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BRITISH COLUMBIA POWER CORPORATION, LIMITED



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A N N U A L R E P O R T

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An attractive addition to the business section of Victoria, B.C. is the new B.C. Electric office building, headquarters of the Vancouver Island Division of the Company, opened on the 31st day of August 1955.

the cover

BRITISH COLUMBIA POWER CORPORATION, LIMITED



ANNUAL REPORT 1955

*The Board of Directors of
British Columbia Power Corporation, Limited
presents its report for the year 1955
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

Manufacture and distribution of gas in Greater Vancouver and Greater Victoria

Interurban bus operation on the Mainland

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

Wholly-owned subsidiary of the Electric Company

Consulting, design and construction engineering in all branches

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

Voting stock owned by the Electric Company

Distribution of electric energy on the Mainland and on southern Vancouver Island

Passenger transit operations in Greater Vancouver and Greater Victoria

Railway freight operation on the Mainland

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

incorporated 13 January 1956

Wholly-owned subsidiary of the Power Corporation

Investigation of hydro-electric power sites

Promotion of industrial development in the areas served

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

Earnings were \$6,956,095 or \$2.05 per share on the Common Shares outstanding at the year-end as compared with \$5,127,357 or \$1.62 per share the previous year. The quarterly dividend rate was increased from 25¢ to 30¢ in the second quarter of the year.

Gross revenues from operations were \$63.4 million, up 7.1% from 1954. Operating expenses were \$48.8 million, up 3.3% from the previous year.

Export of surplus power under contract to a group of utility companies in the northwestern United States, which had been in effect since July 1949, was discontinued on 31 August 1955.

Demand for electricity, exclusive of export, was 15.9% greater than in 1954. Average annual consumption per residential customer was 3,765 kwh compared with 3,372 the previous year, an increase of 11.7%.

Capital expenditures were \$43.0 million, largely for the electric service.

Raising of La Joie dam to its final height of 282 feet was finished in October. There is now sufficient storage to allow the operation at full capacity of the four generating units at Bridge River.

In April the Company was authorized to serve the Powell River and adjacent areas. A transmission line is being constructed to connect these areas to the Mainland system.

the year in brief

The Company received authority to distribute natural gas. Deliveries are expected to commence late in 1956.

Conversion of the transit system in Vancouver from rails to rubber was completed in April. There are no street cars now in any of the Company's urban transit systems.

The Marcus A. Dow Memorial Award of the National Safety Council, of Chicago, was granted to Mr. Colin Dobell, the Company's Director of Transportation Safety and Training. This is North America's highest honour in the field of transportation safety.

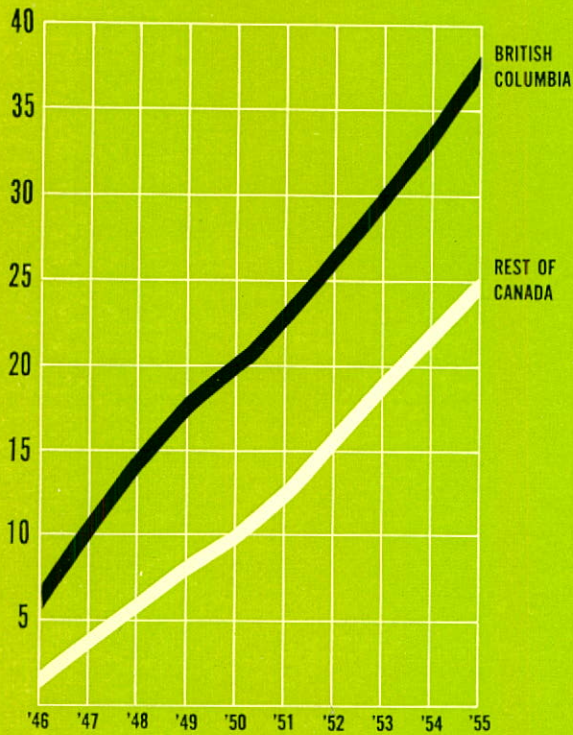
The Development Company was formed in January 1956 to investigate hydro-electric power sites and to promote industrial development in the areas served.

SOME ECONOMIC INDICATORS

(recent data estimated in some cases)

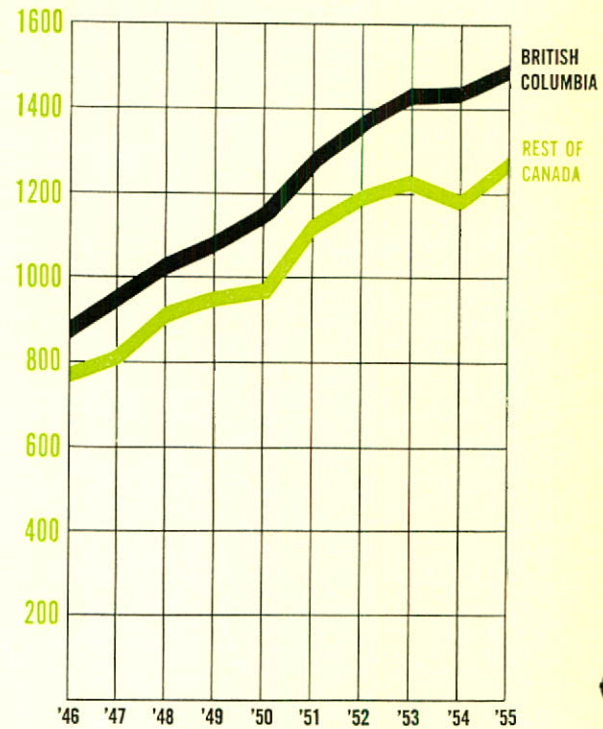
POPULATION

% INCREASE
FROM 1945



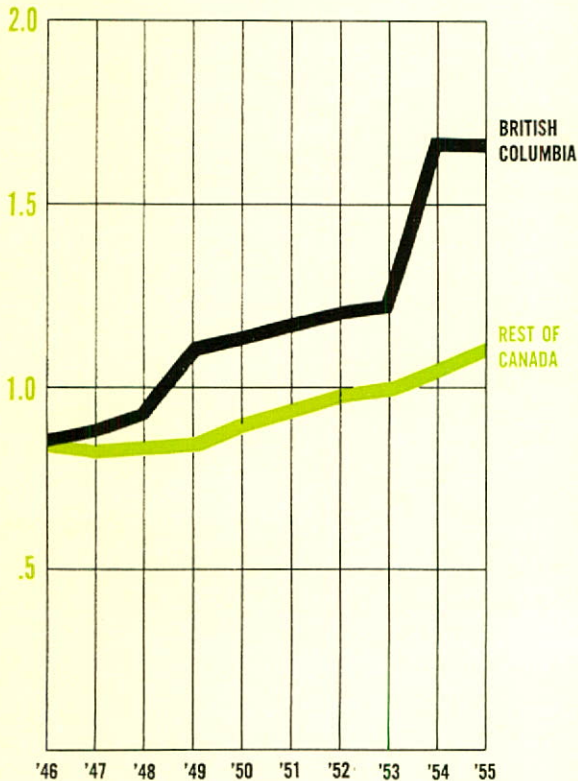
PERSONAL INCOME PER CAPITA

DOLLARS



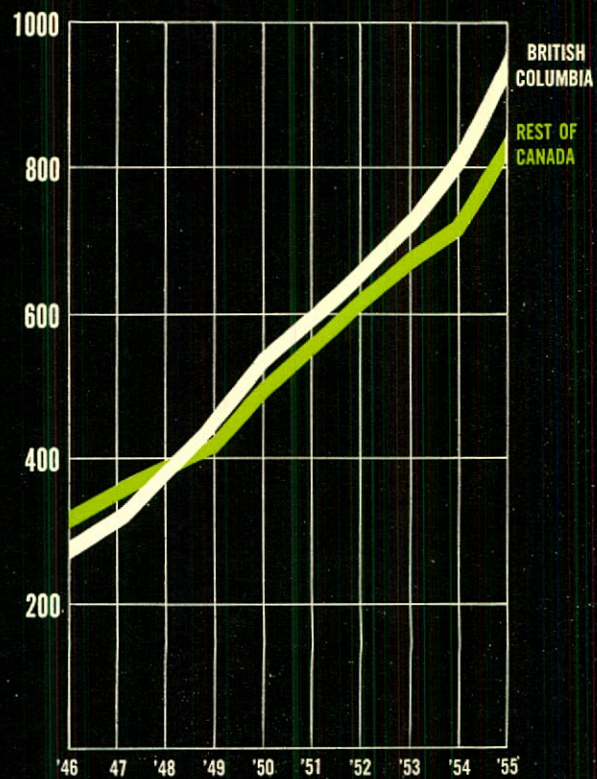
INSTALLED HYDRAULIC TURBINE CAPACITY PER CAPITA

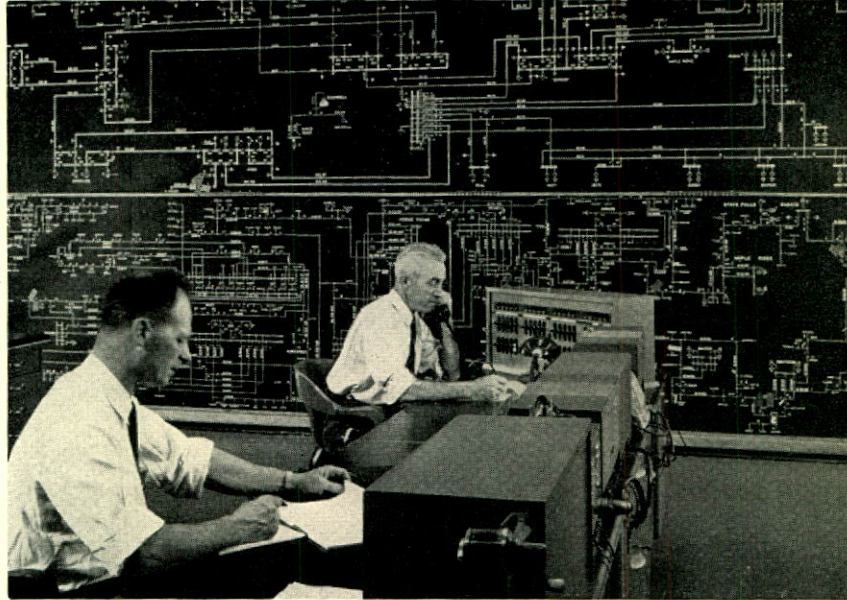
HORSEPOWER



RESIDENTIAL USE OF ELECTRICITY PER CAPITA

KWH





Load Control Headquarters, Vancouver, B.C.

