As at the beginning of the year.....	\$15,260,925	\$12,557,587
<i>Add—</i>		
Earnings on Common Shares of parent company per consolidated statement of income.....	\$9,582,598	\$8,706,245
Excess provisions for prior years' taxes on income.....	9,582,598	391,100
	<u>\$24,843,523</u>	<u>9,097,345</u>
<i>Deduct—</i>		
Expenses on issue of Common Shares of parent company.....	\$ 33,330	\$ 28,498
Fees to increase authorized share capital of British Columbia Electric Company Limited.....	—	22,500
Commission and expenses on issue of Cumulative Redeemable Preferred Shares of British Columbia Electric Company Limited.....	1,021,445	1,420,709
	<u>1,054,775</u>	<u>1,471,707</u>
	<u>\$23,788,748</u>	<u>\$20,183,225</u>
<i>Deduct—</i>		
Dividends on Common Shares of parent company.....	5,616,372	4,922,300
As at the end of the year.....	<u>\$18,172,376</u>	<u>\$15,260,925</u>

NOTES TO 1957 FINANCIAL STATEMENTS

Note 1—Pension plans:

Employment costs for the years ended 31 December 1957 and 1956 include the following charges in respect of pension plans:

	1957	1956
Contributory retirement plans (see A below)—		
Provisions based on:		
Employees' past services.....	\$ —	\$ 592,448
Employees' current services....	311,512	275,451
Trusted contributory pension plans (see B below)—		
Provisions based on:		
Employees' past services.....	—	690,000
Employees' current services....	567,012	448,159
	<u>\$878,524</u>	<u>\$2,006,058</u>

The pension plan arrangements of the companies are as follows:

A. Contributory retirement plans, commenced in 1946, under contracts with the Canadian Government Annuities Branch, and the Standard Life Assurance Company, of Edinburgh, for basic and supplementary retirement plans respectively.

B. Trusted contributory pension plans, commenced in 1953, supported by trust funds established with Montreal Trust Company.

Provision for pensions in respect of employees' past services under the plans referred to in A and B above had, according to actuarial estimate, been completed by the end of 1956.

C. A previous 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 of this fund, if one should develop, in the ultimate settlement of such pensions.

D. 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 300 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.

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

Legal fees and executive remuneration paid or accrued during the year amounted to \$577,048 (\$499,708 in 1956), and directors' fees amounted to \$31,000 (\$30,300 in 1956).

Note 3—Temporary investments:

Government of Canada Treasury bills, at cost (quoted market value \$10,916,054)....	\$10,895,257
British Columbia Electric Company Limited First Mortgage Bonds and Debentures, at cost, purchased for sinking funds and accountable at cost for this purpose (quoted market value \$2,661,348).....	2,614,168
	<u>\$13,509,425</u>

BRITISH COLUMBIA POWER CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO 1957 FINANCIAL STATEMENTS (continued)

Note 4—Investments:

Van-Tor Oils and Explorations Limited—5% general mortgage debentures, at cost	\$1,500,000
—Shares of capital stock, at cost (quoted market value \$396,000).....	222,750
Western Copper Mills Ltd.—Shares of no par value, at cost (no quoted market value available).....	999,999
	\$2,722,749

Note 5—Property account:

A. Cost of properties—

The properties are included in the accompanying consolidated balance sheet at original cost to the companies plus the excess of the cost of acquiring the shares of subsidiary companies in 1929 or prior years over the net book values of such shares at dates of acquisition. The original cost of the properties to the companies includes interest during construction, and that part of administrative and general expenses considered to be properly chargeable to property account.

B. Valuation by the Public Utilities Commission—

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 1957 to approximately \$498,000,000; to this should be added unfinished construction of \$39,000,000 and the book value of properties outside the purview of the Public Utilities Act and not so valued, amounting to some \$15,000,000, making a total of approximately \$552,000,000 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 rates and property valuations approved by the Commission. The accumulated depreciation of \$70,500,000 established for the purpose of the Commission, together with \$2,500,000 applicable to properties not valued by the Commission, totalled approximately \$73,000,000 at 31 December 1957.

