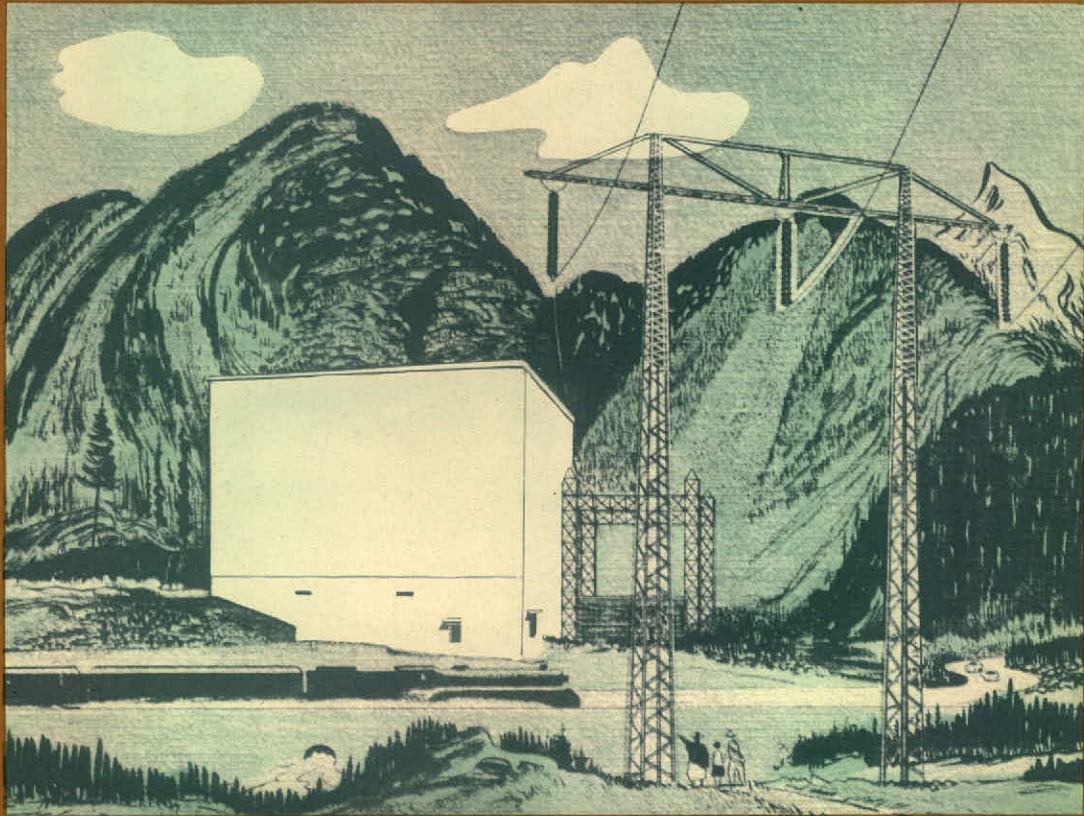


Stock

British Columbia Power Corporation, Limited

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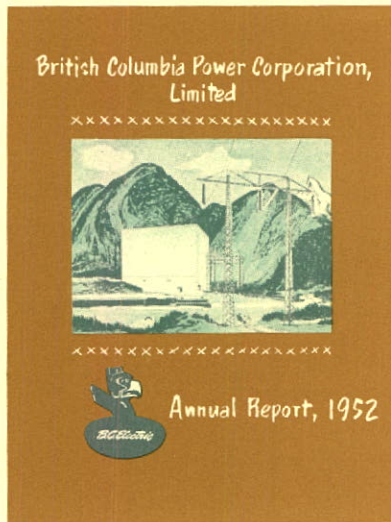


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Annual Report, 1952

PURVIS HALL
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THE COVER . . . WAHLEACH GENERATING STATION . . .

Placed in operation December 4, 1952, this station develops 60,000 K.W.; is the sixth generating unit to be added to the B. C. Electric system since 1947 and the largest single unit on the system. Water from Wahleach Lake, in the mountains between Chilliwack and Hope, B. C., is directed to the turbine by over two and one-half miles of tunnel, underground penstock and surface penstock, dropping 2000 vertical feet in this journey. This is the highest fall of water in any hydro-electric development in Canada.

Business Is Moving To B. C.

Your Company takes a leading part in encouraging industrial development in the areas it serves. Members of the firm have been active in Industrial Development Councils, such as the Greater Vancouver Metropolitan Industrial Development Commission. Since 1944, Company advertisements on this continent and abroad have featured the slogan "Business is Moving to B. C." and have pointed out the advantages of locating in Canada's coming industrial empire. In response to enquiries resulting from this campaign, information on markets, transportation and power facilities, raw materials, etc., has been given to hundreds of interested firms. Many concerns have been assisted in locating here. Again in 1953, your Company will advertise extensively in Eastern Canadian newspapers and business publications, and in such widely-read magazines as "Business Week", "U.S. News & World Report", "New Yorker", and "Time". These advertisements will reach nearly 2,000,000 readers, and will help to maintain the steady march of people and industry to British Columbia, which presently is far ahead of the Canadian average in growth of population and business activity.

EVERY DAY
More and More...
BUSINESS IS MOVING TO B. C.



Between 1937 and 1950, the net value of the products of British Columbia's manufacturing industries increased 164%, compared with 28% for Canada and 24% for the United States. B. C.'s primary industries have expanded their manufacturing premises; large firms from other sections of the country have made investments; diversified secondary industries have developed to cater to the larger machine created by British Columbia's rapid population growth... *Times in Canada.*



There is Business for YOU in BRITISH COLUMBIA

no krawnsnets here!
B.C. Electric
EXHIBIT: CHEAP WIND POWER ON PACIFIC COASTWAY



THE BOARD OF DIRECTORS OF
BRITISH COLUMBIA POWER CORPORATION, LIMITED
PRESENTS ITS REPORT FOR THE YEAR

1952

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)

Wholly-owned subsidiary of the Power Corporation. Generation and transmission of electricity. Manufacture, transmission and distribution of gas in Greater Vancouver and Greater Victoria.

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

Wholly-owned subsidiary of the Electric Company. Distribution of electrical energy on the Mainland and on Vancouver Island. Passenger transit operations in Greater Vancouver and Greater Victoria. Interurban rail operation on the Mainland for freight and passengers.

B. C. MOTOR TRANSPORTATION LIMITED *(B.C.M.T.)*

Wholly-owned subsidiary of the Railway Company. Interurban bus operation on the Mainland.

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



The Year in Brief . . .

Gross revenue from operations reached \$52.7 million—12.4% higher than in 1951. Electric revenue was 16.5% higher, to which a 9.3% greater volume and rate increases of 1951 and early 1952 contributed.

★ ★ ★

With average annual consumption per customer up 8%, residential demand for electricity rose 12.2%.

★ ★ ★

Earnings represented \$2.68 per "A" share and \$0.68 per "B" share as compared with \$2.19 and \$0.19 respectively in 1951. On the depreciated rate base, earnings were 4.94% as against the allowed rate of return of 6.5%.

★ ★ ★

\$32.7 million was spent on property additions and improvements. Over the seven post-war years, B.C. Electric's has been the largest capital programme in British Columbia.

★ ★ ★

Rail passenger service has given way to free-wheeling service except on six lines in Greater Vancouver having combined mileage of less than 6% of total urban and interurban routes.

★ ★ ★

The Wahleach hydro-electric plant was placed in service, adding another 60,000 K.W. to the Mainland system generating capacity. Wahleach features the largest single unit in the system, operating under a 2,000-foot head of water; the associated transmission line is designed to operate at the highest voltage yet built for on this continent.

★ ★ ★

To finance the 1953 capital programme, which is again predominantly electric, \$5 million of preferred shares and \$15 million of first mortgage bonds were sold by the Electric Company in 1952 at yield rates reflecting the increasing cost of new money.

★ ★ ★

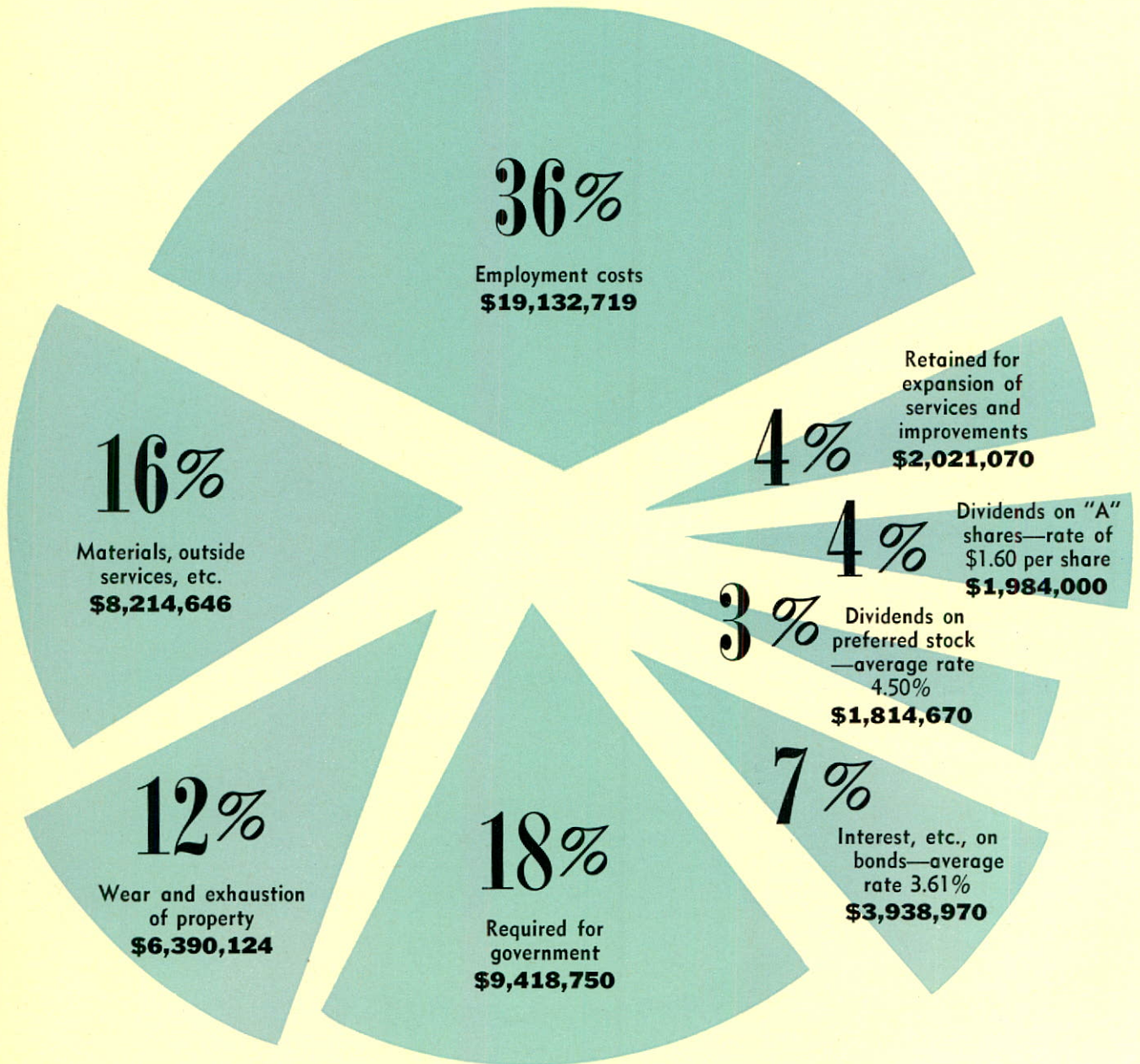
Members of the Quarter Century Club, consisting of employees and retired employees with 25 or more years of service, now total about 1,400. There are 924 retired employees on pension.