The Company's volume of business and earnings for 1955 reflected buoyant economic conditions in British Columbia. A significant and weighty indicator is found in the volume of electric sales. Kilowatt-hour sales, excluding exports, for 1955 exceeded those for 1954 by almost 16%.

RESULTS OF OPERATIONS

The earnings for the year were \$6,956,095, or \$2.05 per share on the 3,401,470 Common Shares outstanding at the year-end, as compared with \$5,127,357 in 1954, or \$1.62 per share on the 3,168,380 Common Shares outstanding at the end of that year. The rate of dividend on the Common Shares was increased from 25¢ to 30¢ in the second quarter of 1955, bringing that year's declaration to \$1.15 per share as against \$1.00 per share in the previous year.

The operating income for 1955 on the basis of the Company's accounting to the Public Utilities Commission represents a return on the investment in the regulated services of approximately 5.8% as against 5.5% in 1954, 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 \$63,442,639, an increase over 1954 of \$4,199,046, or 7.1%, to which the various services contributed as follows:

	1955	Increase or <i>Decrease</i> compared with 1954	
		Amount	%
Electric:			
Canadian	\$39,212,329	\$4,265,303	12.2
Export	485,185	173,472	26.3
Gas	5,131,338	250,198	5.1
Transportation:			
Passenger	13,769,145	1,146,787	7.7
Freight	4,249,915	879,788	26.1
Miscellaneous	594,727	124,016	26.3
	<u>\$63,442,639</u>	<u>\$4,199,046</u>	<u>7.1</u>

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

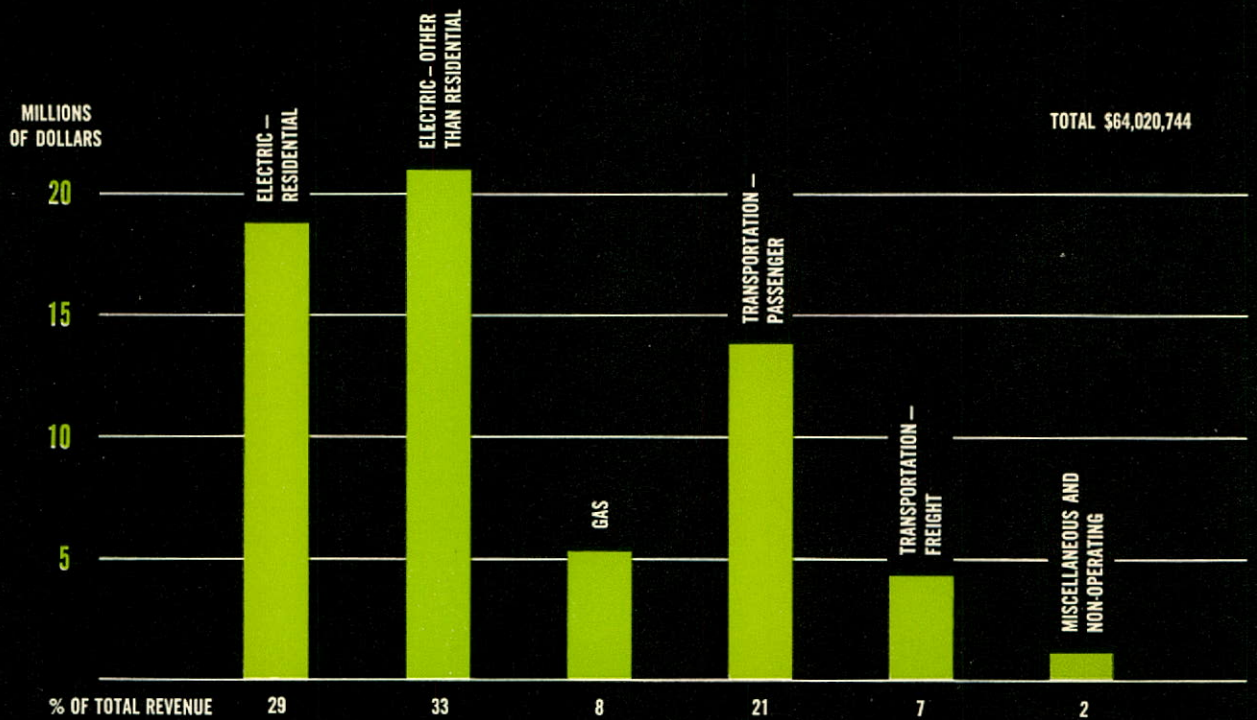
	1955	Increase or <i>Decrease</i> compared with 1954	
		Amount	%
Kilowatt-hours of electricity sold:			
Canadian	2,173,314,030	297,866,007	15.9
Export	130,598,019	44,729,407	25.5
Cubic feet of gas sold	4,381,369,000	242,052,000	5.8
Transportation:			
Passengers carried	104,561,631	7,094,654	6.4
Freight tonnage	1,362,554	274,017	25.2

In the above tables Canadian is distinguished from export business in the electric service for the reason that the contract for the export of power to a group of utility companies in the northwestern United States expired on 31 August 1955 and was not renewed.

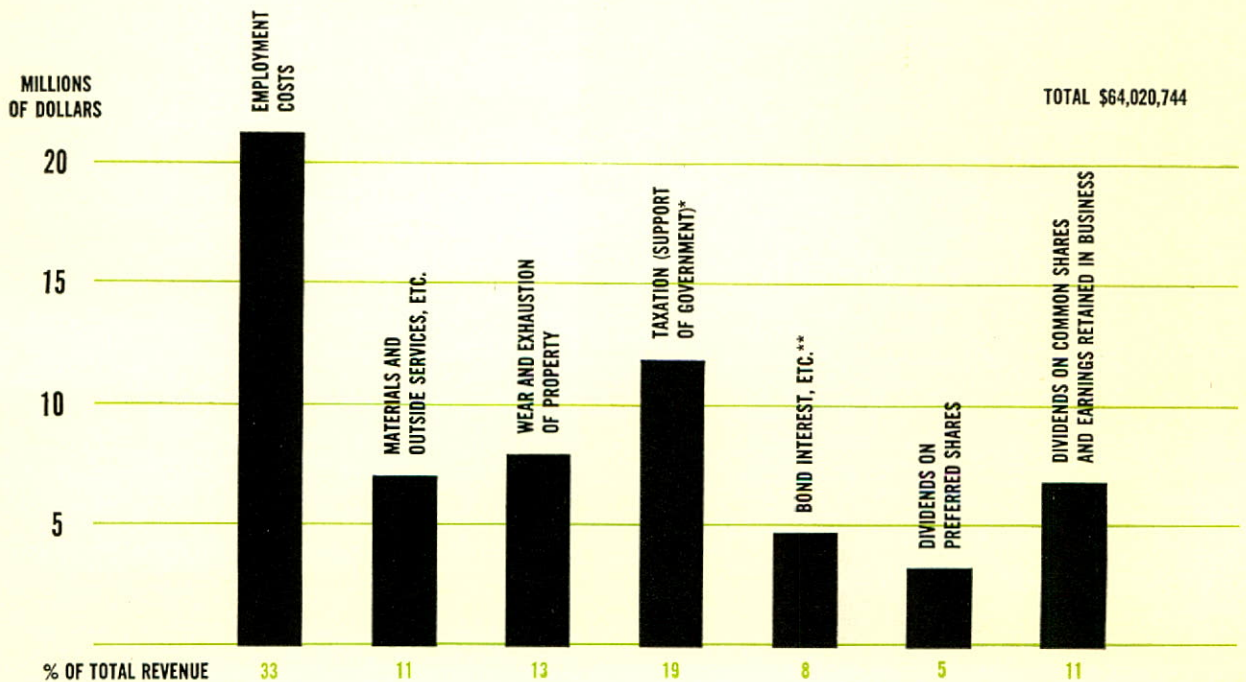
In the electric service the net increase in the number of customers over the year was 14,386 including those of acquired systems, bringing the total to 280,079 at the year-end. Average annual consumption per residential customer also increased markedly; it was 3,372 kwh in 1954 and rose to 3,765 kwh in 1955, an increase of 11.7%.

The freight revenues show a substantial increase. Two large contributing factors may be singled out. First, the number of cars of forest products moving out over the Company's lines was higher by 32% than in 1954. Second, on 24 July the Mission bridge of the Canadian Pacific Railway was damaged by flood and the Company has been completing the C.P.R.'s routings on the south side of the Fraser River since that time, and has gained thereby additional gross revenues of approximately \$20,000 per month.

SOURCES OF 1955 REVENUE



DISPOSITION OF 1955 REVENUE



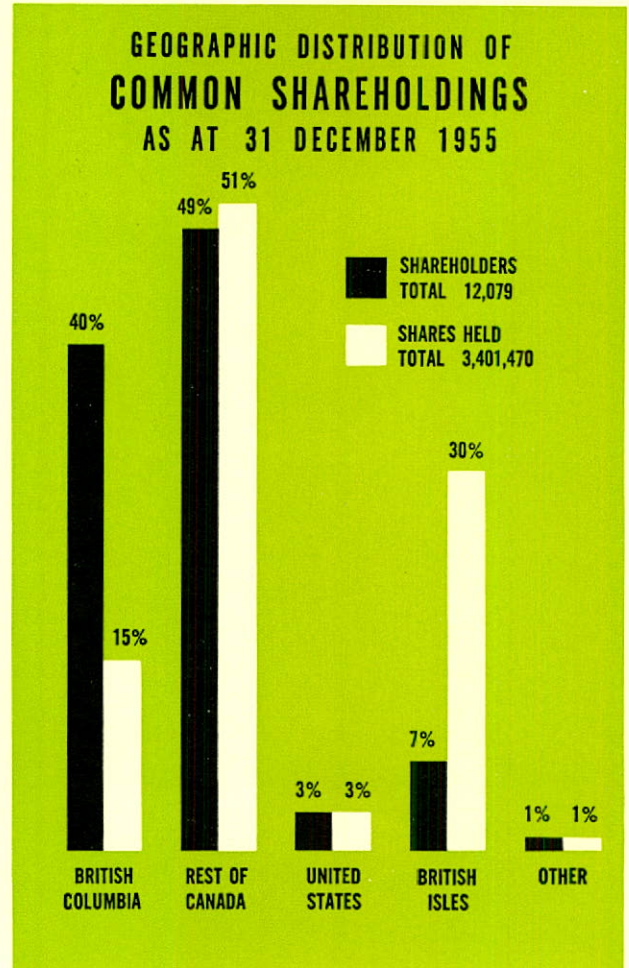
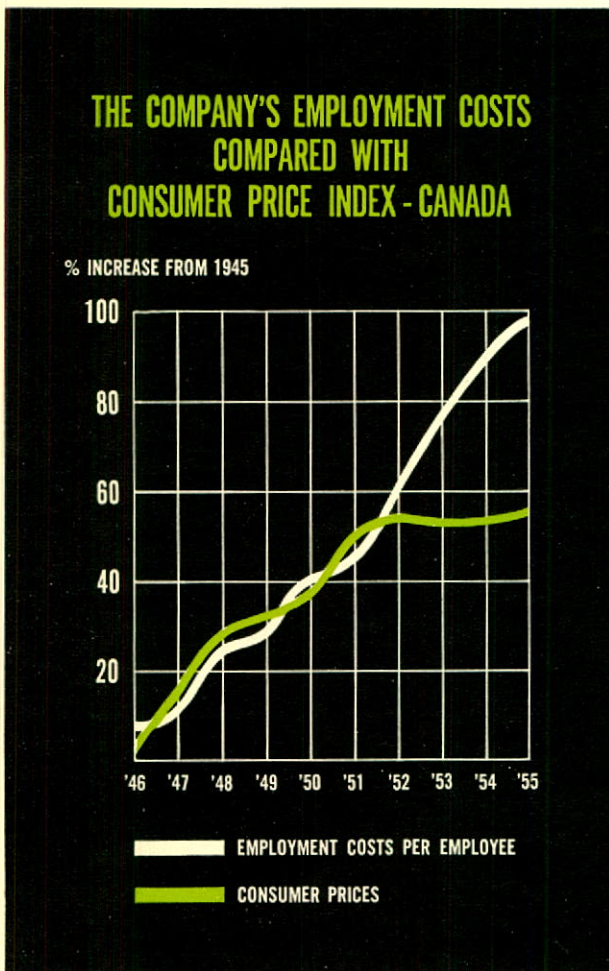
* Excludes sales taxes and customs duty on materials purchased, as well as sales tax on electricity and gas sold (collected from customers on behalf of government). These approximated \$4.5 million in 1955.