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 6—Long term debt:

Details of the outstanding long term debt (amounts issued less sinking fund redemptions) as at 31 December 1957 and 1956 were as follows:

Bond debt—

	1957	1956
British Columbia Electric Company Limited:		
First Mortgage Bonds—		
3¼% Series "A" due 2 January 1967.....	\$ 28,881,000	\$ 29,355,000
3¼% Series "B" due 1 October 1967.....	8,753,000	8,897,000
3¼% Series "C" due 1 April 1968.....	15,175,000	15,407,000
3¼% Series "D" due 1 February 1969.....	15,406,000	15,629,000
3½% Series "E" due 1 March 1975.....	18,313,000	18,573,000
4% Series "F" due 1 July 1991.....	3,474,000	3,522,000
3¼% Series "G" due 1 December 1976, \$18,663,000 (1956—\$18,921,000) payable in United States funds, carried at exchange rates prevailing on dates of issue.....	18,559,479	18,816,047
4¾% Series "H" due 1 December 1977.....	14,179,000	14,356,000
4¾% Series "I" due 1 February 1979.....	14,538,000	14,700,000
3¾% Series "J" due 1 June 1980.....	14,687,000	14,847,000
4¼% Series "K" due 1 February 1981.....	29,703,000	30,000,000
5% Series "L" due 1 February 1982:		
Issued in 1957.....	\$35,275,000	
Sold in 1957, issued 7 January 1958.....	4,725,000	
	\$221,668,479	\$184,102,047
Less—		
Sinking fund payments due within one year, included in current and accrued liabilities..	2,865,423	2,372,855
	\$218,803,056	\$181,729,192
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
	\$221,882,952	\$184,809,088
Debenture debt—		
British Columbia Electric Company Limited:		
Sinking Fund Debentures—		
5¾% Series A due 1 April 1977:		
Issued in 1957.....	\$38,082,500	
Sold in 1957, issued 2 January 1958.....	1,917,500	
	\$ 40,000,000	\$ —
Less—		
Sinking fund payment due within one year, included in current and accrued liabilities..	400,000	—
	\$ 39,600,000	\$ —
Total.....	\$261,482,952	\$184,809,088

BRITISH COLUMBIA POWER CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO 1957 FINANCIAL STATEMENTS (continued)

Note 6—Long term debt (continued):

In January 1958 the Electric Company sold \$50,000,000 principal amount of First Mortgage Bonds, 5½% Series "M". Of this amount \$35,375,000 were issued on 29 January 1958 and the remaining \$14,625,000 are to be delivered and taken up by 3 December 1958.

Note 7—Shares of subsidiaries owned by the public:

Shares of subsidiaries owned by the public as at 31 December 1957 and 1956 consisted of the following:

British Columbia Electric Company Limited:

Cumulative Redeemable Preferred Shares—

	1957	1956
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, issued in 1957	15,000,000	—
	\$104,413,400	\$89,413,400

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
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Minority interest in other subsidiaries	271,135	271,135
	\$106,446,642	\$91,446,642

Note 8—Share capital:

A. *British Columbia Power Corporation, Limited—*

In April 1957 the Power Corporation sold 400,000 of its Common Shares at a price of \$38.40 per share. Of this number 380,825 shares had been issued by 31 December 1957 for a cash consideration of \$14,623,680. The remaining 19,175 shares were issued on 2 January 1958 for a cash consideration of \$736,320; this transaction is not reflected in the accompanying consolidated balance sheet.

Since 29 October 1953 options to purchase a total of 150,000 Common Shares have been granted to 77 officials of the Power Corporation and its subsidiaries; as at 31 December 1957, 138,730 of these shares had been taken up, of which 6,860 shares were issued in 1957.

B. *British Columbia Electric Company Limited—*

On 11 April 1957 British Columbia Electric Company Limited entered into an agreement with the owner of all its issued Common Shares, British Columbia Power Corporation, Limited, whereby the Power Corporation undertook to subscribe before 1 April 1958 the full amount to be received from a sale in April 1957 of its own Common Shares, viz. \$15,360,000 (less any part thereof set aside by the Power Corporation for the purposes of its subsidiary, Western Development and Power Limited) for Common Shares of the Electric Company. On 18 December 1957 the Power Corporation subscribed for 333,334 Common Shares of the Electric Company for a consideration of \$10,000,020, which amount was applied in reduction of the indebtedness of the Electric Company to the Power Corporation (as will the proceeds of any further subscription that may be made pursuant to this agreement).