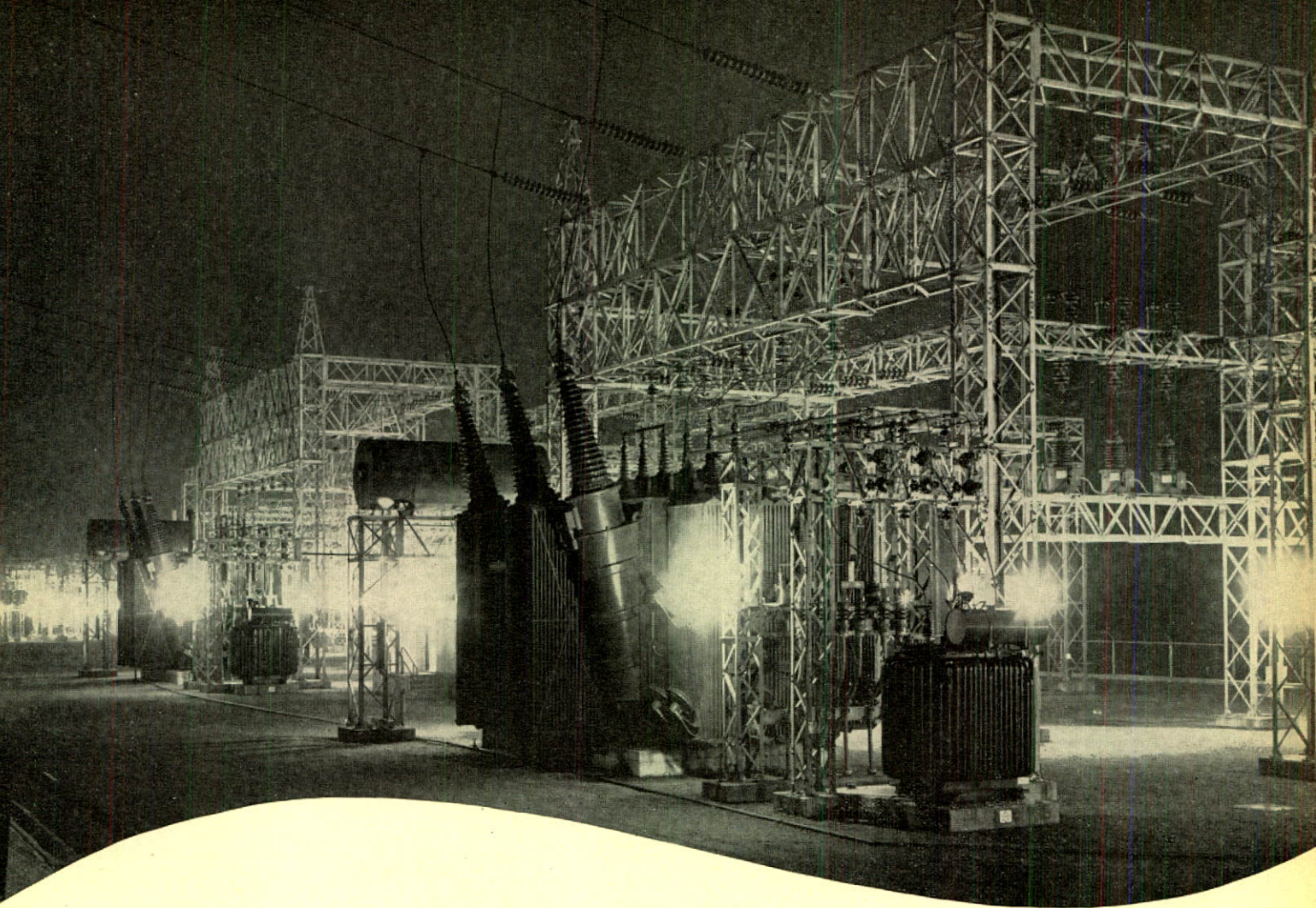


KARSH, OTTAWA

A. E. GRAUER, President

DISPOSITION OF 1952 REVENUE





Over the course of 1952 the indices of cost of living, retail prices, wholesale prices, etc. in Canada have been on a declining trend. In their bearing on the costs of the Company's operations these developments are thus far only portents since during that year interest rates on borrowings continued to rise as did wage rates and signs are awaited that either has stabilized in the new year.

Results of Operations

The earnings for the year represent \$2.68 per "A" share and 68c per "B" share as against \$2.19 and 19c respectively in 1951. Dividends on the "A" shares in 1952 were continued at the annual rate of \$1.60 per share. The earnings for 1952, stated in regulatory terms, represent a return of 4.94% on the total regulated investment.

Better than half the improvement in earnings in 1952 over 1951 resulted from a reduced rate of taxes on income with respect, in our case, to earnings attributed to our electrical and gas operations. In the language of

the Minister of Finance in proposing the reduced rate of tax, it was for the benefit of "certain public utility companies which are forced by the nature of their business and their franchises to raise large amounts of capital to finance the expansion of services required to be performed for the public, and which because of public control of rates are allowed to earn only a modest return on their capital". In the case of the Company there is no question but that the tax reduction was of great help in the successful floating of \$20 million of new issues in November 1952 in the face of a considerably more difficult capital market.

Gross Revenues

The gross revenues from operations for the year amounted to \$52,689,810, an increase over 1951 of \$5,809,560 or 12.4%, to which the various services contributed as follows:

	1952	Increase or <i>Decrease</i> compared with 1951	
		Amount	%
Electric	\$29,522,076	\$4,189,000	16.5
Transportation:			
Passenger	15,190,935	976,141	6.9
Freight	3,134,983	217,119	7.4
Gas	4,330,584	390,985	10.0
Miscellaneous	511,232	36,315	7.8
	<u>\$52,689,810</u>	<u>\$5,809,560</u>	<u>12.4</u>

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

	1952	Increase or <i>Decrease</i> compared with 1951	
		Amount	%
Kilowatt Hours sold	1,652,661,372	140,200,228	9.3
Transportation:			
Passengers carried	123,922,915	7,507,942	5.7
Freight tonnage	1,126,960	301	—
Cubic Feet of Gas sold	3,648,173,000	155,192,000	4.3

In the electric service, the net increase in number of customers over the year was 8,161, or 3.5%, bringing the total to 242,977 at the year-end. Average annual consumption per residential customer has also increased; it was 2,523 k.w.h. in 1951, and rose to 2,734 in 1952. This growth in use arose in large part from the energetic efforts of dealers in selling appliances in which they were much assisted by the promotional efforts of the Company. The electric revenues in 1952 include \$947,466 from export sales; the corresponding figure for 1951 was \$961,072.

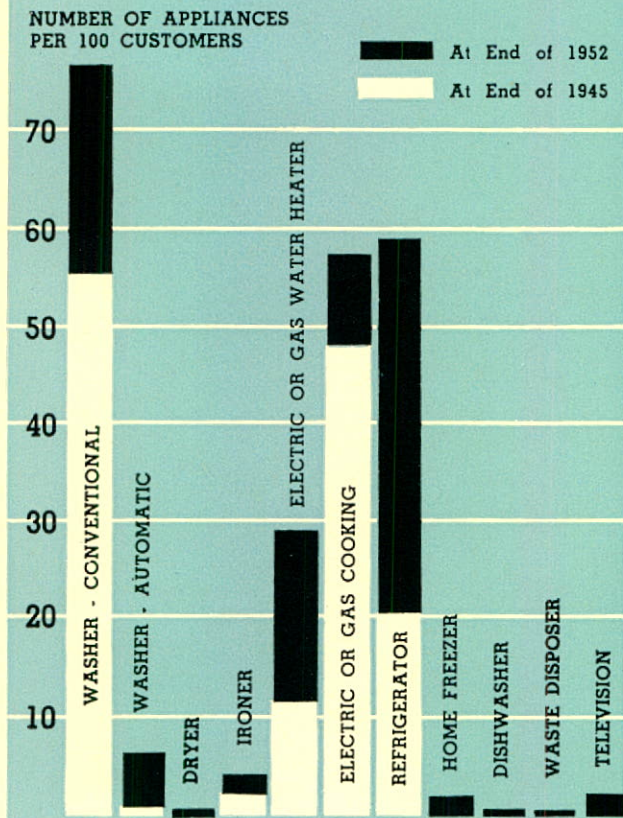
Passengers carried by the urban transit system continued to decline. It should be said, however, that in terms of rides per capita of population, the present volume of riding compares favourably with pre-war

years, so that what has been happening is that the peak of the war years has been disappearing.

While railway freight tonnage was unchanged in volume from the previous year, gross revenues from this source increased by 7.4%. This was largely the result of increased freight rates.

In the gas service, the net increase in the number of customers, which was virtually nil in 1951, amounted to 1,271 or 2.1% in 1952, bringing the total to 62,808 at the year-end. The likelihood and probable time of the receipt of natural gas by the Company remain open questions at the date of this report; again as last year, the Chairman will report on the latest developments at the Annual Meeting.

ESTIMATED RESIDENTIAL APPLIANCE SATURATION IN THE TERRITORY SERVED BY B. C. ELECTRIC



Rates

The increase in residential rates, by which the second step (200 k.w.h.) was raised from 2c to 2½c per k.w.h. effective 18 January 1952, was mentioned in last year's report. Urban transit fares in virtually all areas were increased on 6 April 1952 as the result of wage increases mentioned below; a typical case is Vancouver where the adult fare was raised from 10c to 13c cash and tickets were reintroduced, at four for 50c, with "slacks" at four for 45c.