** Bond interest, etc., less interest charged to construction.

OPERATING EXPENSES

Operating expenses at \$48,788,883 show an increase of \$1,571,628 or 3.3% over 1954.

The increased provision for depreciation is a result of increased property in service. The increased provision for taxes on income, as reflected in the income statement, is a result of higher taxable income, modified by a slight decrease in the effective rate of tax. (For the distinction between the depreciation charged to operations and the capital cost allowances claimed for tax purposes and for the distinction between the provision for taxes on income charged to current operations and the taxes currently payable, reference is made to Note 6 to the financial statements.)



COLLECTIVE AGREEMENTS

A two-year contract with the Brotherhood of Locomotive Engineers and Order of Railway Conductors was entered into in March 1955. This contract provided for a 12¢ per hour across the board increase retroactive to 1 November 1954.

Negotiations with the International Brotherhood of Electrical Workers resulted in a two-year agreement effective 1 August 1955, with a provision for re-opening on hot line work after one year. The contract provides for a 3% increase effective 1 August 1955 and a further 2% increase effective 1 August 1956. For a journeyman, these increases represent 7¢ and 4½¢ per hour respectively.

CONSTRUCTION PROGRAMME

The net additions to property account for the year amounted to \$35,652,247 as compared with \$30,427,757 in 1954. The net additions in 1955 comprised gross expenditures of \$43,046,236 less retirements of \$7,393,989.

The major expenditures in 1955 by projects or broad classifications included the following:

Electric extensions, Mainland and Vancouver Island, including cost to connect 16,540 new services	\$7,482,268
Gas extensions, Mainland and Vancouver Island, including cost to connect 947 new services	577,890
Major hydro-electric developments:	
La Joie storage dam	2,508,543
Seton Creek generating station	4,277,469
Cheakamus generating station	3,956,242
Major transmission line construction:	
Creekside to Rosedale	2,246,705
Wahleach to Vancouver	654,765
Submarine cable—Mainland to Vancouver Island	2,917,382
Substations, associated distribution facilities and local transmission systems	8,440,430
Powell River transmission line and substation	2,052,608
New office buildings:	
Victoria	911,169
Vancouver	886,372

The raising of La Joie dam to its final height of 282 feet was finished in October 1955. The reservoir it creates is sufficient to allow the four 45,000 kw generating units at the Bridge River plant to operate at full capacity.

The single unit at Seton Creek of 42,000 kw will, it is expected, be in operation by mid-year 1956. Water impounded behind La Joie dam will serve this plant after being used in the Bridge River plant.

Work was continued throughout the year on the Cheakamus project, which provides for the diversion of water from the Cheakamus River through a 6¾-mile tunnel to the Squamish River. At the year-end approximately 2½ miles of this tunnel had been completed and work had been started at the site of the diversion dam. The generating plant, on the Squamish River, will comprise two units of a combined capacity of 140,000 kw. Completion is planned for the autumn of 1957.

A second transmission line from Bridge River to Vancouver is being constructed. The 103-mile stretch from Creekside to Rosedale (near Wahleach generating station) is scheduled to be completed in the spring of 1956. A further section will be completed by construction between Bridge River and Creekside, a distance of 37 miles, on a right-of-way on which clearing was begun in 1955. The existing line from Wahleach to Vancouver is being converted from 230 kv to 345 kv and will constitute the remaining section of the second Bridge River line.

Manufacture of the submarine cable to connect the systems of the Mainland and Vancouver Island, which is scheduled to be laid in the summer of 1956, is well in hand.

The new office building in Victoria was officially opened on 31 August and brought together under one roof staffs formerly housed in three buildings. It provides better service to the public and more

cohesion of effort. Work is proceeding on the new head office building in Vancouver, which is scheduled to be completed in 1957, and corresponding benefits are expected of it.

On 21 April 1955 the last street cars ceased operating in Vancouver. This was on the Hastings East route. The replacement was temporarily by gas buses and the permanent replacement occurred in July, when trolley coaches were substituted. This brought to an end the conversion programme for the Vancouver transit service, which had been begun ten years earlier. No street cars remain in any of the Company's urban transit operations.

Of the retirements during the year some 45% by dollar amount concerned the transportation service.

With effect from 1 May 1955 the rate at which interest was charged on unfinished construction was raised from 3.75% to 6.5%. The latter rate corresponds to the rate of return allowed by the Public Utilities Commission.

The construction programme for 1956 calls for expenditures estimated at approximately \$75,000,000. How the cost of this programme is in large part to be defrayed is described later under the heading of "Financing".

EXTENSION AND CONSOLIDATION OF AREAS

In April 1955 the Company received authority to serve Powell River Townsite, the adjacent districts of Westview, Cranberry Lake and Wildwood, the remaining unorganized territory in the Malaspina Peninsula ranging from Stillwater in the south to Lund in the north, the northern part of Texada Island and the communities of Port Mellon and Woodfibre. The Company has arranged with the British Columbia Power Commission, subject to legislative approval, to purchase the latter's Clowhom generating plant and distribution system on the Sechelt Peninsula. It is expected that these areas, now served partially or on a restricted basis by the Company and others, will be served fully by the Company commencing about October 1956, when a 132 kv transmission line, 94 miles in length, will be completed. This line is presently being constructed from Cheekye Substation to the Powell River area, with submarine cables to connect Texada Island. By the same transmission line the Company will supply the additional needs of the Powell River Company.

The Company's transmission line from Lillooet to the Ashcroft district traverses territory which for want of irrigation is largely arid. To demonstrate the possibilities of this territory for cattle raising

and agricultural production, a company named Riverland Irrigated Farms Limited has been incorporated as a subsidiary of the Electric Company. The tracts it controls in this territory are to be irrigated initially for the growing of fodder for cattle.

Annacis Island, adjacent to New Westminster in the deep sea navigation channel of the Fraser River, is being developed by the trustees of the late Duke of Westminster as an industrial estate of the kind frequently found in Great Britain but thus far novel in Canada. The Company is serving the Island with electricity and will provide it with rail, bus and gas services later this year.

SUPPLY OF ENERGY

Mention has been made of the Seton Creek generating plant which comes into service in mid-1956 and of the Cheakamus plant which is to be completed in 1957. The submarine interconnection between the Mainland system and the Vancouver Island system to provide for the long-term requirements of the latter has likewise been mentioned. Investigation of further generating sites is proceeding. If, however, say eight to ten years hence, the additional requirements of the combined systems are to be served by hydro-electric energy, it seems plain that sites on the nearby Fraser River will have to be called on, if the problem of spawning of salmon can be met, or, failing that, the more distant upper Columbia (where there are no salmon) will have to be utilized. To investigate these possibilities there was incorporated on 13 January 1956 as a subsidiary of the Power Corporation, Western Development and Power Limited. The Company has made an initial grant of \$50,000 to the University of British Columbia, which has undertaken to investigate the feasibility of power being developed on the Fraser River without harm to the salmon run. The second duty of the Development Company will be to give more concentrated attention than has been done heretofore to the attraction of new industries which will be customers for the Company's services. As a part of the second duty it is empowered to assist in the financing of such new industries.

Early in 1955 the Company signed a contract with Westcoast Transmission Company Limited for a supply of natural gas from the Peace River district of British Columbia and Alberta for the Lower Mainland area of British Columbia commencing sometime in 1957, and signed a contract with the same company and Pacific Northwest Pipeline Corporation for a supply of natural gas from the United States for the same area during an interim

period now expected to begin late in 1956 and to end when deliveries commence under the first mentioned contract. The last authorization necessary to make both contracts effective was granted in November to Pacific Northwest Pipeline Corporation by the Federal Power Commission of the United States. The Public Utilities Commission of British Columbia has approved the distribution of natural gas by the Company in a portion of the Lower Mainland area which it described as the "Greater Vancouver Area". Subject to certain conditions, it has also approved similar distribution in

fifteen municipalities constituting the "Fraser Valley" portion of the area. Under those conditions the approval has not yet become effective in three of the fifteen municipalities, whose Councils have expressed their unwillingness to consent to the supply of gas there by the Company. The same three municipalities have appealed to the Court of Appeal on a point of law against the decision of the Commission in respect of the Fraser Valley portion of the area. By far the larger part of the estimated sales in the Lower Mainland area will be made in the Greater Vancouver portion.

FINANCING

During the year the Electric Company placed two public issues, the first of \$15,000,000 of First Mortgage Bonds, 3¾% Series "J" in June and the second \$11,000,000 of 4¼% Preferred Shares in July. In December the Power Corporation issued 150,000 of its Common Shares at a price to it of \$31.825 per share; this issue was restricted to residents of British Columbia. During the year the Power Corporation also issued a further 83,090 of its Common Shares to officials of the Company who purchased these Shares under its stock option plan, which was dealt with in last year's report.