Note 9—Capital surplus:

The transactions in capital surplus account in 1957 were as follows:

Balance as at 31 December 1956		\$1,204,432
<i>Deduct—</i>		
Expenditures on conversion of customers' gas appliances from manufactured gas to natural gas, and associated costs	\$ 382,309	
Estimated insufficiency of depreciation in respect of the manufactured gas plant rendered obsolete by the conversion to natural gas	923,000	
	\$1,305,309	
<i>Less—</i>		
Estimated saving in taxes on income resulting therefrom	606,392	698,917
Balance as at 31 December 1957		\$ 505,515

Note 10—Commitments:

Purchase commitments of the companies for capital projects and materials and supplies aggregated approximately \$88,000,000 as at 31 December 1957.

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 1957

(with corresponding figures for the year ended 31 December 1956)

	1957	1956
Net income for the year of British Columbia Power Corporation, Limited and subsidiary companies (per their Consolidated Statement of Income).....	\$13,792,214	\$12,373,862
<i>Deduct—</i>		
Net income (1956—net expenses) of British Columbia Power Corporation, Limited and other direct subsidiaries of that company.....	104,601	75,202
Net income for the year of British Columbia Electric Company Limited and subsidiary companies.....	\$13,687,613	\$12,449,064
<i>Add—</i>		
Earnings employed in the business as at the beginning of the year.....	14,982,884	12,282,067
Excess provisions for prior years' taxes on income.....	—	394,078
	\$28,670,497	\$25,125,209
<i>Deduct—</i>		
Fees to increase authorized share capital.....	\$ —	\$ 22,500
Commission and expenses on issue of Cumulative Redeemable Preferred Shares.....	1,021,445	1,420,709
Expenses incurred on issue in 1956 of Common Shares of British Columbia Power Corporation, Limited.....	— 1,021,445	28,498 1,471,707
	\$27,649,052	\$23,653,502
<i>Deduct—</i>		
Dividends:		
British Columbia Electric Railway Company Limited—		
Cumulative Perpetual Preference Stock.....	\$ 49,480	\$ 49,281
British Columbia Electric Company Limited—		
Cumulative Redeemable Preferred Shares.....	4,160,136	3,618,337
Common Shares (all owned by British Columbia Power Corporation, Limited).....	5,684,000 9,893,616	5,003,000 8,670,618
Earnings employed in the business as at the end of the year.....	\$17,755,436	\$14,982,884

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

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

CONSOLIDATED BALANCE SHEET

(with corresponding figures

	1957	1956
CURRENT AND WORKING ASSETS:		
Cash.....	\$ 663,312	\$ 1,941,101
Temporary investments (Note 3).....	13,509,425	16,767,893
Accounts receivable and unbilled revenues.....	11,008,596	9,369,938
Funds receivable on issue of balance of Series A debentures (since received).....	1,859,975	—
Funds withdrawable from Trustee for bondholders (since withdrawn).....	4,725,000	1,000,000
Recoverable taxes on income.....	461,232	—
Sundry investments.....	376,353	275,987
Materials and supplies at average cost.....	10,964,743	8,517,309
Prepaid expenses.....	209,614	81,212
	\$ 43,778,250	\$ 37,953,440
 DEFERRED CHARGES:		
Unamortized transportation franchise payments, etc.....	\$ 352,695	\$ 355,445
Unamortized discount and expense on long term debt—		
Refunded issue.....	42,848	62,623
Outstanding issues.....	9,896,467	5,321,700
	\$ 10,292,010	\$ 5,739,768
 PROPERTY ACCOUNT (Note 5):		
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.....	\$528,026,858	\$412,770,829
Unfinished construction.....	39,000,000	54,000,000
	\$567,026,858	\$466,770,829
<i>Less—</i>		
Accumulated depreciation.....	77,460,229	73,419,887
	\$489,566,629	\$393,350,942
	\$543,636,889	\$437,044,150

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 1957, 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 1957 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 1958.

PRICE WATERHOUSE & Co.
Chartered Accountants
Auditors.