Other rate changes during the year were of minor importance but in considering the increased gross revenues, it will be appreciated that 1952 reflects the first full year of electric and gas rate increases instituted during the course of 1951.

Operating Expenses

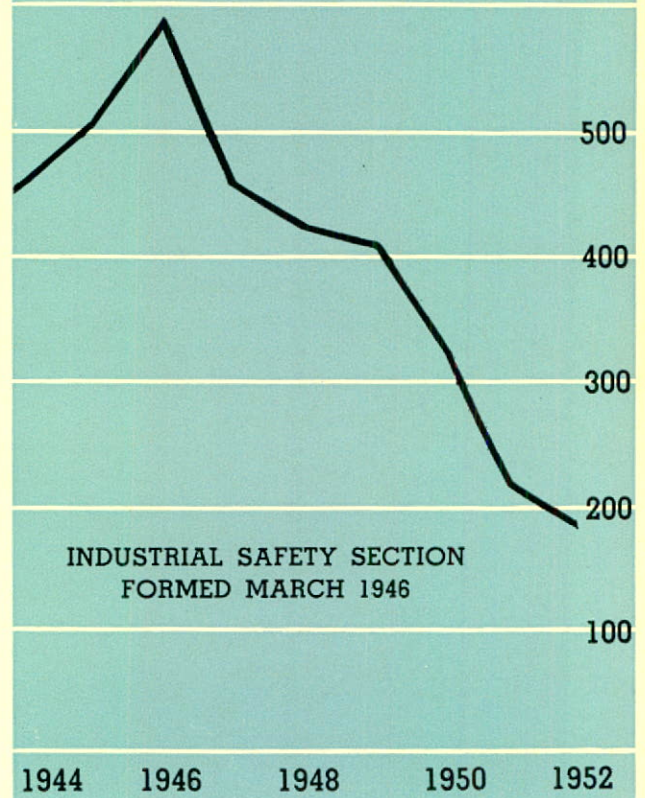
Operating expenses at \$43,156,239 show an increase of \$4,458,220 or 11.5% over 1951.

The two-year contracts with the street railwaymen's

union, the unions representing certain interurban railway employees and the Office Employees' Association made provision for further pay increases in their second years effective 1 March, 1 May and 1 November 1952 respectively. As a result of representations by these unions on the matter of increased cost of living during the early months of the contracts, the Company granted additional increases for the second year. The Electrical Workers' agreement fell open 1 August 1952 and a Conciliation Board's award of an increase under a one-year contract was accepted by both the Company and the Union. The Conciliation Board sitting on the matter of the contract between B.C.M.T. and the union representing the greater number of its employees brought in a majority report on 10 January 1953 recommending an increase of 6c per hour effective from 1 October 1952; both the Union and the Company refused to accept the Board's award.

The Company rounded out its welfare programme for employees in 1952 with the introduction of a contributory group life insurance plan which provides for each participant coverage approximating the amount of his annual earnings.

NUMBER OF LOST-TIME INJURIES SUSTAINED BY B. C. E. EMPLOYEES



"FRINGE" PAYMENTS

An Increasingly Important Factor In Labour Costs

Quotation of a straight-time hourly rate for actual hours spent on the job no longer even approximates the whole story on labour costs. Increasingly, the Company must take into consideration the many extras, or "fringes", that accrue to employees, some of which appear on the cheque as added take-home pay, others of which do not appear on the cheque, but which, nevertheless, represent a definite cash value to the employee, and, concurrently, a labour cost to the Company. For illustration, we may take the case of a typical employee in one of our larger divisions, who is married, with basic earnings of say \$3,000 a year. Set out below are the major items of job extras that apply to him, and their annual value.

"Extras" included in the employee's pay cheque, but additional to straight time pay for time worked:

1. Vacations with Pay

The employee gets two weeks' paid vacation; if he is one of those with ten years' service, who number almost half of the total, he gets three weeks. The basic cost to the Company is \$120 annually with an additional \$60 for a long-service employee.

2. Sunday and Holiday Premium Pay

Sunday work pays one-quarter time extra; holiday work half-time extra. On an average, the value of these premium allowances over and above straight time pay is \$110 annually.

"Extras" or benefits over and above the pay cheque:

3. Light and Gas Concessions

The employee is entitled to a 25% reduction on gas service and reduced rates for electric lighting. Average saving, if he can take advantage of these concessions, is about \$28 annually.

4. Transportation Pass

The employee may have free transportation on all lines within the city in which he is employed, at an estimated value of \$112 annually.

5. Uniforms

The Company pays one-half the cost of a new uniform annually, at an approximate cost of \$37.

6. Pension Plan

The Company's contribution to the retirement plan which was in effect up to 1 January 1953 on the employee's behalf is approximately 4% of total (not merely basic) earnings, or \$130 annually.

7. Contributory Welfare Plan

The Company shares the cost of complete welfare coverage for the employee, including hospitalization (B.C.H.I.S.), medical expenses (Medical Services Association), and a weekly indemnity (insured) in case of sickness or accident, at an annual cost to the Company of \$81.

8. Group Insurance

The Company's contribution to the cost of group life coverage for the man we are discussing is approximately \$20 annually.

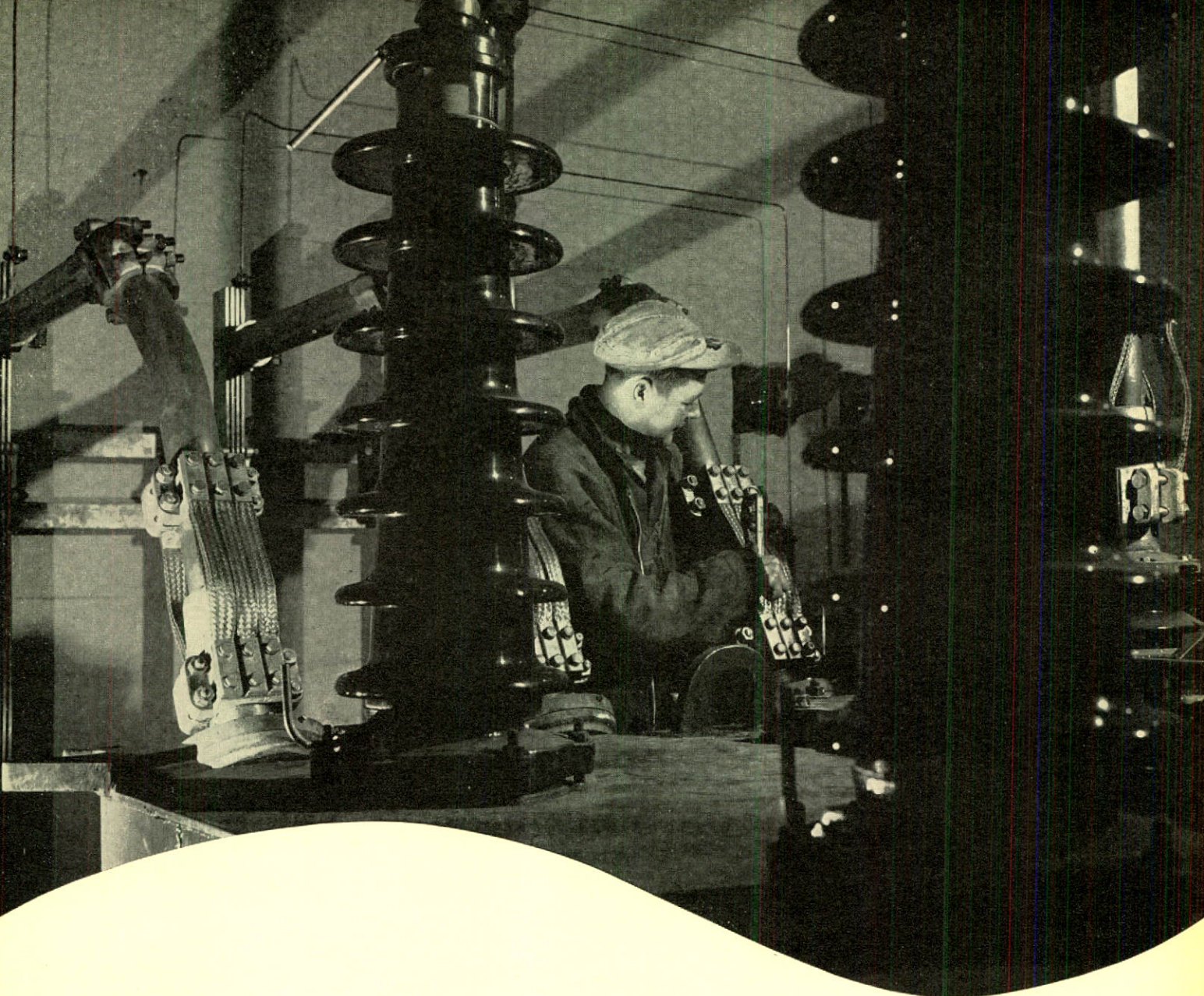
9. Workmen's Compensation

The Company's annual contribution to required coverage under workmen's compensation is about \$49.

10. Unemployment Insurance

The Company's portion of the bill for this coverage is \$28 annually.

These items add up to a sizeable total in increased labour costs. To the employee who takes advantage of all of these benefits they are worth \$715 annually if he has less than 10 years' service, and \$775 annually if he has more than 10 years' service. The first two items are part of take-home pay for the employee; the remaining \$485 express the value of benefits that are quite aside from pay cheque receipts, but they are, as far as the Company is concerned, the added cost of carrying an individual on the payroll. The "fringes" of \$715 (or \$775) bear comparison with, and are on top of, the basic wages of \$3,000.



*Equipment being installed in
new Dal Grauer Substation.*

An improved pension plan was developed in 1952, proposed to become effective 1 January 1953, and new employees must join this plan or else waive pension rights. Desirable features of the new plan from the employee's point of view include a cash surrender value, considerably lesser discounts in the pension payable on early retirement, reduction of the qualifying period from three years to three months, and the right to select pension options up to age 65 instead of only to age 60. Transfer to the new plan is open to all employees on the payroll on a basis that allows them to retain present credits in the old plan and to enroll in the new on the same footing as new employees. In developing the terms of the improved retirement plan many helpful suggestions were received

from the Union Welfare Committee and adopted.