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

Funds Provided

Net receipts from issues of bonds and shares	\$30,973,727
Sale of properties	1,040,643
Deferred credit (See Note 6 to financial statements)	5,000,000
Funds arising from operations—	
Earnings on common shares	\$6,956,095
Add back—Charges against operations calling for no current outlay of cash:	
Provision for depreciation	\$8,151,735
Bond refunding and issue expenses and discounts written off.....	355,865
	8,507,600
	<u>15,463,695</u>
	<u>\$52,478,065</u>

Funds Applied

Gross capital expenditures	\$43,046,236
Redemption of bonds, made or provided for	2,036,392
Dividends on common shares of parent company	3,760,989
Increase in working capital (less decrease in miscellaneous other items of \$76,739)	3,634,448
	<u>\$52,478,065</u>

At the year-end the Company had on hand approximately \$31,000,000 towards financing the 1956 construction programme. A further amount of roundly \$16,000,000, which will be available for the same purpose, is expected to be derived during 1956 from the Company's business.

In January 1956 the Electric Company arranged for the sale of \$30,000,000 of First Mortgage Bonds, 4¼% Series "K". The higher rate of interest on the Series "K" Bonds, in comparison with the Series "J" Bonds earlier referred to, largely reflects the results of the monetary policy of the Bank of Canada, which raised its re-discount rate by successive stages in 1955 from 1½% in August to 2¾% in November.

EMPLOYEES

At the year-end Mr. J. A. Brice, Secretary of the Power Corporation and its principal subsidiary, the Electric Company, having attained the age of 65, retired from these duties. He was succeeded by Mr. G. G. Woodward, who had been Assistant Secretary.

Mr. W. C. Mearns, Operations Manager of the Vancouver Island Division, was appointed Acting Director of Research and Administrative Control, replacing Mr. R. M. Bibbs, who was appointed to the position of Executive Assistant to the Vice-President and Executive Engineer. Mr. M. C. Trueman was appointed Acting Operations Manager of the Vancouver Island Division.

In recognition of the rapidly expanding market for the Company's services and to prepare for the advent of natural gas, functions within the General Sales Division were re-arranged and Mr. C. A. Manson, formerly Commercial and Industrial Sales Manager, was appointed Assistant General Sales Manager. Other aspects of the re-alignment of duties in this division are reflected in the "Departmental Organization" appearing on page 28 of this report.

In further preparation for the advent of natural gas, Mr. G. A. Johnson, formerly Assistant to the Director of Research and Administrative Control, was appointed an Executive Assistant to the Executive Vice-President, his primary duty in his new position being to take responsibility for the conversion of customers' appliances for the burning of natural gas.

North America's highest honour in the field of safety in transportation, namely, the Marcus A. Dow Memorial Award of the National Safety Council, of Chicago, was granted to Mr. Colin Dobell, Director of Transportation Safety and Training in the Company. In announcing the award the Council said: "Mr. Dobell's outstanding services to the improvement of motor transportation safety engineering are an inspiration to fleet safety directors everywhere. The industry and the public owe a debt of

gratitude both to Mr. Dobell and to the B.C. Electric Railway Co., who made possible his participation in so many worth-while safety activities." This was the first time the award had been made to a member of an organization in the transit industry and the first time the award had been made to a member of a Canadian organization.

The directors take pleasure in placing in print their appreciation of the loyal and effective efforts of the employees during the past year.

DIRECTORATE

It is a sad duty to record the death of Mr. Norman A. Yarrow. Mr. Yarrow had during his nine years as Director been most assiduous and effective in promoting the well-being of the Company on Vancouver Island. During the year also Mr. P. A. Thomson found it necessary to tender his resignation from the Board. Mr. Thomson had been a Director since the incorporation of the Power Corporation in 1928. The two vacancies were filled by the appointments of Mr. Harold S. Foley, Chairman of the Board of the Powell River Company, and Mr. H. L. Purdy, our Executive Vice-President.

FINANCIAL STATEMENTS

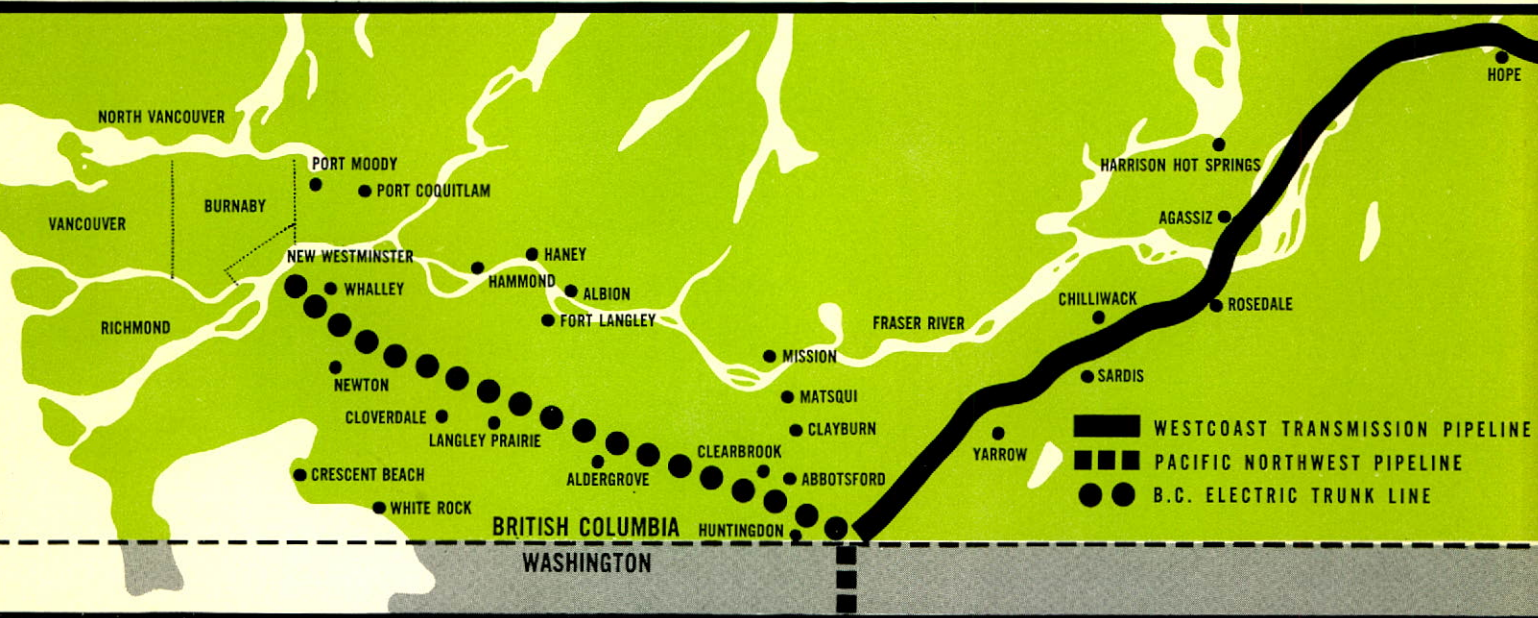
The Consolidated Balance Sheet, the Consolidated Statement of Income and the Consolidated Statement of Earnings Employed in the Business of the Power Corporation and subsidiary companies are attached. Since this report is to be sent also to the preferred shareholders of the Electric Company, there are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

On behalf of the Board of Directors,

Vancouver, B.C.,
23 February 1956.

A. E. GRAUER,
President.

Shown on this map are routes of the pipelines by which natural gas will be brought to the Greater Vancouver-New Westminster metropolitan area, and by which many Fraser Valley communities may be served.



By the fall of 1956 B.C. Electric will have constructed a 36-mile 18" high-pressure pipeline from Huntingdon, near the U.S. border in the Fraser Valley, to a pressure-reducing station across the Fraser River from New Westminster. By this means natural gas from New Mexico, via the Pacific Northwest Pipeline Corporation's line, will be delivered to the existing B.C. Electric system in the metropolitan area of the Lower Mainland.

When the Westcoast Transmission line from the Peace River district is completed in 1957, Canadian gas will be supplied to the B.C. Electric line at Huntingdon, while the interconnected pipelines will allow the future use of United States gas in an emergency.

natural gas

Plans have been completed for a network of lateral lines and distribution systems to enable the B.C. Electric to bring natural gas to a number of Fraser Valley communities which the Company has agreed to serve after all necessary approvals have been given.



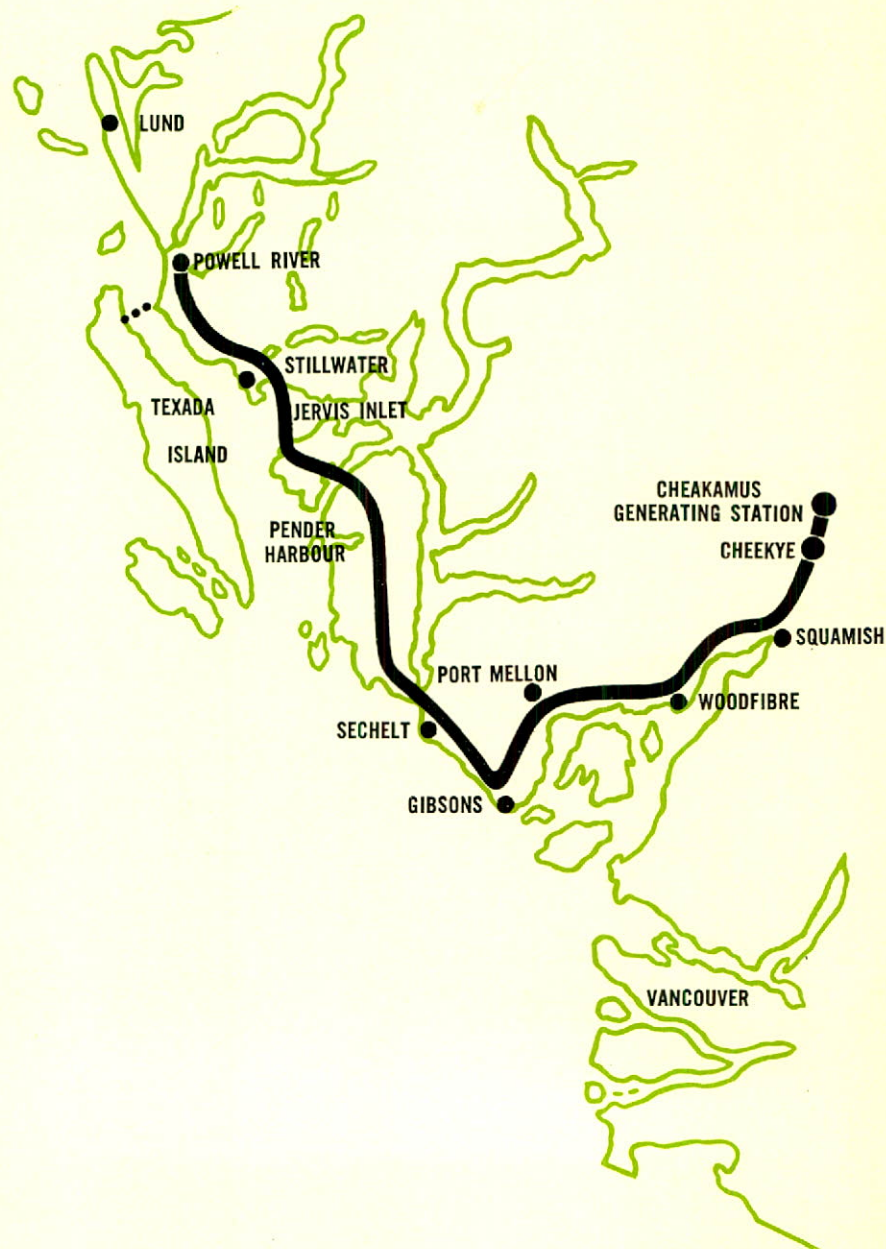
Powell River, B.C.