AND SUBSIDIARY COMPANIES

AS AT 31 DECEMBER 1957

as at 31 December 1956)

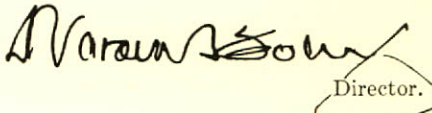
	1957	1956
CURRENT AND ACCRUED LIABILITIES:		
Bank overdraft	\$ 2,999,246	\$ —
Notes payable	1,078,000	10,000,000
Accounts payable	22,773,191	23,452,398
Taxes payable—		
Taxes on income	—	1,314,783
Other taxes	1,177,035	1,036,495
Interest accrued on long term debt	3,534,208	2,225,389
Dividends declared (since paid)	1,093,515	999,698
Amount owing to parent company, British Columbia Power Corporation, Limited, and its other subsidiaries	5,264,458	9,045,518
Sinking fund payments due within one year	3,265,423	2,372,855
Provision for accidents	445,971	517,453
	<u>\$ 41,631,047</u>	<u>\$ 50,964,589</u>
DEFERRED CREDIT:		
Estimated amount of deferred taxes on income, arising from claiming capital cost allowances in excess of depreciation recorded	\$ 21,836,009	\$ 15,836,009
LONG TERM DEBT (Note 6).....	<u>\$261,482,952</u>	<u>\$184,809,088</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	4,360	4,360
	<u>\$ 1,766,467</u>	<u>\$ 1,766,467</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>\$ 651,612</u>	<u>\$ 472,850</u>
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital (Note 8B)—		
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	\$ 89,413,400
3,279,024 Common Shares of no par value (533,334 issued in 1957)	93,594,451	77,594,431
	<u>\$198,007,851</u>	<u>\$167,007,831</u>
Capital surplus (Note 9)	505,515	1,204,432
Earnings employed in the business—per statement attached	17,755,436	14,982,884
	<u>\$216,268,802</u>	<u>\$183,195,147</u>
	<u>\$543,636,889</u>	<u>\$437,044,150</u>
PENSION PLANS (Note 1)		
COMMITMENTS (Note 10)		

The explanatory notes (with the exception of Notes 4 and 8A) which supplement the accompanying 1957 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 5B, 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:



Director.



Director.

FINANCIAL STATISTICS OF COMBINED COMPANIES

(in millions of dollars)

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
SOURCES OF REVENUE										
From operations										
Electric—residential.....	6.3	7.0	8.3	10.8	13.1	14.5	16.5	18.7	20.9	22.9
Electric—other.....	10.0	10.7	12.9	14.5	16.4	17.9	19.1	21.0	22.5	25.0
Gas.....	3.5	3.8	3.9	4.0	4.3	4.6	4.9	5.1	5.5	7.1
Passenger transportation.....	14.5	15.2	14.9	14.2	15.2	15.1	14.9	13.8	13.6	13.9
Rail freight.....	2.2	2.3	2.6	2.9	3.2	3.5	3.3	4.2	5.2	5.0
Miscellaneous.....	.4	.6	.4	.5	.5	.4	.5	.6	.6	.7
Gross revenue from operations.....	36.9	39.6	43.0	46.9	52.7	56.0	59.2	63.4	68.3	74.6
Non-operating income.....	.1	.2	.2	.1	.2	.6	.9	.6	.8	1.5
DISPOSITION OF REVENUE										
Employment costs, materials and outside services, etc.....	24.4	24.4	24.7	25.0	27.4	28.8	29.4	28.7	30.8	31.9
Wear and exhaustion of property (1).....	3.4	4.7	5.5	6.1	6.4	7.1	7.5	8.2	8.4	10.0
Taxation (support of government) (1) (2).....	3.8	4.4	5.5	7.6	9.4	9.3	10.3	11.9	12.8	12.7
Interest and other costs on long term debt.....	2.5	3.2	3.8	3.8	4.3	5.1	5.7	6.1	7.4	10.5
Interest charged to construction (deduct).....	.5	.3	.2	.1	.4	.4	.5	1.2	2.7	2.8
Dividends on preferred shares.....	.8	1.1	1.3	1.7	1.8	2.1	2.6	3.3	3.7	4.2
Dividends on common shares.....	1.6	1.7	2.0	2.0	2.0	2.3	3.1	3.8	4.9	5.6
Retained and employed in the business.....	1.0	.6	.6	.9	2.0	2.3	2.0	3.2	3.8	4.0
OPERATING INCOME										
Amount.....	5.3	6.1	7.3	8.2	9.5	10.8	12.0	14.6	16.3	20.0
As a percentage of gross revenue from operations ..	14.4	15.3	17.0	17.5	18.1	19.3	20.3	23.1	23.8	26.7
<p>(1) For 1951, 1952, 1954, 1955, 1956 and 1957, before additional capital cost allowances and resultant income tax deferment.</p> <p>(2) Excludes sales taxes and customs duty on materials purchased, as well as sales tax on electricity and gas sold (collected from customers on behalf of government). These approximated \$8.5 millions in 1957.</p>										