Provision for taxes on income would have been approximately \$665,000 higher than the figure at which they appear had it not been for the tax reduction mentioned at the outset. The amount of the tax bill, but not the amount of the taxes chargeable to operations, is affected by additional "capital cost allowances" taken for 1952 as referred to later. The returns for taxes on income for the Power Corporation and its subsidiaries have been assessed up to and including the year ended 31 December 1949. The returns for the years 1950 and 1951 have been reviewed, although not finally assessed, by the taxation authorities; the provisions made for those years and for 1952 are considered adequate.

Construction Programme

The net expenditures on property account for the year amounted to \$27,158,478 as compared with \$17,133,905 in 1951. The net expenditures in 1952 comprised gross additions of \$32,735,846 less retirements of \$5,577,368.

The major expenditures in 1952 by projects or broad classifications were as follows:

Electric extensions, Mainland and Vancouver Island, including cost to connect 8,314 additional customers	\$ 3,208,520
Gas extensions, Mainland and Vancouver Island, including cost to connect 3,023 additional customers	582,529
Wahleach Lake hydro-electric development—generating facilities and associated transmission line	10,726,861
Bridge River hydro-electric development—Fourth generating unit and La Joie dam, stage 3	3,265,315
Transmission system	2,422,890
Substations, associated distribution facilities, and local transmission system	7,469,888
Overhead distribution system for trolley coaches, Vancouver	761,381
Transportation offices and terminal, New Westminster	318,659

The Wahleach plant with a capacity of 60,000 K.W. was placed in service early in December. This is the largest single unit in the system. Initial production of energy from this plant is governed by stream flow because construction of the dam was delayed by lengthy forest closures in 1951 and 1952; its completion is scheduled for mid-summer 1953. The associated transmission line has been designed and built to operate at 345 KV and is the first transmission line on this continent built for such high voltage. To operate at the voltage for which it was designed will require an additional conductor which will be added later; in the meantime the line is operating at 230 KV.

At La Joie dam, the expenditures concern part of the next stage of construction which is to increase the height of the dam to its ultimate level by the autumn of 1956. The increase in height to the ultimate level will be 57 feet and 2,000,000 cubic yards of additional fill will be required for this purpose. Completion of the dam in 1956 will permit storage of water for operation at the Bridge River plant of generating capacity of 225,000 K.W.; the installed capacity of the present three units is 135,000 K.W. The construction schedule provides for a substantial amount of additional storage by early autumn 1954 for use with the Bridge River No. 4 Unit of 45,000 K.W. capacity.

The construction programme, as presently budgeted for 1953, contemplates gross capital expenditure on property of roundly \$28.5 million of which some 90% will be for the electric service. The capital programmes of the Company are under constant review and estimated expenditures are subject to frequent, and on occasion important, revisions.

Despite the year's provision of almost \$6.4 million,

accrued depreciation increased by only some \$1.3 million. The explanation is found in the heavy retirements; these include substantial amounts arising from the conversion programme in the transit service. By the year-end, conversion had been completed except for six lines in Greater Vancouver which represent less than 6% of our total urban and interurban route mileage.

Power Supply

Kilowatt hours generated and purchased, as distinguished from kilowatt hours sold mentioned earlier, were 1,996,138,259 as compared with 1,856,980,644 in 1951, an increase of 7.5%. The one-hour peak load on the Mainland system, exclusive of export, was 351,600 k.w., an increase of only 2.3% over the previous year, for which the mildness of December 1952 provides the answer; if the power exported is included the maximum hourly peak was 411,600 k.w. The Vancouver Island system had an hourly peak load of 56,400 k.w. which represents an increase over 1951 of 9.1%.

Financing

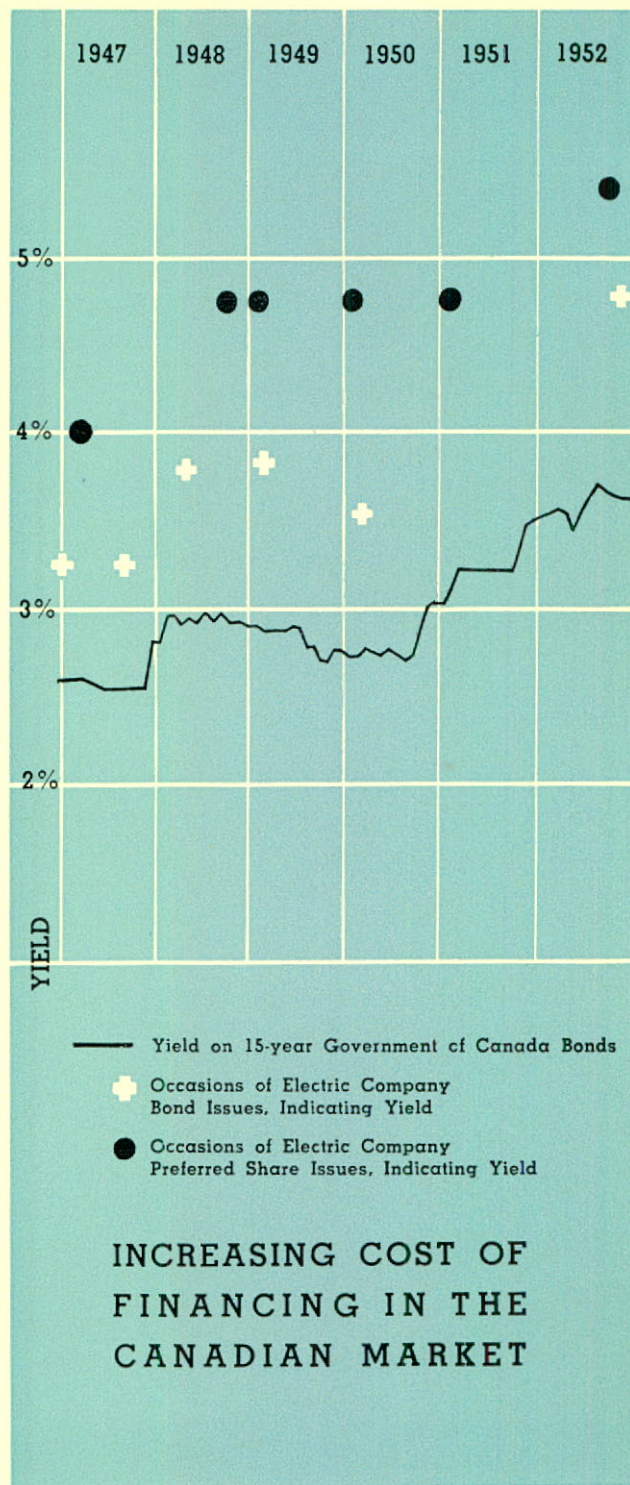
During the year the proceeds were received of the second, third, and final instalments in respect of \$15,000,000 U.S. principal amount of the Series "G" bonds which were sold in 1951.

Two new-money issues were placed in 1952, both by the Electric Company. The first was an issue in November of \$5,000,000 of 5% cumulative redeemable preferred shares; their par value is \$50 per share, and the price to the public was \$46.50 to yield 5.38%. The

second was an issue in December of \$15,000,000 of first mortgage bonds 4¾% series "H" which were sold to yield 4.80%. The proceeds of the bond issue are receivable by instalments of which the first on 16 December was in respect of \$9,950,000 principal amount, the second on 5 February 1953 was in respect of \$2,300,000 principal amount and the remainder is to be received on or before 1 October 1953.

By the two last-mentioned issues, the public financing for the 1953 programme, as presently visualized, has been completed. It is observable that the cost of each of these issues was considerably higher than that of the corresponding preceding one which demonstrates the increasing dominance of demand over supply in the new-money markets. In these circumstances, the increase in the allowed rate of return to 6.5% and the reduction in the rate of corporate income taxation on electric and gas utilities, both of which occurred in 1952, are of vital importance to the Company and its consumers for the raising of the large amounts of new capital that continue to be required to meet the expanding requirements of the areas served.

In stating its operating results the Company follows the traditional straight-line depreciation policies which have been approved by the Public Utilities Commission. Present income tax regulations allow depreciation ("capital cost allowances") to be recorded on the diminishing balance method, which permits substantially higher provisions on a new plant, during the earlier years of its life, than straight-line depreciation allowances. In order to effect a saving in its income tax bill for 1952, the Company has repeated the procedure which was followed in 1951. Additional capital cost allowances, this time of \$3,500,000, have been recorded with a consequent saving in taxes on income for the year 1952 of \$1,662,979, and the net charge of \$1,837,021 has been applied in part against capital surplus and in part against general reserve thereby exhausting both of them. The recording of additional capital cost allowances effects a reduction of the tax bill for the year although by its bringing closer the day when straight-line provisions might exceed diminishing balance allowances, the impact of income taxation should be substantially the same over a period of time. On balance, it has been thought wise to record the additional allowances in order to conserve cash at a time when money on public issues of securities is both scarce and costly and signs are lacking that these conditions may not be aggravated.



During the year \$1,410,691 principal amount of first mortgage bonds of the Electric Company were retired through the operation of sinking funds.