Powell River electric transmission line

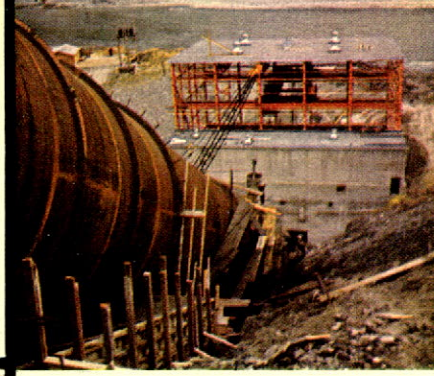
At Powell River is the world's largest single newsprint and pulp production unit. Its output of over 400,000 tons per year will be increased approximately 25% following the completion this fall of the B.C. Electric's 132 kv transmission line, which will enable a large section of the lower coastal region to share the Lower Mainland power supply.

The area traversed by the transmission line contains other established forest products industries, while on Texada Island, which will be served by means of an underwater cable, there are lumbering, limestone quarrying and mining operations which can benefit from an added supply of power.

A feature of the Powell River transmission line will be one of the world's longest overhead cable crossings, a 10,100 ft. span over Jervis Inlet.



Over 1¾ million cubic yards of earth were moved in forming the 2¼ mile canal, which will be completely lined with concrete, and which had to be built with extreme accuracy as the grade falls only ¾ inch per 100 feet.



A close view of the generating station under construction shows the penstock, 18 ft. in diameter, which carries the water from the canal to the turbine.



Discharged into Seton Lake after passing through the turbines of B.C. Electric's largest generating station, the waters of Bridge River will be used a second time to produce electricity in the Seton Development.

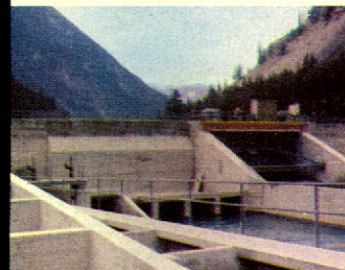
This single completely-automatic unit of 42,000 kw capacity . . . enough to supply a city of 60,000 . . . is scheduled to be in operation by mid-1956.

Energy produced at Seton will be fed into the B.C. Electric system over the transmission line serving the Lillooet-Ashcroft area from Bridge River, and will be delivered to the Lower Mainland by way of the Bridge River plant by the existing transmission line, and a new one under construction.



The water from Seton Lake (behind the mountains in the right background), which normally flows through Cayoosh Creek on the right, will be channeled by a canal to the generating station on the Fraser River 1½ miles south of Lillooet, B.C.

Seton project



The dam which diverts the water into the canal was designed with a fish ladder (foreground) which provides a passage for salmon en route to the spawning grounds.



last streetcars

Last streetcars of the B.C. Electric urban transit systems, on the Hastings route in Vancouver, were retired from service 21 April 1955, but were brought out again three days later for a civic celebration marking completion of the modernization programme, which had been carried out over a ten-year period hand-in-hand with municipal road-improvement progress. Modern buses and trolley coaches now are directed from and maintained in administration and maintenance centres designed for utmost efficiency. Many miles of new and extended routes have been added. On numerous occasions recognized transportation authorities have said that B.C. Electric urban transit facilities and services are now among the finest on the continent in areas of comparable size.

La Joie dam

Now raised to its final height of 282 feet the La Joie dam, which stores water for the Bridge River plant, is one of Canada's largest man-made structures. 3390 feet long at the crest, it contains some 3,500,000 tons of rock. It was built in stages over a nine-year period.



BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Income for the Year Ended 31 December 1955
(with corresponding figures for the year ended 31 December 1954)

	1955	1954
Gross revenue from operations	\$63,442,639	\$59,243,593
<i>Deduct—</i>		
Employment costs:		
Wages and salaries	\$18,886,859	\$18,218,699
Pension plans (Note 1)	1,982,648	2,012,848
Workmen's compensation and unemployment insurance	254,533	296,012
Other welfare and insurance plans	388,267	500,985
	\$21,512,307	\$21,028,544
Directors' fees	27,454	27,185
Materials and outside services, etc., less administrative and general expenses charged to property account (Note 4A)	7,172,152	8,335,774
Provision for depreciation (Note 4C)	8,151,735	7,476,867
Required for government:		
Provision for taxes on income (Note 6)	\$ 8,692,988	\$ 7,212,381
Property taxes	2,301,579	2,165,170
Transportation franchise expense	437,037	490,631
Water licence fees	343,179	327,882
Other charges	150,452	152,821
	11,925,235	10,348,885
Total operating expenses (Note 2)	\$48,788,883	\$47,217,255
Operating income	\$14,653,756	\$12,026,338
<i>Add—</i>		
Non-operating income:		
Net return from temporary investments	\$ 548,632	\$ 690,349
Profit through redemption of bonds at less than principal amount	29,472	148,741
	578,104	839,090
Interest charged to construction (Note 4A)	1,177,426	541,376
	\$16,409,286	\$13,406,804
<i>Deduct—</i>		
Interest on bond debt	\$ 5,763,976	\$ 5,355,177
Amortization of bond refunding and issue expenses and discounts, applicable to:		
Refunded issues	80,208	80,208
Outstanding issues	275,657	259,792
	6,119,841	5,695,177
Net income for the year	\$10,289,445	\$ 7,711,627
<i>Deduct—</i>		
Dividends on preferred shares and stock of subsidiaries owned by the public:		
British Columbia Electric Company Limited	\$ 3,282,936	\$ 2,534,637
British Columbia Electric Railway Company Limited	50,414	49,633
	3,333,350	2,584,270
Earnings for the year on Common Shares of parent company:		
Amount	\$ 6,956,095	\$ 5,127,357
Per share outstanding at year-end	\$2.05	\$1.62

BRITISH COLUMBIA POWER CORPORATION, LIMITED

Consolidated Balance Sheet as at 31 December 1955

	1955	1954
CURRENT AND WORKING ASSETS:		
Cash	\$ 677,116	\$ 1,473,088
Temporary investments (Note 3)	31,143,201	22,504,328
Sundry investments	160,951	37,206
Working funds advanced to agents, transit operators, etc.	223,785	212,898
Accounts receivable and unbilled revenues, less provision for doubtful accounts	7,580,110	6,525,309
Inventories of materials and supplies (including construction materials) determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost	4,598,591	4,656,916
Prepaid expenses	86,084	151,562
	<u>\$ 44,469,838</u>	<u>\$ 35,561,307</u>
 DEFERRED CHARGES:		
Unamortized portion of payments made under transportation franchise agreements, and other deferred items	\$ 250,827	\$ 263,330
Unamortized bond refunding and issue expenses and discounts—		
Applicable to refunded issues	388,386	468,593
Applicable to outstanding issues	4,848,627	4,556,808
	<u>\$ 5,487,840</u>	<u>\$ 5,288,731</u>
 PROPERTY ACCOUNT (Note 4):		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electric energy and gas, trolley coaches, motor buses, freight railway and rolling stock, etc.	\$341,621,092	\$324,968,845
Unfinished construction	35,000,000	16,000,000
	<u>\$376,621,092</u>	<u>\$340,968,845</u>
<i>Less—</i>		
Accumulated provisions for depreciation (Note 4C)	68,582,488	66,784,099
	<u>\$308,038,604</u>	<u>\$274,184,746</u>
	<u>\$357,996,282</u>	<u>\$315,034,784</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 1955, and the consolidated statements of earnings employed in the business and of income 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 earnings employed in the business and of income, supplemented by the notes appended thereto, 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 1955 and the results of their combined operations for the year ended on that date, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (save for the change in the computation of interest charged to unfinished construction, which we approve, referred to in Note 4A to the financial statements), 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.
20 February 1956.

PRICE WATERHOUSE & Co.
Chartered Accountants
Auditors.