OPERATING STATISTICS OF COMBINED COMPANIES

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
ELECTRIC										
Generating capacity at year-end (rated kw in thousands) ⁽¹⁾	277	352	381	416	476	480	525	525	570	715
Peak one-hour demand (kw in thousands).....	291	361	405	456	468	522	527	566	645	668
Meters on line at year-end (in thousands).....	207	220	230	239	246	256	268	284	299	311
Electricity sold (kwh in millions).....	952	1,105	1,393	1,512	1,653	1,902	2,051	2,304	2,426	2,801
Proportionate sales by class of customer (percentages)										
Residential.....	32	32	32	33	33	33	36	38	41	40
Other systems (largely residential).....	3	6	4	4	3	2	3	2	3	3
Commercial and street lighting.....	21	18	17	17	18	17	17	17	17	16
Industrial.....	42	36	33	34	34	34	36	37	38	41
Export.....	2	8	14	12	12	14	8	6	1	.....
Residential service										
Average annual kwh use per customer.....	1,812	1,977	2,299	2,523	2,734	2,974	3,372	3,765	4,097	4,373
Average price per kwh (in cents).....	2.1	2.0	1.9	2.2	2.4	2.3	2.2	2.1	2.1	2.1
<small>(1) Excluding electricity available from other systems, and furthermore with favourable conditions rated capacity can be and has been exceeded on occasion.</small>										
GAS										
One-day capacity at year-end (therms in thousands)										
Mainland—pipeline contract.....	.....	.....	.....	.....	.....	.....	.....	.....	320.0	592.3
—plant.....	80.6	78.3	80.4	93.9	96.4	96.4	96.4	100.9	72.0	159.5
Greater Victoria—plant.....	12.2	12.2	18.9	20.3	28.9	28.9	18.0	18.0	18.0	27.0
Peak one-day demand (therms in thousands)										
Mainland system.....	53.3	57.2	68.9	60.7	58.4	58.2	74.3	84.7	155.7	294.1
Greater Victoria system.....	8.6	10.2	13.1	10.7	9.4	9.2	12.1	13.2	13.7	14.2
Meters on line at year-end (in thousands).....	66	67	68	69	70	69	67	66	69	82
Gas sold (therms in millions).....	14.4	15.2	15.8	15.7	16.6	17.7	19.1	20.4	23.9	51.2
TRANSPORTATION										
Vehicles at year-end										
Urban—street cars.....	327	225	165	118	85	57	51	.....	.....	.....
—buses.....	350	381	380	356	347	343	338	327	323	340
—trolley coaches.....	82	168	256	311	311	311	327	327	349	351
total.....	759	774	801	785	743	711	716	654	672	691
Interurban rail passenger cars.....	69	69	59	54	54	32	21	17	11	11
Interurban buses.....	106	105	101	95	95	88	85	74	70	69
Revenue miles run—urban (in millions).....	26.1	27.0	26.8	25.1	24.1	24.0	24.3	23.7	23.2	23.3
Passengers carried (in millions)										
Urban.....	139.9	135.1	126.1	120.5	114.1	109.8	106.1	100.0	100.4	102.7
Interurban rail.....	9.6	8.2	7.1	6.0	5.3	4.0	1.7	1.1	1.1	0.9
Interurban bus.....	5.5	5.4	5.0	4.9	4.5	4.3	3.9	3.4	3.4	3.3
Passenger revenue per mile—urban (in cents).....	41.9	43.3	44.7	45.6	51.5	52.7	53.0	50.2	49.9	51.2
Rail freight (tons in thousands).....	1,021	953	1,016	1,127	1,127	1,129	1,089	1,363	1,578	1,365
NUMBER OF EMPLOYEES AT YEAR-END	6,087	5,977	5,744	5,417	5,324	5,086	4,955	5,028	5,805	6,051