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

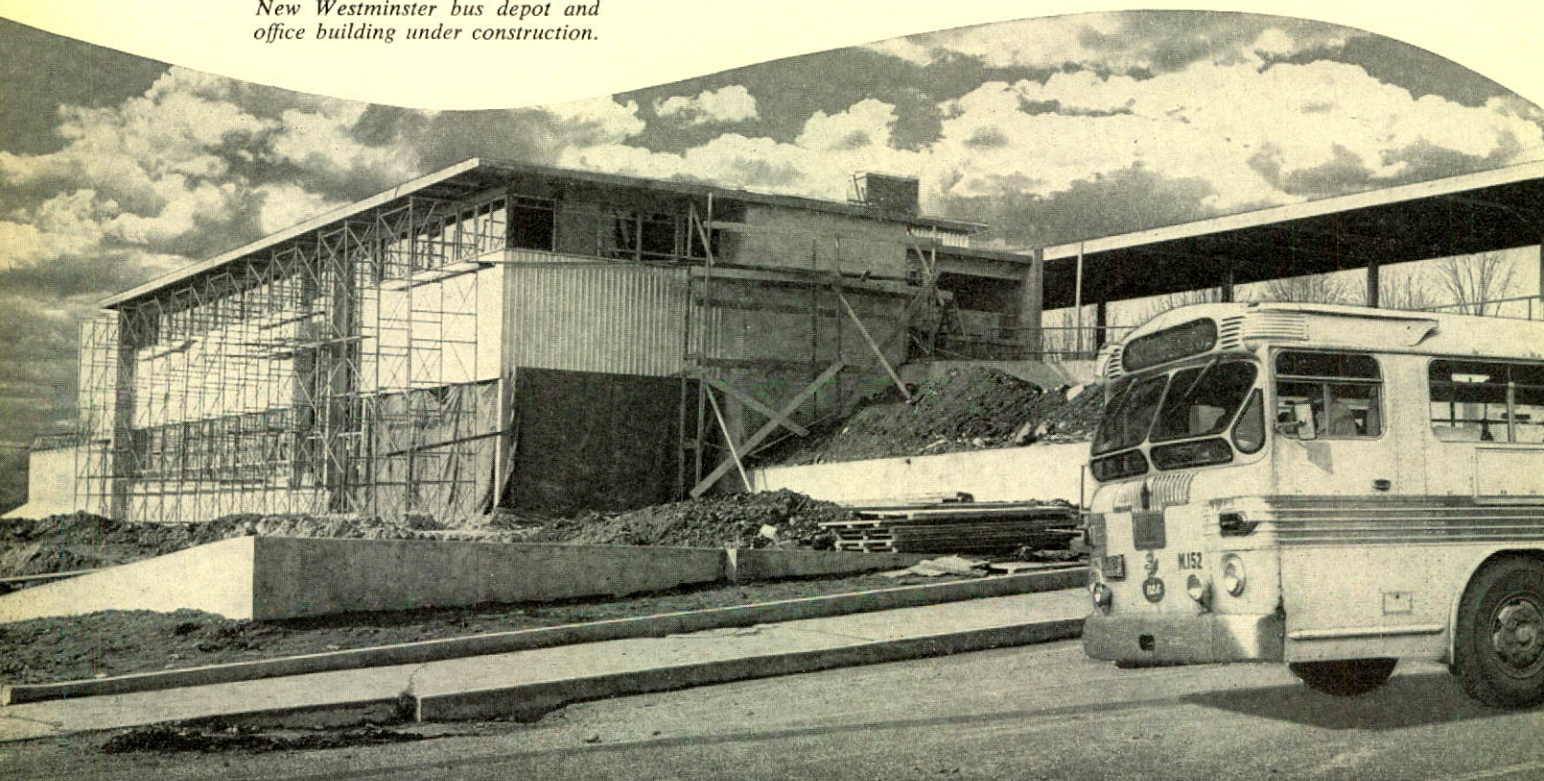
Funds Provided

Net receipts from issues of shares and bonds		\$27,842,600	
Sale of properties		505,706	
Decrease in working capital		5,035,314	
Reduction in liability for taxes on income for the year— arising from recording additional capital cost allowances			1,662,979
Funds arising from operations—			
Earnings on Class "A" and Class "B" shares	\$4,005,070		
Add back—Charges against operations requiring no current outlay of cash:			
Provision for depreciation	\$6,390,124		
Bond discount and refunding expenses written off	300,415		
		6,690,539	
			10,695,609
Decrease in sundry deferred charges			532,035
			<hr/>
Total funds provided			\$46,274,243
			<hr/> <hr/>

Funds Applied

Gross capital expenditures	\$32,735,846
Payments into bond sinking funds, made or provided for	1,610,393
Dividends on Class "A" shares	1,984,000
Increase in construction funds held by Trustee	9,944,004
	<hr/>
Total funds applied	\$46,274,243
	<hr/> <hr/>

New Westminster bus depot and office building under construction.



Employees

During the year death removed the valued services of Mr. J. J. Burton, Mainland Stores Manager, after 32 years' service, and of Mr. L. R. McPhee, Branch Manager at Chilliwack, after 35 years' service.

Employees retiring during the year who had 40 years or more of service numbered 28; these included Mr. J. J. Pochin, Mainland Paymaster. There also retired during the year one of our most widely known and best loved employees in the person of Mr. J. J. (Johnny) Burke, of the Mainland Customers' Accounts Department. The Directors wish to record their appreciation of the long and able service of those who retired on pension during the year. We have 924 retired employees on pension.

Most of them continue to live where, or near where, they worked, and keep in close touch with the affairs of the Company.

Mr. S. B. Peach succeeded the late Mr. J. J. Burton as Stores Manager. On Vancouver Island, Mr. James Loudoun, Manager of the Customers' Accounts Department, retired and was succeeded by Mr. J. A. MacArthur.

The Company's employees numbered 5,324 at the year-end. For the loyalty and efficiency of the employees throughout the Company the Directors express their grateful appreciation.

Shareholders

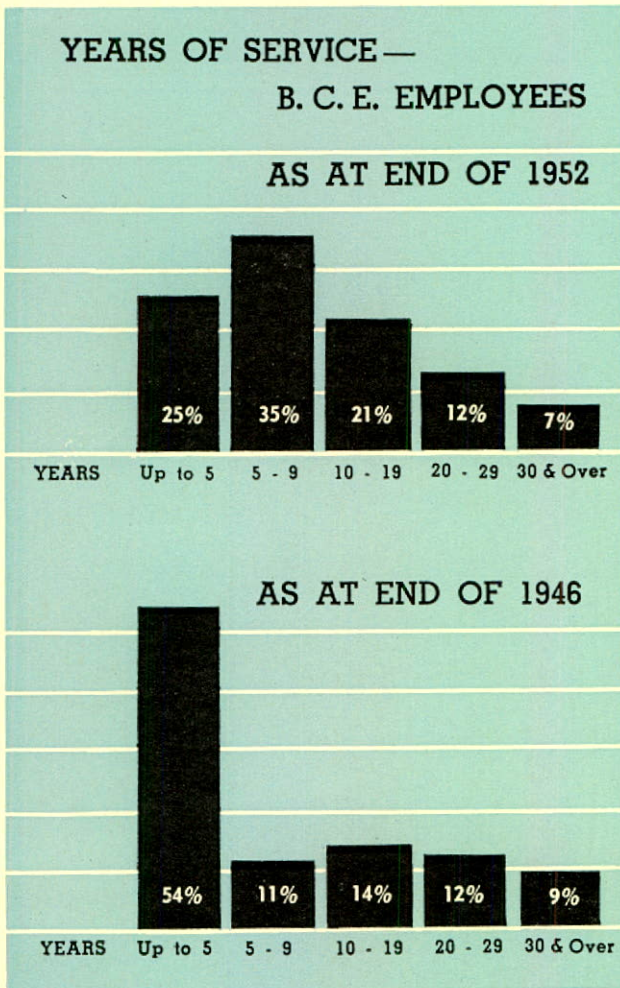
The registered public holders of shares of the Power Corporation, the Electric Company and the Railway Company number 28,736. Over the years some have moved without notifying us of their changed addresses; last year's report gave a list of them and asked readers to scan it and send us such of the present addresses as were known to them. As a result, a number of current addresses have been found and we are sufficiently encouraged to repeat that feature of the report this year.

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. They have been prepared by the management of the Company and have been examined by independent public accountants whose opinion authenticating them is also attached. In the Balance Sheet, some revision of terminology has been made in order to reflect a more discriminating use of the word "reserve", and in the Income Statement, the operating expenses are presented in a manner to show the main headings under which such expenses arise. 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.

Vancouver, B. C.
26 March 1953

A. E. GRAUER,
President.



123% INCREASE IN PROPERTY SINCE 1945

65% OF PRESENT PROPERTY IS NEW SINCE 1945

MILLIONS
OF DOLLARS

300

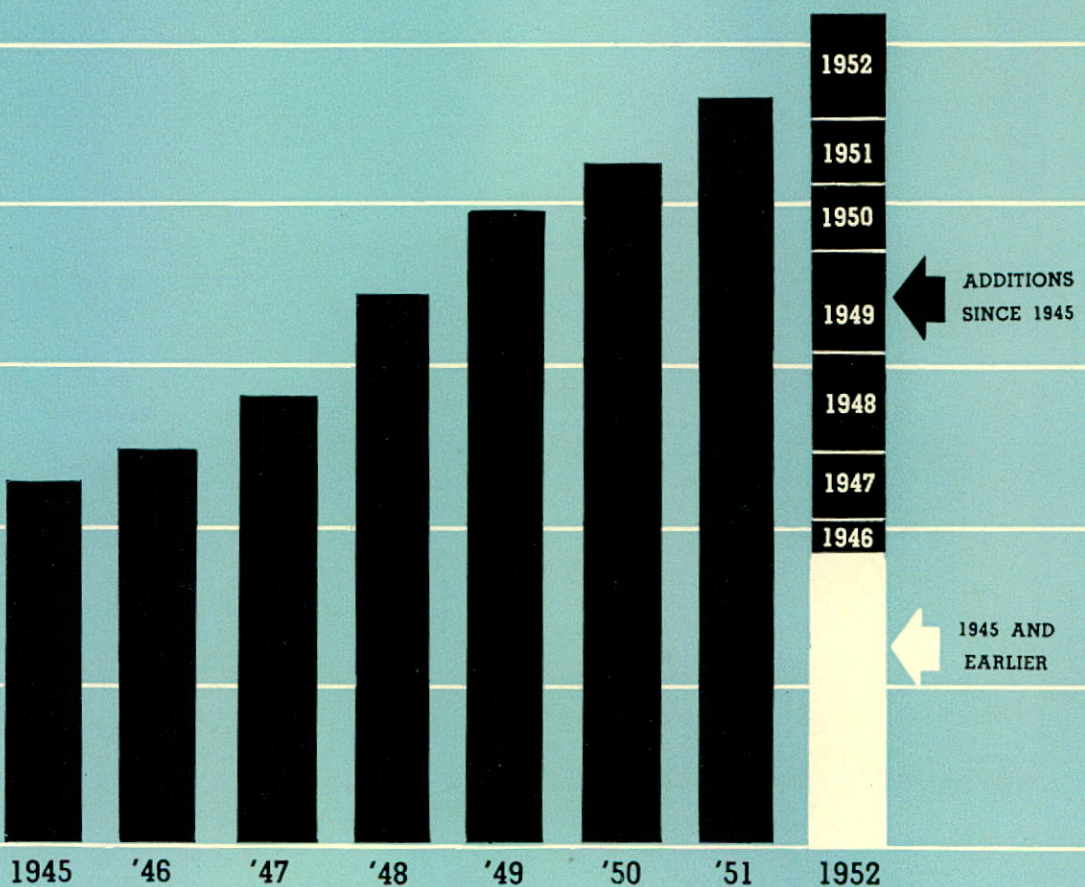
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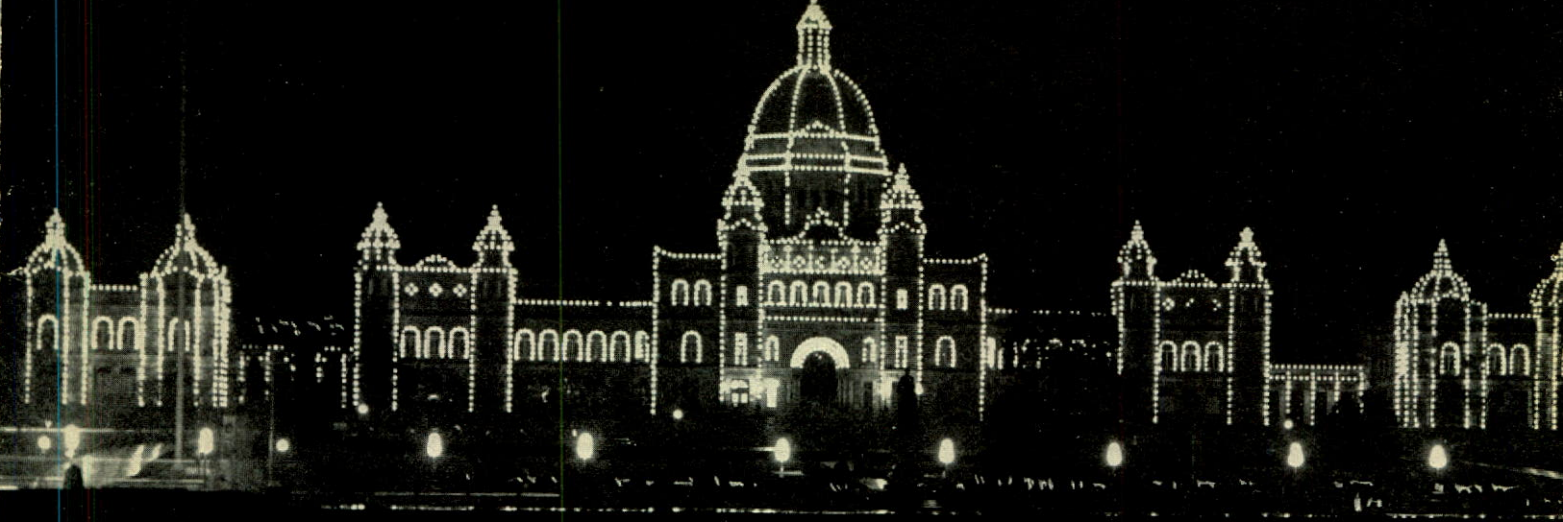
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PROPERTY AT YEAR-END ON ORIGINAL COST BASIS