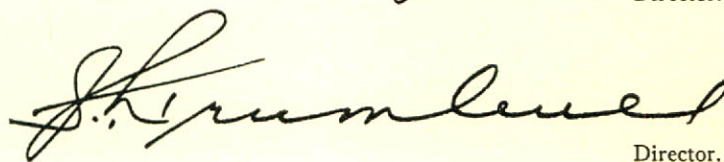
AND SUBSIDIARY COMPANIES

(with corresponding figures as at 31 December 1954)

	1955	1954
CURRENT AND ACCRUED LIABILITIES:		
Accounts payable	\$ 5,963,695	\$ 5,105,707
Current liabilities on construction account	6,630,000	3,102,000
Taxes payable—		
Taxes on income (Note 6)	2,245,399	2,210,936
Other taxes	850,484	671,133
Bond and debenture interest accrued	1,720,656	1,691,828
Dividends declared, since paid	1,930,120	1,562,033
Bond sinking fund payments due within one year	1,996,757	1,778,970
Provision for accidents	528,910	546,070
	<u>\$ 21,866,021</u>	<u>\$ 16,668,677</u>
DEFERRED CREDIT (Note 6)	\$ 10,438,000	\$ 5,438,000
BOND DEBT (Note 7), less sinking fund payments due within one year—per statement attached	<u>\$157,212,046</u>	<u>\$144,248,438</u>
SHARES OF SUBSIDIARIES OWNED BY PUBLIC:		
British Columbia Electric Company Limited—		
4% Cumulative Redeemable Preferred Shares of \$100 each (redeemable at a premium of 3%)	\$ 12,000,000	\$ 12,000,000
4¼% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of 4%) (issued in July 1955)	11,000,000	.....
4½% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of 4%)	15,000,000	15,000,000
4¾% Cumulative Redeemable Preferred Shares of \$100 each (redeemable at a premium of 5%)	26,413,400	26,413,400
5% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of 4%)	13,000,000	13,000,000
	<u>\$ 77,413,400</u>	<u>\$ 66,413,400</u>
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 shareholdings in other subsidiaries	4,360	3,110
	<u>\$ 79,179,867</u>	<u>\$ 68,178,617</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 406,704	\$ 343,718
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital (Note 8)—		
Authorized:		
5,000,000 Common Shares without nominal or par value		
Issued:		
3,401,470 Common Shares (233,090 issued in 1955) representing a total cash consideration of	\$ 74,494,057	\$ 68,388,790
Capital Surplus—		
Unutilized balance of capital gain which arose through acquisition in 1951 of stocks of British Columbia Electric Railway Company Limited at less than book value	1,842,000	1,842,000
Earnings employed in the business—per statement attached	12,557,587	9,926,544
	<u>\$ 88,893,644</u>	<u>\$ 80,157,334</u>
	<u>\$357,996,282</u>	<u>\$315,034,784</u>
PENSION PLANS (Note 1)		
COMMITMENTS (Note 5)		

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 1955*

(with corresponding figures for the year ended 31 December 1954)

	1955	1954
As at the beginning of the year	\$ 9,926,544	\$ 8,659,378
<i>Add—</i>		
Earnings on Common Shares of parent company per Consolidated Statement of Income	6,956,095	5,127,357
	\$16,882,639	\$13,786,735
<i>Deduct—</i>		
Expenses relating to changes in share capital of parent company:		
Conversion of Class "A" and Class "B" Shares into Common Shares	\$	\$ 91,276
Fees to increase authorized share capital	27,169	31,500
Issue of additional Common Shares	27,169	.....
Commission and expenses on issue of Cumulative Redeemable Preferred Shares of British Columbia Electric Company Limited	536,894	582,639
	564,063	705,415
	\$16,318,576	\$13,081,320
<i>Deduct—</i>		
Dividends on Common Shares of parent company	3,760,989	3,154,776
As at the end of the year	\$12,557,587	\$ 9,926,544

Statement of Bond Debt as at 31 December 1955
(with corresponding figures as at 31 December 1954)

	1955	1954
British Columbia Electric Company Limited:		
First Mortgage Bonds (Note 7)—		
3¼% Series "A" due 2 January 1967:		
Issued \$33,000,000, less bonds redeemed	\$ 29,803,000	\$ 30,241,000
3¼% Series "B" due 1 October 1967:		
Issued \$10,000,000, less bonds redeemed	9,044,000	9,177,000
3¾% Series "C" due 1 April 1968:		
Issued \$17,000,000, less bonds redeemed	15,628,000	15,842,000
3¾% Series "D" due 1 February 1969:		
Issued \$17,000,000, less bonds redeemed	15,842,000	16,048,000
3½% Series "E" due 1 March 1975:		
Issued \$20,000,000, less bonds redeemed	18,820,000	19,059,000
4% Series "F" due 1 July 1991:		
Issued \$3,745,800, less bonds redeemed	3,569,000	3,614,000
3¾% Series "G" due 1 December 1976, payable in United States funds:		
Issued U.S. \$20,000,000 less bonds redeemed \$846,000, carried at exchange rates prevailing on dates of issue	19,047,755	19,270,512
4¾% Series "H" due 1 December 1977:		
Issued \$15,000,000, less bonds redeemed	14,696,000	14,696,000
4¾% Series "I" due 1 February 1979:		
Issued \$15,000,000, less bonds redeemed	14,853,000	15,000,000
3¾% Series "J" due 1 June 1980:		
Issued	15,000,000	.....
	\$156,302,755	\$142,947,512
<i>Less—</i>		
Sinking fund payments made to trustee for redemption of Series "H" bonds	\$ 173,848	\$
Sinking fund payments due within one year, included in current and accrued liabilities	1,996,757	1,778,970
	\$ 2,170,605	\$ 1,778,970
	\$154,132,150	\$141,168,542
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), at \$4.85	3,079,896	3,079,896
	\$157,212,046	\$144,248,438

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

Notes to 1955 Financial Statements

Note 1—Pension plans:

The charges to operations of \$1,982,648 for employees' pension costs for the year ended 31 December 1955 (and the corresponding charges of \$2,012,848 for the year ended 31 December 1954) comprise the following elements:

	1955	1954
Contributory retirement plans (see A below)—		
Provisions based on:		
Employees' past services	\$ 592,447	\$ 667,748
Employees' current services	324,313	302,400
Trusted contributory pension plans (see B below)—		
Provisions based on:		
Employees' past services	690,000	690,000
Employees' current services	375,888	352,700
	<u>\$1,982,648</u>	<u>\$2,012,848</u>

A. Contributory retirement plans—

As of 1 October 1946 the companies entered into contracts with the Canadian Government Annuities Branch, and the Standard Life Assurance Company, of Edinburgh, for basic and supplementary contributory retirement plans respectively. Since that date the companies have been making payments under these contracts in respect of employees' current services and past services (services prior to 1 October 1946). Further payments presently estimated at approximately \$600,000 will be required in respect of the past services under these plans, and the companies intend to write off these payments to operations in the years in which the payments are made.

B. Trusted contributory pension plans—

Trusted contributory pension plans were created under agreements effective from the beginning of 1953. The companies have established trust funds with Montreal Trust Company and have been making payments to it under these plans in respect of employees' current services and past services (services prior to 1 January 1953). Further payments presently estimated at approximately \$680,000 will be required in respect of the past services under these plans, and the companies intend to write off these payments to operations in the years in which the payments are made.

C. Non-contributory pension plan—

Pensions to a number of former employees who retired under the previous trusted non-contributory pension plan, formerly paid in part from general funds, are now being paid entirely from funds retained by The Royal Trust Company, the trustee of that plan, to which British Columbia

Electric Railway Company Limited has given a covenant of indemnity in respect of any deficiency of these funds in the ultimate settlement of such pensions.

Certain present 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. A number of these employees (presently estimated at not fewer than 333 and not more than 363) 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 and executive remuneration:

The operating expenses include legal fees and executive remuneration paid or accrued of \$410,672 (\$353,430 in 1954).

Note 3—Temporary investments:

As at 31 December 1955 these consisted of:

Investments, none of whose maturity dates is later than 15 December 1956—	
Government of Canada Treasury Bills, at cost (quoted market value \$9,555,230)	\$ 9,490,570
Government of Canada Refunding Loan, at cost (quoted market value \$10,421,250)	10,390,150
Canadian Acceptance Corporation Limited notes, at cost	1,473,431
Traders Finance Corporation Limited notes, at cost	5,000,000
Montreal Trust Company — funds on deposit	3,030,322
	<u>\$29,384,473</u>
British Columbia Electric Company Limited First Mortgage Bonds, at cost, purchased for sinking funds and accountable at cost for this purpose (quoted market value \$1,731,909)	1,758,728
	<u>\$31,143,201</u>

Note 4—Property account:

A. Cost of properties—

The properties are included in the attached consolidated balance sheet at original cost to the companies plus the excess of the cost of acquiring the shares of subsidiary companies 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. As from

1 May 1955, in the computation of interest charged to unfinished construction the rate was changed, with the approval of the Public Utilities Commission of British Columbia, from that commensurate with interest on new money bond financing (3¾% used in recent years) to the fair rate of return allowed to the companies by the Commission (6½%).

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, amounted at 31 December 1955 to approximately \$314,000,000; to this should be added unfinished construction of \$35,000,000, and the book value of properties outside the purview of the Public Utilities Act and not so valued, amounting to some \$8,000,000, making a total of approximately \$357,000,000 before deducting accumulated provisions for depreciation.

The valuations determined 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.

C. Depreciation—

The accumulated provisions for depreciation were 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 provisions for depreciation established for the purposes of the Commission, together with accumulated provisions applicable to properties not valued by the Commission, amounted at 31 December 1955 to approximately \$58,000,000, as compared with accumulated provisions of \$68,582,488 recorded in the companies' accounts and shown in the accompanying consolidated balance sheet. The latter figure includes an amount of \$7,500,000 which was added as at 31 December 1954 to the companies' accumulated provisions against insufficiency of depreciation provided for the assets of certain large operational units which have now been retired because of obsolescence rather than exhaustion of their physical life. Of this \$7,500,000 approximately \$6,600,000 is not yet reflected in the accumulated provisions established for the purposes of the Commission.

Note 5—Commitments:

Purchase commitments of the companies for capital projects and inventories aggregated approximately \$33,000,000 as at 31 December 1955. The construction programme contemplated for 1956 amounts to approximately \$75,000,000.

Note 6—Taxes on income:

The returns for income taxes of all the companies have been assessed up to and including 1951. The returns for 1952 and 1953 have been reviewed, although not finally assessed, by the taxation authorities. The provisions made for those years and for 1954 and 1955 are considered adequate.

As in certain previous years the companies propose to claim, for 1955 income tax purposes, capital cost allowances substantially in excess of the depreciation of \$8,151,735 (provided on the basis of rates approved by the Public Utilities Commission) charged to operating expenses in the accompanying consolidated statement of income. From these additional capital cost allowances arises an estimated tax deferment rounded to \$5,000,000, which would reduce correspondingly the companies' assessments for the year 1955. Operations for the year have been charged with an amount of \$8,692,988 as provision for taxes on income calculated on the basis of the normal depreciation recorded in the accounts for the year, and the estimated tax deferment of \$5,000,000 for 1955 has been added to Deferred Credit account in the accompanying consolidated balance sheet. The aggregate of \$10,438,000 in this account will be available for reduction of operating expenses in any future years in which capital cost allowances that may be claimed for income tax purposes fall below the normal depreciation chargeable.

*Note 7—British Columbia Electric Company Limited
4¼% Series "K" Bonds:*

Pursuant to an agreement made on 19 January 1956 British Columbia Electric Company Limited sold \$30,000,000 principal amount of First Mortgage Bonds 4¼% Series "K". \$27,950,000 were issued on 10 February 1956 and the remaining bonds are to be delivered and taken up by 10 November 1956.