DEPARTMENTAL ORGANIZATION

G. A. JOHNSON *Executive Assistant to Executive Vice-President*

H. W. J. PECK *Executive Assistant to Vice-President and Executive Engineer and to President of B.C. Engineering Company Ltd.*

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J. DAVIS *Director of Research and Planning*

J. A. POLSON *Assistant to the Director of Research and Planning*

BUDGETING AND CONTROL DEPARTMENT

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

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G. F. GREEN *Executive Assistant to Chief Engineer*

C. ARNOTT *Superintendent of Generating Stations*

E. G. BEGG *Office Manager*

M. I. G. BRADWELL *Staff Engineer*

N. S. CLARK *Superintendent Electric Meter Department*

T. COLLINS *Superintendent of Transmission and Distribution Maintenance*

E. L. DUN *Superintendent of Building Operation and Maintenance*

A. J. DUNCAN *Assistant Superintendent Distribution Engineering*

C. T. EYFORD *Superintendent of Distribution Engineering*

W. D. GILL *Superintendent of Substations*

W. GOSBEE *Superintendent of Shops*

T. F. HADWIN *District Manager, Bridge River*

G. J. HENRIKSON *Assistant Superintendent, Distribution Engineering*

W. F. JARRETT *Operations Manager, Coastal Area*

N. S. KENT *Assistant to Assistant Chief Engineer (Operations)*

F. A. LAZENBY *Assistant Chief Engineer (Hydraulic)*

D. D. LYTLE *Protection Field Supervisor*

H. M. MATHER *Communication and Testing Supervisor*

J. F. MILES *Project Engineer*

W. F. MILES *Assistant Chief Engineer (Operations)*

H. E. SLADEN *Assistant Superintendent Distribution Engineering*

B. G. WATTS *Field Engineer*

GAS DIVISION

E. H. ROHRER *General Manager*

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 *Distribution Manager*

D. W. MINION *Gas Development Engineer*

A. J. MACDONALD *Distribution Manager, Fraser Valley Area*

W. A. SMITH *Customer Services Superintendent*

TRANSPORTATION DIVISION

S. SIGMUNDSON *General Manager*

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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C. A. MANSON *Assistant General Sales Manager*

A. P. CROKER *Fraser Valley Sales Manager*

H. A. ELLIOTT *Industrial Sales Manager*

F. NOSWORTHY *Coastal Area Sales Manager*

R. G. SCOTT *Director of Sales Engineering and Promotion*

J. H. TAYLOR *Metropolitan Sales Manager*

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W. H. Q. CAMERON *Solicitor (Mainland)*

D. M. M. GOLDIE *Senior Solicitor*

R. W. GROSS *Senior Solicitor*

B. S. LOWE *Senior Solicitor*

J. H. MATTHEWS *Claims Manager*

P. E. PAULSON *Manager Land Department*

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T. CHAMBERS *Comptroller*
L. E. BEARD *General Accounting Manager*
G. F. BLYTH *Cashier Manager*
N. J. FLACK *Budget Accountant*
E. S. GARDINER *Data Processing Manager*
L. E. F. GRAHAM *Plant Accountant*
G. L. HASZARD *General Purchasing Agent*
D. R. HUNDLEBY *Pay Manager*
S. H. JAGGER *Assistant General Purchasing Agent*
V. D. JONES *Customers' Accounts Manager*
J. S. LANG *Internal Auditor*
L. J. LASCELLES *Staff Accountant*
D. O. MACKAY *Office Services Manager*
J. S. PURVES *Stores Manager*
J. M. TODD *Insurance Manager*

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R. H. ELFSTROM *Supervisor Industrial Safety*
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, Coast-Metropolitan Area*
N. A. McKELVIE *Supervisor, Editorial Section*
P. C. WOODWARD *Director of Public Information, Fraser Valley Area*

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D. DAVIS *Financial Officer*
G. BARCLAY *General Superintendent Electrical Department*
C. A. BURGESS *Cost Accountant*
W. D. BURTON *Transmission and Distribution Maintenance Superintendent*
B. CLARKE *Mechanical 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, Vancouver Island*
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*

B. C. ENGINEERING COMPANY LIMITED

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T. INGLEDOW *President*
H. W. SMITH *General Manager*
R. M. BIBBS *Assistant General Manager*
F. B. BEARDSLEY *Director, Financial Division*