Legislative Buildings, Victoria

A Remarkable Record of Growth

The accompanying chart indicates the magnitude of the Company's post-war development programme. In effect, in seven years from 1945 to 1952 a company which had shown sound, consistent growth over a period of 50 years shot up to $2\frac{1}{4}$ times its former size! Modernization has gone hand in hand with expansion. 65% of the property in service has been added since 1945.

There were two reasons for this unprecedented development. The territory served by the Company has enjoyed the most rapid growth in Canada. In the 1941-51 census period the population in the areas served by the B. C. Electric increased by 46.9% compared with an increase of 42.5% for British Columbia as a whole and with 18.6% for Canada.

At the same time, the economy of the area has changed dramatically. Until the Second World War, it was based directly and almost exclusively on great wealth of natural resources, timber and minerals, the products of fisheries, fruit ranches and farms. With skills born of wartime necessity, British Columbia has steadily developed secondary manufacturing industry

for which its increased population has created a growing market. Its primary industries have also developed their manufacturing processes; for instance pulp, plywood and wallboard in the forest products field, and vitamin oils and fertilizers in the fishing industry. Between 1939 and 1950 the net value of manufacturing industries product in British Columbia increased 364.4%.

With an increasing free world need for her ample raw materials, with climatic advantages that will continue to attract people and build greater local markets for secondary industries, with plenty of undeveloped hydro-electric power, with possibilities of large new sources of energy from natural gas, British Columbia enjoys a most favourable long-term outlook.

The Company's properties are modernized and capable of efficient, economical operation. Its systems have been redesigned to accommodate future expansion. It is in an excellent position to further, and share the benefit of, British Columbia's growing economic strength.

Vancouver Skyline

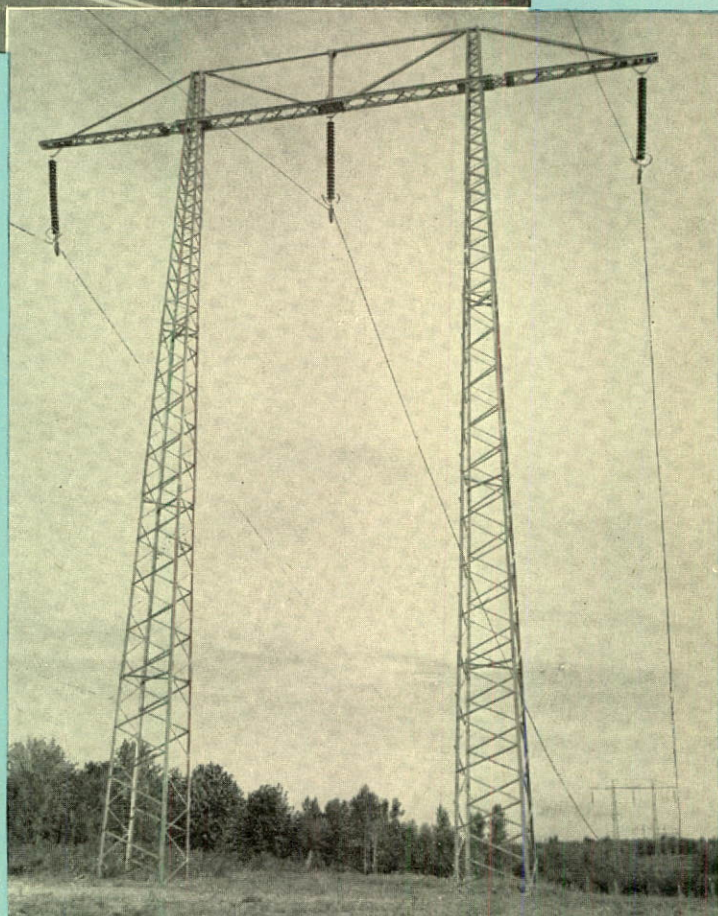




DAL GRAUER SUBSTATION nearing completion in downtown Vancouver is the latest of several large post-war installations of substation equipment in the metropolitan area.



THE SPILLWAY SECTION of the Wahleach Dam under construction. This clay-core, rock-filled structure, 1,375 ft. long and 55 ft. high will raise the lake level 40 ft.



WAHLEACH TRANSMISSION LINE is designed to operate at 345,000 volts and is the first line on this continent built for so high a voltage.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Income for the Year Ended 31 December 1952

(with comparative figures for the year ended 31 December 1951)

	1952	1951
Gross revenue from operations	\$52,689,810	\$46,880,250
<i>Deduct—</i>		
Operating expenses:		
Employment costs—		
Wages and salaries, other than executive salaries	\$17,082,487	\$16,049,107
Pension plans (Note 1)	987,075	863,151
Workmen's compensation and unemployment insurance	433,527	337,068
Other welfare and insurance plans	442,217	281,454
Legal fees and executive salaries	\$18,945,306	\$17,530,780
Directors' fees	214,781	192,045
Materials, outside services, etc.	23,525	23,235
Provision for depreciation (Note 2)	8,163,753	7,287,211
Required for Government—		
Provision for taxes on income	\$ 6,509,920	\$ 4,967,205
Property taxes	1,800,993	1,689,269
Transportation franchise expense	467,110	427,038
Water licence fees	266,049	252,276
Other charges (Note 5)	374,678	208,771
	9,418,750	7,544,559
	\$43,156,239	\$38,693,019
Operating income	\$ 9,533,571	\$ 8,182,231
<i>Add—</i>		
Net return from temporary investments	\$ 116,140	\$ 91,916
Profit through redemption of bonds at less than principal amount	108,999	15,341
	225,139	107,257
	\$ 9,758,710	\$ 8,289,488
<i>Deduct—</i>		
Interest on bond debt, less interest charged to construction \$402,414 (1951—\$140,770)	\$ 3,638,555	\$ 3,451,103
Amortization of bond refunding and issue expenses and discounts, applicable to:		
Refunded issues	80,208	80,208
Outstanding issues	220,207	168,621
	3,938,970	3,699,932
Net income for the year	\$ 5,819,740	\$ 4,589,556
<i>Deduct—</i>		
Dividends on preferred shares and stock of subsidiaries in the hands of the public:		
British Columbia Electric Company Limited	\$ 1,765,637	\$ 1,544,197
British Columbia Electric Railway Company, Limited	49,033	131,525
	1,814,670	1,675,722
Earnings for the year on Class "A" and Class "B" shares of parent company	\$ 4,005,070	\$ 2,913,834

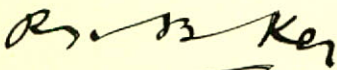
BRITISH COLUMBIA POWER
AND SUBSID

Consolidated Balance Sheet
(with comparative figures)

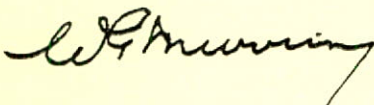
A S S E T S

	1952	1951
CURRENT AND WORKING ASSETS:		
Cash on hand and in banks	\$ 505,192	\$ 589,378
Temporary investments—		
Government of Canada bonds, at cost		3,975,000
Industrial Acceptance Corporation Limited notes (maturing at various dates of which the last is 11 May 1953), at cost (value at maturity \$7,000,000)	6,909,208	1,995,274
Sundry	37,206	
Working funds advanced to agents, conductors, etc.	249,819	179,909
British Columbia Electric Company Limited First Mortgage Bonds, at cost (quoted market value \$952,726) purchased for sinking funds and accountable at cost for this purpose	986,423	371,850
Accounts receivable and unbilled revenues, less provision for doubtful accounts	6,015,919	5,123,089
Recoverable taxes on income		1,042,804
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	5,138,958	5,992,525
Prepaid expenses	153,922	157,065
	\$ 19,996,647	\$ 19,426,894
CONSTRUCTION FUNDS:		
Amounts withdrawable from Trustee for bondholders upon certification of expenditure on additional property of 150% of amount to be withdrawn—		
Held by Trustee (Note 3):		
Traders Finance Corporation Limited and Industrial Acceptance Corporation Limited notes (maturing at various dates of which the last is 31 August 1953), at cost (value at maturity \$10,120,000)	\$ 9,948,240	\$
Cash	12,780	17,016
Receivable by Trustee on issue of Series "H" Bonds (Series "G" in 1951) (Note 4):		
\$5,050,000 less \$176,750 bond discount	4,873,250	14,175,000
	\$ 14,834,270	\$ 14,192,016
DEFERRED CHARGES:		
Advance payments on account of future contributions to retirement plans for employees' past services (Note 1)	\$ 1,044,875	\$ 1,334,200
Unamortized portion of payments made under transportation franchise agreements, and other deferred items (Note 5)	279,691	482,387
Unamortized bond refunding and issue expenses and discounts, less amounts written off:		
Applicable to refunded issues	629,009	709,217
Applicable to outstanding issues	4,459,280	4,067,811
	\$ 6,412,855	\$ 6,593,615
PROPERTY ACCOUNT (Notes 2 and 7):		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electric energy and gas, and electric railways, trolley coaches, motor coaches and buses, etc.	\$279,016,162	\$254,707,684
Less—		
Accumulated provisions for depreciation	\$ 51,301,432	\$ 49,982,970
Additional capital cost allowances (Note 2)	11,100,000	7,600,000
	\$ 62,401,432	\$ 57,582,970
	\$216,614,730	\$197,124,714
Unfinished construction	10,350,000	7,500,000
	\$226,964,730	\$204,624,714
	\$268,208,502	\$244,837,239

APPROVED ON BEHALF OF THE BOARD:



Director.