Note 8—Share Capital:

On 29 October 1953, by resolution of the Directors, 150,000 of the unissued Common Shares of the Corporation were earmarked for the purpose of granting options to officials of the Corporation and its subsidiaries. Such options are to be granted at a price per share substantially equal to the market price or issue price (if any) of the Common Shares current at the time of the grant of the option. At 31 December 1955 the position of the share options granted and shares taken up was as follows:

<i>Date of options</i>	<i>Number of shares granted</i>	<i>Number of shares taken up</i>
4 December 1953	135,000	121,470
28 April 1955	6,900	.....
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	141,900	121,470
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED
(the sole 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 1955*

(with corresponding figures for the year ended 31 December 1954)

	1955	1954
Net income for the year of British Columbia Power Corporation, Limited and subsidiary companies (per their Consolidated Statement of Income)	\$10,289,445	\$ 7,711,627
<i>Add back—</i>		
Net expenses of British Columbia Power Corporation, Limited	75,442	127,722
Net income for the year of British Columbia Electric Company Limited and subsidiary companies	\$10,364,887	\$ 7,839,349
<i>Deduct—</i>		
Dividends on preference stock of subsidiary owned by the public: British Columbia Electric Railway Company Limited— 5% Cumulative Perpetual Preference Stock	50,414	49,633
Balance of income	\$10,314,473	\$ 7,789,716
<i>Add—</i>		
Earnings employed in the business as at the beginning of the year	9,726,594	8,394,430
	\$20,041,067	\$16,184,146
<i>Deduct—</i>		
Commission and expenses on issue of Cumulative Redeemable Preferred Shares	\$ 536,894	\$ 582,639
Financing expenses of British Columbia Power Corporation, Limited, relating to changes in share capital of that company, incurred in the interest of the group of companies:		
Conversion of Class "A" and Class "B" Shares into Common Shares .....	.....	91,276
Fees to increase authorized share capital .....	.....	31,500
Issue of additional Common Shares	27,169	.....
	564,063	705,415
	\$19,477,004	\$15,478,731
<i>Deduct—</i>		
Dividends:		
Cumulative Redeemable Preferred Shares—		
4%	\$ 480,000	\$ 480,000
4¼%	223,300	.....
4½%	675,000	150,000
4¾%	1,254,637	1,254,637
5%	650,000	650,000
Common Shares (all owned by British Columbia Power Corporation, Limited)	3,912,000	3,217,500
	7,194,937	5,752,137
Earnings employed in the business as at the end of the year	\$12,282,067	\$ 9,726,594

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED
(the sole direct subsidiary of British Columbia Power Corporation, Limited)

Consolidated Balance Sheet as at 31 December 1955

	1955	1954
CURRENT AND WORKING ASSETS :		
Cash	\$ 630,224	\$ 1,442,758
Temporary investments (Note 3)	31,143,201	22,504,328
Sundry investments	160,951	37,206
Working funds advanced to agents, transit operators, etc.	223,785	212,898
Accounts receivable and unbilled revenues, less provision for doubtful accounts	7,580,110	6,525,309
Inventories of materials and supplies (including construction materials) determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost	4,598,591	4,656,916
Prepaid expenses	86,084	151,562
	<u>\$ 44,422,946</u>	<u>\$ 35,530,977</u>
 DEFERRED CHARGES :		
Unamortized portion of payments made under transportation franchise agreements, and other deferred items	\$ 250,827	\$ 263,330
Unamortized bond refunding and issue expenses and discounts—		
Applicable to refunded issue	82,400	102,175
Applicable to outstanding issues	4,848,627	4,556,808
	<u>\$ 5,181,854</u>	<u>\$ 4,922,313</u>
 PROPERTY ACCOUNT (Note 4) :		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electric energy and gas, trolley coaches, motor buses, freight railway and rolling stock, etc.	\$341,621,092	\$324,968,845
Unfinished construction	35,000,000	16,000,000
	<u>\$376,621,092</u>	<u>\$340,968,845</u>
<i>Less—</i>		
Accumulated provisions for depreciation (Note 4C)	68,582,488	66,784,099
	<u>\$308,038,604</u>	<u>\$274,184,746</u>
	<u>\$357,643,404</u>	<u>\$314,638,036</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 1955, 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, 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 1955 and the results of their combined operations for the year ended on that date, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (save for the change in the computation of interest charged to unfinished construction, which we approve, referred to in Note 4A to the financial statements), 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.
20 February 1956.

PRICE WATERHOUSE & CO.
Chartered Accountants
Auditors.

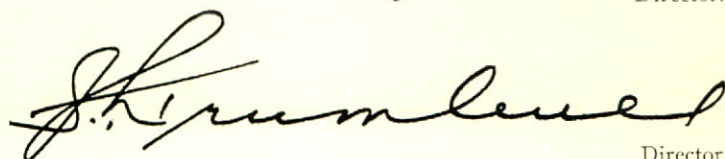
AND SUBSIDIARY COMPANIES

(with corresponding figures as at 31 December 1954)

	1955	1954
CURRENT AND ACCRUED LIABILITIES:		
Accounts payable	\$ 5,958,012	\$ 5,093,175
Current liabilities on construction account	6,630,000	3,102,000
Taxes payable—		
Taxes on income (Note 6)	2,240,775	2,156,980
Other taxes	850,484	671,133
Bond and debenture interest accrued	1,720,656	1,691,828
Dividends declared, since paid	909,679	770,025
Amount owing to parent company, British Columbia Power Corporation, Limited	3,140,516	1,517,307
Bond sinking fund payments due within one year	1,996,757	1,778,970
Provision for accidents	528,910	546,070
	<u>\$ 23,975,789</u>	<u>\$ 17,327,488</u>
DEFERRED CREDIT (Note 6)	\$ 10,438,000	\$ 5,438,000
BOND DEBT (Note 7), less sinking fund payments due within one year—per statement attached	<u>\$157,212,046</u>	<u>\$144,248,438</u>
SHARES OF SUBSIDIARIES OWNED BY 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 shareholdings in other subsidiaries	4,360	3,110
	<u>\$ 1,766,467</u>	<u>\$ 1,765,217</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 406,704	\$ 343,718
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital—		
Authorized:		
510,000 Preferred Shares of \$100 each		
780,000 Preferred Shares of \$50 each		
3,000,000 Common Shares of no par value		
Issued and paid up:		
4% Cumulative Redeemable Preferred Shares of \$100 each (redeemable at a premium of		
3%)—120,000 shares	\$ 12,000,000	\$ 12,000,000
4¼% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of		
4%)—220,000 shares (issued in July 1955)	11,000,000	.....
4½% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of		
4%)—300,000 shares	15,000,000	15,000,000
4¾% Cumulative Redeemable Preferred Shares of \$100 each (redeemable at a premium of		
5%)—264,134 shares	26,413,400	26,413,400
5% Cumulative Redeemable Preferred Shares of \$50 each (redeemable at a premium of		
4%)—260,000 shares	13,000,000	13,000,000
2,569,440 Common Shares of no par value (159,125 issued in December 1955)	72,306,931	67,533,181
	<u>\$149,720,331</u>	<u>\$133,946,581</u>
Capital Surplus—		
Unutilized balance of capital gain which arose through acquisition in 1951 of stocks of British		
Columbia Electric Railway Company Limited at less than book value	1,842,000	1,842,000
Earnings employed in the business—per statement attached	12,282,067	9,726,594
	<u>\$163,844,398</u>	<u>\$145,515,175</u>
	<u>\$357,643,404</u>	<u>\$314,638,036</u>
PENSION PLANS (Note 1)		
COMMITMENTS (Note 5)		

APPROVED ON BEHALF OF THE BOARD:


Director.


Director.

The statement of bond debt and the explanatory notes, which supplement the accompanying financial statements of British Columbia Power Corporation, Limited and subsidiary companies as at 31 December 1955, supplement equally and should be read in conjunction with the financial statements of British Columbia Electric Company Limited and subsidiary companies.

FINANCIAL STATISTICS OF COMBINED COMPANIES

(in millions of dollars)

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
SOURCES OF REVENUE										
From operations										
Electric — residential	5.0	5.4	6.3	7.0	8.3	10.8	13.1	14.5	16.5	18.7
Electric — other than residential	8.4	9.2	10.0	10.7	12.9	14.5	16.4	17.9	19.1	21.0
Gas	2.6	3.0	3.5	3.8	3.9	4.0	4.3	4.6	4.9	5.1
Passenger transportation	12.3	12.0	14.5	15.2	14.9	14.2	15.2	15.1	14.9	13.8
Rail freight	1.5	1.7	2.2	2.3	2.6	2.9	3.2	3.5	3.4	4.2
Miscellaneous .....	.6	.5	.4	.6	.4	.5	.5	.4	.5	.6
Gross revenue from operations	30.3	31.8	36.9	39.6	43.0	46.9	52.7	56.0	59.2	63.4
Non-operating income .....	.7	.4	.1	.2	.2	.1	.2	.6	.9	.6
DISPOSITION OF REVENUE										
Employment costs (wages, salaries, pensions, etc.)	13.6	14.7	16.9	17.0	18.0	17.7	19.2	20.3	21.0	21.5
Materials and outside services, etc., less administrative and general expenses charged to property account	6.4	6.9	7.5	7.4	6.7	7.3	8.2	8.5	8.4	7.2
Taxation (support of government) (1) (2)	3.5	3.4	3.8	4.4	5.5	7.6	9.4	9.3	10.3	11.9
Wear and exhaustion of property (2)	3.0	3.0	3.4	4.7	5.5	6.1	6.4	7.1	7.5	8.2
Interest and other costs on bond debt	1.9	1.7	2.5	3.2	3.8	3.8	4.3	5.1	5.7	6.1
Interest charged to construction (deduct) .....	.....	.2	.5	.3	.2	.1	.4	.4	.5	1.2
Dividends on preferred shares .....	.6	.7	.8	1.1	1.3	1.7	1.8	2.1	2.6	3.3
Dividends on common shares	1.6	1.6	1.6	1.7	2.0	2.0	2.0	2.3	3.1	3.8
Retained and employed in the business .....	.4	.4	1.0	.6	.6	.9	2.0	2.3	2.0	3.2
OPERATING INCOME										
Amount	3.8	3.8	5.3	6.1	7.3	8.2	9.5	10.8	12.0	14.6
As a percentage of gross revenue from operations	12.7	12.0	14.4	15.3	17.0	17.5	18.1	19.3	20.3	23.1

(1) 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 \$4.5 million in 1955.

(2) For 1951, 1952, 1954 and 1955, before additional capital cost allowances and resultant income tax deferment.