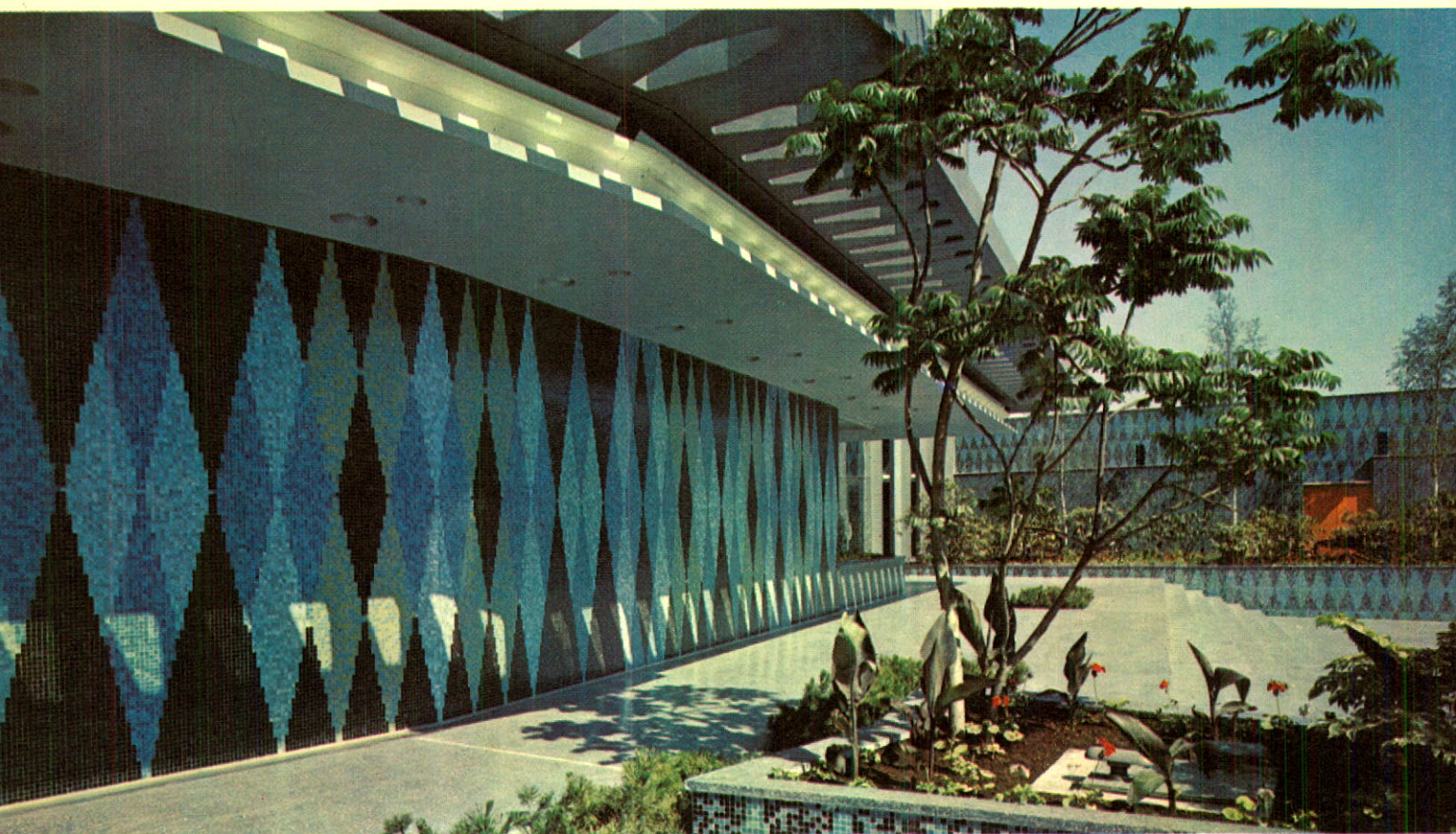
K. F. KANGAS *Director, Design Division*
J. E. MACDONALD *Director, Construction Division*
V. W. RUSKIN *Director, Planning Division*
N. A. WARDLE *Director, Production Division*

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J. C. INGRAM *Director of Industrial Development*
W. C. MEARNS *Director of Special Studies*



*O*ur 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