Director.

CORPORATION, LIMITED
 IARY COMPANIES

as at 31 December 1952

as at 31 December 1951)

LIABILITIES

	1952	1951
CURRENT AND ACCRUED LIABILITIES:		
Bank overdraft	\$ 963,430	\$
Notes payable to bank	507,000	.....
Accounts payable	4,867,485	5,063,533
Debenture and bond interest accrued	1,413,140	1,357,570
Dividends declared, since paid	983,475	953,337
Sinking fund payments due within one year	1,507,160	1,307,458
Provision for accidents	418,847	369,469
Taxes payable—		
Taxes on income (Note 6)	1,849,680	.....
Other taxes	362,701	306,484
Current liabilities on construction account	4,940,000	2,850,000
	<u>\$ 17,812,918</u>	<u>\$ 12,207,851</u>
BOND DEBT, less sinking fund payments due within one year:		
Per statement attached	\$132,867,907	\$119,768,754
CAPITAL STOCK OF SUBSIDIARIES HELD BY PUBLIC:		
British Columbia Electric Company Limited—		
4% Cumulative preferred shares of \$100 each (redeemable at a premium of 3%)	\$ 12,000,000	\$ 12,000,000
4¾% Cumulative preferred shares of \$100 each (redeemable at a premium of 5%)	26,413,400	26,413,400
5% Cumulative preferred shares of \$50 each (redeemable at a premium of 4%) issued in November 1952	5,000,000	.....
	<u>\$ 43,413,400</u>	<u>\$ 38,413,400</u>
British Columbia Electric Railway Company, Limited—		
5% Cumulative perpetual preference stock:		
Issued—£1,440,000 (less £1,076,679 acquired by British Columbia Electric Company Limited), at \$4.85	1,762,107	1,762,107
Minority shareholdings in another subsidiary	3,140	3,140
	<u>\$ 45,178,647</u>	<u>\$ 40,178,647</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>\$ 187,572</u>	<u>\$ 147,558</u>
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital—		
Authorized:		
1,500,000 Class "A" shares without nominal or par value entitled in each fiscal year to non-cumulative preferential dividends (when and as declared by the Board of Directors) aggregating \$2 per share and equal participation with Class "B" shares up to a further \$3 per share, redeemable at any time on resolution of Directors at \$100 per share		
1,500,000 Class "B" shares without nominal or par value		
Issued:		
1,240,000 Class "A" shares and 1,000,000 Class "B" shares issued for a total cash consideration of	\$ 65,370,000	\$ 65,370,000
General reserve (Note 2)	.....	766,565
Capital surplus (Note 2)	.....	1,070,456
Earnings employed in the business (per statement attached)	6,791,458	5,327,408
	<u>\$ 72,161,458</u>	<u>\$ 72,534,429</u>
COMMITMENTS (Note 7)	<u>\$268,208,502</u>	<u>\$244,837,239</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 1952, 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 1952 and the results of their combined operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies, the consolidated balance sheet and statements referred to having been prepared on a basis consistent with that of the preceding year.

Vancouver, B. C.,
12 March 1953.

PRICE WATERHOUSE & Co.
Auditors.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Earnings Employed in the Business

For the Year Ended 31 December 1952

(with comparative figures for the year ended 31 December 1951)

	1952	1951
As at the beginning of the year	\$ 5,327,408	\$ 4,779,298
<i>Add—</i>		
Earnings on Class "A" and Class "B" shares of parent company (per Consolidated Statement of Income for the year ended 31 December 1952)	\$ 4,005,070	\$ 2,913,834
Portion of past provisions for taxes on income deemed to be in excess of estimated requirements .....	.....	300,000
	4,005,070	3,213,834
	\$ 9,332,478	\$ 7,993,132
<i>Deduct—</i>		
Commission and expenses on issue of cumulative preferred shares of British Columbia Electric Company Limited	\$ 557,020	\$ 241,724
Provision for accrued vacation pay liability less consequent reduction in taxes on income .....	.....	440,000
	557,020	681,724
	\$ 8,775,458	\$ 7,311,408
<i>Deduct—</i>		
Dividends on Class "A" shares of parent company	1,984,000	1,984,000
As at the end of the year	\$ 6,791,458	\$ 5,327,408

Statement of Bond Debt as at 31 December 1952

(with comparative figures as at 31 December 1951)

	1952	1951
British Columbia Electric Company Limited:		
First Mortgage Bonds—		
3¼% Series "A" due 2 January 1967:		
Issued \$33,000,000, less bonds redeemed	\$ 31,146,000	\$ 31,571,000
3¼% Series "B" due 1 October 1967:		
Issued \$10,000,000, less bonds redeemed	9,435,000	9,563,000
3¾% Series "C" due 1 April 1968:		
Issued \$17,000,000, less bonds redeemed	16,281,000	16,478,000
3¾% Series "D" due 1 February 1969:		
Issued \$17,000,000, less bonds redeemed	16,472,000	16,662,000
3½% Series "E" due 1 March 1975:		
Issued \$20,000,000, less bonds redeemed	19,566,000	19,797,000
4% Series "F" due 1 July 1991:		
Issued \$3,745,800, less bonds redeemed	3,705,000	3,745,800
3¾% Series "G" due 1 December 1976, payable in United States funds:		
Issued U.S. \$20,000,000, at exchange rates prevailing on dates of issue, less bonds redeemed	19,690,171	20,179,516
4¾% Series "H" due 1 December 1977 (Note 4):		
Issued	\$9,950,000	
Sold, to be issued in 1953	5,050,000	15,000,000
	\$131,295,171	\$117,996,316
<i>Less—</i>		
Sinking fund payments due within one year, included in current and accrued liabilities	1,507,160	1,307,458
	\$129,788,011	\$116,688,858
British Columbia Electric Railway Company, Limited:		
4¼% Perpetual consolidated debenture stock—		
Issued—£2,788,170 (less £2,153,140 acquired by British Columbia Electric Company Limited), at \$4.85	3,079,896	3,079,896
	\$132,867,907	\$119,768,754

BRITISH COLUMBIA POWER CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 1952

Note 1—Pension plans:

The charge to operations of \$987,075 for employees' pension costs for the year ended 31 December 1952 was made up as follows:—

Contributory retirement plans (see A below)	
based on—	
(i) employees' past services	\$415,000
(ii) employees' current services	543,600
Payments to pensioners from general funds	
(see B below)	28,475
	\$987,075

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.

(i) Employees' past services:

The following is a summary of the payments which have been made to the Annuities Branch and the Standard Life Assurance Company on account of the plans in respect of employees' services prior to 1 October 1946, and of the arrangements for completion of such payments:—

- (1) Payments during the period from 1 January 1947 to 31 December 1952 aggregating \$3,059,875;
- (2) Payment on 12 March 1952, from the funds of a previous non-contributory pension plan in the hands of The Royal Trust Company, of an amount of \$1,922,056;
- (3) Future payments of sums aggregating approximately \$1,450,000, an obligation which the companies intend to continue to liquidate by annual instalments.

The amount of \$1,044,875 recorded in the attached consolidated balance sheet as a deferred charge represents the payments mentioned in (1) above, less charges to operations for the years indicated as follows:

- (a) 1947 to 1950 inclusive: at the rate of \$340,000 per annum;
- (b) 1951: \$240,000;
- (c) 1952: \$415,000.

The companies will continue to write off to operations the deferred charge of \$1,044,875, together with the aggregate future payments of \$1,450,000 mentioned in (3) above; the companies' present plan is to complete the amortization by not later than 1964.

(ii) Employees' current services:

The companies have made payments currently to the Annuities Branch and the Standard Life Assurance Company for the pension plans in respect of services rendered by employees subsequent to 1 October 1946. The amount paid or provided on this account for the year ended 31 December 1952 was \$543,600.

B. Payments to pensioners from general funds:

The balance of the funds of the previous non-contributory plan (see A (i) (2) above), consisting of securities and cash having a total book value of approximately \$1,650,000, has been retained by The Royal Trust Company to enable it to discharge

the obligations to pay pensions to the employees who retired under the non-contributory plan, which prior to March 1952 were paid by the companies. British Columbia Electric Railway Company, Limited has given The Royal Trust Company a covenant of indemnity in respect of any deficiency of these funds in the ultimate settlement of such pensions. For the period of two months prior to the establishment of the foregoing arrangements the companies paid these pensions from general funds, and they also continued through the year the payment of a few pensions for which no provision had been made in the pension funds; the total of these payments amounted to \$28,475 which was charged to operations for the year.

C. New trustee contributory pension plan:

On page 9 of the accompanying report of the Directors, reference is made to a new pension plan which is proposed to become effective in 1953.

Note 2—Property account:

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 date of acquisition. The original cost of the properties to the companies includes interest during construction in respect of large long-term construction projects, a portion of administrative and general expenses (calculated in recent years at 4% of the direct expenditures on property account), and discount of \$728,671 on bonds issued in 1930.

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, including unfinished construction, amounted at 31 December 1952 to approximately \$261,000,000; to this should be added 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 \$269,000,000 before deducting provision 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.