OPERATING STATISTICS OF COMBINED COMPANIES

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
ELECTRIC										
Generating capacity (rated kw in thousands) ⁽¹⁾										
Mainland system	194	194	239	314	343	378	438	438	483	483
Vancouver Island system	38	38	38	38	38	38	38	42	42	42
Peak one-hour demand (kw in thousands)										
Mainland system (including export)	204	219	251	318	359	404	412	460	460	492
Mainland system (excluding export)	204	219	251	279	308	344	352	384	433	492
Vancouver Island system	37	39	40	43	46	52	56	61	67	75
Meters on line at year-end (in thousands)	184	194	207	220	230	239	246	256	268	284
Electricity sold (kwh in millions)	715	816	952	1,105	1,393	1,512	1,653	1,902	2,051	2,304
Proportionate sales by class of customer (percentages)										
Residential	29	30	32	32	32	33	33	33	36	38
Other systems (largely residential)	5	5	3	6	4	4	3	2	3	2
Commercial and street lighting	22	21	21	18	17	17	18	17	17	17
Industrial	44	44	42	36	33	34	34	34	36	37
Export .....	.....	.....	2	8	14	12	12	14	8	6
Residential service										
Average annual kwh use per customer	1,387	1,548	1,812	1,977	2,299	2,523	2,734	2,974	3,372	3,765
Average price per kwh (in cents)	2.4	2.2	2.1	2.0	1.9	2.2	2.4	2.3	2.2	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										
Manufacturing capacity (cu. ft. per day in millions)										
Greater Vancouver	10.5	13.9	17.9	17.4	17.2	20.3	20.5	20.5	20.5	21.5
Greater Victoria	1.0	2.2	2.7	2.7	4.2	4.5	5.5	5.5	3.0	3.0
Peak one-day output (cu. ft. in millions)										
Greater Vancouver	10.5	12.4	11.9	12.7	15.3	13.5	13.0	12.9	16.5	18.8
Greater Victoria	1.5	1.7	1.9	2.3	2.9	2.4	2.1	1.7	2.3	2.2
Meters on line at year-end (in thousands) ⁽²⁾	62	64	66	67	68	69	70	69	67	66
Gas sold (cu. ft. in millions)	2,741	2,933	3,199	3,386	3,521	3,493	3,648	3,847	4,139	4,381
<small>(2) Prepayment gas service rate closed to new accounts early in 1953. Subsequent decrease in number of gas meters on line represents principally reduction in prepay meters.</small>										
TRANSPORTATION										
Vehicles at year-end										
Urban—street cars	383	348	327	225	165	118	85	57	51	.....
—gas buses	184	317	350	381	380	356	347	343	338	327
—trolley coaches .....	.....	42	82	168	256	311	311	311	327	327
total	567	707	759	774	801	785	743	711	716	654
Interurban rail passenger cars	69	69	69	69	59	54	54	32	21	17
Interurban buses	116	107	106	105	101	95	95	88	85	74
Revenue miles run—urban (in millions)	21.6	22.4	26.1	27.0	26.8	25.1	24.1	24.0	24.3	23.7
Passengers carried (in millions)										
Urban	144.7	145.8	139.9	135.1	126.1	120.5	114.1	109.8	106.1	100.0
Interurban rail	11.4	9.9	9.6	8.2	7.1	6.0	5.3	4.0	1.7	1.1
Interurban bus	4.9	5.6	5.5	5.4	5.0	4.9	4.5	4.3	3.9	3.4
Passenger revenue per mile—urban (in cents)	40.4	38.7	41.9	43.3	44.7	45.6	51.5	52.7	53.0	50.2
Rail freight (tons in thousands)	786	724	1,021	953	1,016	1,127	1,127	1,129	1,089	1,363
NUMBER OF EMPLOYEES AT YEAR-END	5,998	6,000	6,087	5,977	5,744	5,417	5,324	5,086	4,955	5,028

DEPARTMENTAL ORGANIZATION

- R. M. BIBBS *Executive Assistant to Executive Engineer and President of B.C. Engineering Company Ltd.*
G. A. JOHNSON *Executive Assistant to Executive Vice-President*
W. C. MEARNS *Acting Director Research and Administrative Control*
H. W. J. PECK *Staff Engineer to Executive Engineer and President of B.C. Engineering Company Ltd.*
J. R. P. POWELL *Executive Assistant to Executive Vice-President*

ELECTRICAL DIVISION

- J. H. STEEDE *Chief Engineer*
C. ARNOTT *Superintendent of Generating Stations*
E. G. BEGG *Office Manager*
N. S. CLARK *Supervisor Meter Shop*
T. COLLINS *Superintendent of Transmission and Distribution Maintenance*
E. L. DUN *Superintendent Buildings Operation and Maintenance*
A. J. DUNCAN *Distribution Engineer*
C. T. EYFORD *Superintendent of Distribution Engineering*
J. P. FRASER *Assistant Chief Engineer—Operations and Maintenance*
W. D. GILL *Supervisor of Planning*
W. GOSBEE *Superintendent of Shops*
R. C. HAUSCH *Assistant to Assistant Chief Engineer—Engineering*
G. J. HENRIKSON *Staff Engineer*
W. F. JARRETT *Operations Manager Powell River Area*
N. S. KENT *Assistant to Chief Engineer*
F. A. LAZENBY *Hydraulic Engineer*
D. D. LYTLE *Protection Field Supervisor*
H. M. MATHER *Communication and Testing Supervisor*
J. F. MILES *Staff Engineer*
W. F. MILES *Operating Engineer*
H. E. SLADEN *Distribution Engineer*
H. W. SMITH *Assistant Chief Engineer—Engineering*

GAS DIVISION

- E. H. ROHRER *Manager*
P. W. BARCHARD *Assistant Manager*
L. J. C. JARVIS *Plant Superintendent*
H. T. LIBBY *Distribution Superintendent*

TRANSPORTATION DIVISION

- S. SIGMUNDSON *General Manager*
E. D. SUTCLIFFE *Executive Assistant*
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. J. MARSHALL *Freight Traffic Manager*
D. J. MARTIN *General Superintendent New Westminster*
P. J. SCHRODT *Superintendent Transportation Maintenance*
J. T. TURNER *Transportation Maintenance Manager*

GENERAL SALES DIVISION

- H. N. WALTERS *General Sales Manager*
C. A. MANSON *Assistant General Sales Manager*
A. P. CROKER *Fraser Valley Sales Manager*
H. A. ELLIOTT *Industrial Sales Manager*
R. H. GRAM *Director of Area Development*
F. NOSWORTHY *Powell River Area Sales Manager*
R. G. SCOTT *Director of Sales Engineering*
J. H. TAYLOR *Metropolitan Sales Manager*

FINANCIAL DIVISION

- W. F. MARTIN *Executive Assistant to Chief Financial Officer*
T. CHAMBERS *Comptroller*
L. E. BEARD *General Accounting Manager*
G. F. BLYTH *Pay and Insurance Manager*
N. J. FLACK *Budget Accountant*
E. S. GARDINER *Office Services Manager*
L. E. F. GRAHAM *Plant Accountant*
G. L. HASZARD *Purchasing Agent*
V. D. JONES *Customers' Accounts Manager*
J. S. LANG *Internal Auditor*
L. J. LASCELLES *Staff Accountant*
J. C. MAYRS *Credit Manager*
J. S. PURVES *Stores Manager*
J. M. TODD *Cashier Manager*

LEGAL DIVISION

- W. H. Q. CAMERON *Solicitor*
R. W. GROSS *Manager Land and Right of Way Department*
J. H. MATTHEWS *Claims Manager*

INDUSTRIAL RELATIONS DEPARTMENT

- L. B. JACK *Director*
R. W. PURVES *Personnel Manager*
M. H. FOX *Supervisor Salary Administration*
R. H. ELFSTROM *Supervisor Industrial Safety*
P. A. HOARE *Security Officer*

PUBLIC INFORMATION DEPARTMENT

- H. J. MERILEES *Manager*
E. F. CAMPBELL *Director of Advertising*
T. F. DAGGS *Administrative Assistant to the Manager*
E. F. FOX *Special Representative*
P. C. WOODWARD *Director of Publicity*

VANCOUVER ISLAND DIVISION

- R. B. MATHEWS *Executive Assistant to Vice-President*
M. C. TRUEMAN *Acting Operations Manager*
D. DAVIS *Financial Officer*
G. BARCLAY *Light and Power Superintendent*
C. A. BURGESS *Cost Accountant*
B. CLARKE *Mechanical Superintendent*
M. H. COLLINS *Manager Public Information*
K. EASTON *Pay and Cashier Manager*
J. M. ELLIOTT *Superintendent of Stations*
H. R. HALLS *Transportation Manager*
E. G. HART *Buildings and Structures Superintendent*
R. H. LUND *Personnel Supervisor*
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 *Transmission and Distribution Engineer*
E. B. WILLIAMS *Purchasing and Stores Manager*

B.C. ENGINEERING COMPANY LIMITED

A. E. GRAUER *Chairman*

- T. INGLEDOW *President*
W. G. HUBER *General Manager*
F. B. BEARDSLEY *Controller*
K. F. KANGAS *Chief Designing Engineer*

- N. E. LANE *Civil Engineering Superintendent*
J. E. MacDONALD *Superintendent of Construction*
R. J. TEMOIN *Mechanical Engineering Superintendent*
F. O. WOLLASTON *Electrical Engineering Superintendent*

DIRECTORS

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

OFFICERS

OPERATING RESPONSIBILITIES SHOWN IN BRACKETS

- A. E. GRAUER** *President*
- H. L. PURDY** *Executive Vice-President*
(Gas, Transportation, General Sales, Industrial Relations)
- E. W. ARNOTT** *Vice-President*
(Vancouver Island operations)
- T. INGLEDOW** *Vice-President*
(Executive Engineer, Electrical operations)
- W. C. MAINWARING, O.B.E.** *Vice-President*
(Assistant to President)
- LORN McLEAN, F.C.A.** *Vice-President and Treasurer*
(Chief Financial Officer)
- A. B. ROBERTSON, Q.C.** *Vice-President*
(General Solicitor)
- G. G. WOODWARD** *Secretary*
- W. B. AFFLECK** *Assistant Secretary*

THE ROYAL BANK OF CANADA *Bankers*

MONTREAL TRUST COMPANY *Transfer Agent*

THE ROYAL TRUST COMPANY *Registrar*

PRICE WATERHOUSE & CO. *Auditors*

HEAD OFFICE OF THE CORPORATION

B. C. ELECTRIC BUILDING, 425 CARRALL STREET, VANCOUVER 4, BRITISH COLUMBIA, CANADA

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