The accumulated provisions for depreciation were found adequate for rate-making purposes by the Commission as at 30 June 1939 and since that date the annual provisions for depreciation recorded in the accounts have been calculated, at rates fixed by the Public Utilities Commission, on sums based on the gross property valuation made by the Commission. The accumulated provisions presently established for the purposes of the Commission, together with reserves applicable to properties not valued by the Commission, amounted at 31 December 1952 to approximately \$49,000,000. As in 1951, for the year 1952 the companies recorded additional capital cost allowances (depreciation) permitted to them by the regulations under the Income Tax Act over and above the depreciation provided on the basis described earlier in this paragraph. The amounts recorded in respect of such additional capital cost allowances for 1952 were determined by the balances of capital surplus and general reserve accounts which were available for absorption

of the charge after making allowances for the estimated savings of taxes on income thereby yielded, and aggregated \$3,500,000, as shown by the following table:—

Excess of capital cost allowances claimed for 1952 over normal annual provision for depreciation charged to operations for the year	\$3,500,000
<i>Less—</i>	
Estimated saving of taxes on income (applied in the accompanying balance sheet in reduction of taxes payable)	1,662,979
	<u>\$1,837,021</u>

Charged to:

(1) Balance of capital surplus arising from the acquisition of debenture and preference stocks of British Columbia Electric Railway Company, Limited in 1951	\$1,070,456
(2) General reserves of the companies	766,565
	<u>\$1,837,021</u>

The additional capital cost allowances for 1952 have been added to those recorded in 1951 and established in an account separate from the accumulated provisions for depreciation, as shown in the accompanying consolidated balance sheet.

Note 3—Construction funds:

Of the amounts shown in the accompanying consolidated balance sheet as held by the Trustee for the bondholders, approximately \$7,600,000 was released on 3 February 1953 upon certification of expenditures on property made prior to 30 November 1952.

Note 4—British Columbia Electric Company Limited

4¾% Series "H" Bonds:

By agreement made on 18 November 1952, British Columbia Electric Company Limited sold \$15,000,000 principal amount of

First Mortgage Bonds, 4¾% Series "H". \$9,950,000 principal amount of these bonds were issued on 16 December 1952, and the remaining bonds are to be delivered and taken up by 1 October 1953. \$2,300,000 principal amount of bonds were issued on 5 February 1953.

The \$5,050,000 bonds sold but unissued as at 31 December 1952 have been recorded in the accompanying accounts as at that date, and are included in the statement of bond debt and per contra as an account receivable by the Trustee for the bondholders (less \$176,750 bond discount which has been charged to unamortized bond refunding and issue expenses).

In respect of the bonds delivered after 16 December 1952, British Columbia Electric Company Limited is to pay a standby charge at the rate of 1% per annum of the principal amount, calculated from 16 December 1952 to the various dates of delivery.

Note 5—Payments to Fraser Valley municipalities:

In September 1950, British Columbia Electric Railway Company, Limited entered into agreements with the municipalities concerned, under which (among other things) they consented to the discontinuance by the Railway Company of interurban railway passenger service in the Fraser Valley and the Railway Company agreed to pay sums aggregating \$220,000 to the municipalities. For the years 1950 and 1951 charges were made to operations in amortization of these payments at the rate of \$22,000 per annum. In 1952 the unamortized balance of \$192,500 was written off by a charge to operations for the year.

Note 6—Taxes on income:

The returns for taxes on income of all companies have been assessed up to and including the year 1949. The returns for the years 1950 and 1951 have been reviewed, although not finally assessed, by the taxation authorities. The provisions made in those years and in 1952 are considered adequate.

Note 7—Commitments:

As at 31 December 1952, commitments of the companies for capital projects and inventories aggregated approximately \$5,700,000.

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 1952*

(with comparative figures for the year ended 31 December 1951)

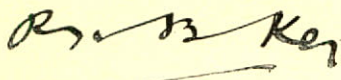
	1952	1951
Net income for the year (per Consolidated Statement of Income of British Columbia Power Corporation, Limited and subsidiary companies)	\$ 5,819,740	\$ 4,589,556
<i>Add back—</i>		
Net expenses of British Columbia Power Corporation, Limited	57,257	60,432
Net income for the year of British Columbia Electric Company Limited and subsidiary companies	\$ 5,876,997	\$ 4,649,988
<i>Deduct—</i>		
Dividends on preference stock of subsidiary:		
British Columbia Electric Railway Company, Limited—5% cumulative perpetual preference stock	49,033	131,525
Balance of income	\$ 5,827,964	\$ 4,518,463
<i>Add—</i>		
Earnings employed in the business as at the beginning of the year	\$ 5,063,858	\$ 4,540,497
Portion of past provisions for taxes on income deemed to be in excess of estimated requirements		274,819
	5,063,858	4,815,316
	\$10,891,822	\$ 9,333,779
<i>Deduct—</i>		
Commission and expenses on issue of cumulative preferred shares	\$ 557,020	\$ 241,724
Provision for accrued vacation pay liability less consequent reduction in taxes on income		440,000
	557,020	681,724
	\$10,334,802	\$ 8,652,055
<i>Deduct—</i>		
Dividends:		
Cumulative preferred shares—		
4%	\$ 480,000	\$ 480,000
4¾%	1,254,637	1,064,197
5%	31,000	
Class "A" and Class "B" shares (all owned by British Columbia Power Corporation, Limited)	2,044,000	2,044,000
	3,809,637	3,588,197
Earnings employed in the business as at the end of the year	\$ 6,525,165	\$ 5,063,858

Consolidated Balance Sheet
(with comparative figures)

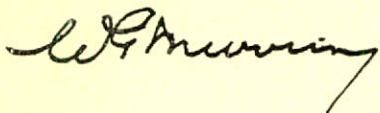
ASSETS

	1952	1951
CURRENT AND WORKING ASSETS:		
Cash on hand and in banks	\$ 505,192	\$ 589,378
Temporary investments—		
Government of Canada bonds, at cost		3,975,000
Industrial Acceptance Corporation Limited notes (maturing at various dates of which the last is 11 May 1953), at cost (value at maturity \$7,000,000)	6,909,208	1,995,274
Sundry	37,206	
Working funds advanced to agents, conductors, etc.	249,819	179,909
British Columbia Electric Company Limited First Mortgage Bonds, at cost (quoted market value \$952,726) purchased for sinking funds and accountable at cost for this purpose	986,423	371,850
Accounts receivable and unbilled revenues, less provision for doubtful accounts	6,015,919	5,123,089
Recoverable taxes on income		1,042,804
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	5,138,958	5,992,525
Prepaid expenses	153,922	153,256
	\$ 19,996,647	\$ 19,423,085
CONSTRUCTION FUNDS:		
Amounts withdrawable from Trustee for bondholders upon certification of expenditure on additional property of 150% of amount to be withdrawn—		
Held by Trustee (Note 3):		
Traders Finance Corporation Limited and Industrial Acceptance Corporation Limited notes (maturing at various dates of which the last is 31 August 1953), at cost (value at maturity \$10,120,000)	\$ 9,948,240	\$
Cash	12,780	17,016
Receivable by Trustee on issue of Series "H" Bonds (Series "G" in 1951) (Note 4):		
\$5,050,000 less \$176,750 bond discount	4,873,250	14,175,000
	\$ 14,834,270	\$ 14,192,016
DEFERRED CHARGES:		
Advance payments on account of future contributions to pension plans for employees' past services (Note 1)	\$ 1,044,875	\$ 1,334,200
Unamortized portion of payments made under transportation franchise agreements, and other deferred items (Note 5)	279,691	482,387
Unamortized bond refunding and issue expenses and discounts, less amounts written off:		
Applicable to refunded issues	141,727	161,503
Applicable to outstanding issues	4,459,280	4,067,811
	\$ 5,925,573	\$ 6,045,901
PROPERTY ACCOUNT (Notes 2 and 7):		
Lands, franchises, water rights, plants for the generation, transmission and distribution of electric energy and gas, and electric railways, trolley coaches, motor coaches and buses, etc.	\$279,016,162	\$254,707,684
Less—		
Accumulated provisions for depreciation	\$ 51,301,432	\$ 49,982,970
Additional capital cost allowances (Note 2)	11,100,000	7,600,000
	\$ 62,401,432	\$ 57,582,970
	\$216,614,730	\$197,124,714
Unfinished construction	10,350,000	7,500,000
	\$226,964,730	\$204,624,714
	\$267,721,220	\$244,285,716

APPROVED ON BEHALF OF THE BOARD:



Director.



Director.

The statement of bond debt and the explanatory notes, which supplement the accompanying consolidated financial statements of British Columbia Power Corporation, Limited and subsidiary companies as at 31 December 1952, supplement equally and should be read in conjunction with the consolidated financial statements of British Columbia Electric Company Limited and subsidiary companies.

TRIC COMPANY LIMITED
Columbia Power Corporation, Limited)

LIABILITIES

as at 31 December 1952

as at 31 December 1951)

	1952	1951
CURRENT AND ACCRUED LIABILITIES:		
Bank overdraft	\$ 963,430	\$
Notes payable to bank	507,000	.....
Accounts payable	4,853,995	5,063,188
Debenture and bond interest accrued	1,413,140	1,357,570
Dividends declared, since paid	487,475	457,337
Amount owing to parent company, British Columbia Power Corporation, Limited	1,140,601	1,058,372
Sinking fund payments due within one year	1,507,160	1,307,458
Provision for accidents	418,847	369,469
Taxes payable—		
Taxes on income (Note 6)	1,847,580	.....
Other taxes	362,701	306,484
Current liabilities on construction account	4,940,000	2,850,000
	\$ 18,441,929	\$ 12,769,878
BOND DEBT, less sinking fund payments due within one year:		
Per statement attached	\$132,867,907	\$119,768,754
CAPITAL STOCK OF SUBSIDIARIES HELD BY PUBLIC:		
British Columbia Electric Railway Company, Limited—		
5% Cumulative perpetual preference stock:		
Issued—£1,440,000 (less £1,076,679 acquired by British Columbia Electric Company Limited), at \$4.85	\$ 1,762,107	\$ 1,762,107
Minority shareholdings in another subsidiary	3,140	3,140
	\$ 1,765,247	\$ 1,765,247
CONTRIBUTIONS IN AID OF CONSTRUCTION		
	\$ 187,572	\$ 147,558
CAPITAL AND EARNINGS EMPLOYED IN THE BUSINESS:		
Share capital—		
Authorized:		
550,000 Preferred shares of \$100 each		
100,000 Preferred shares of \$ 50 each		
Note: By amendment to the Company's Memorandum of Association effective 23 October 1952, the authorized preferred share capital was changed to the above from 600,000 shares of \$100 each.		
1,500,000 Class "A" shares of no par value		
1,500,000 Class "B" shares of no par value		
Issued and paid up:		
4% Cumulative preferred shares of \$100 each (redeemable at a premium of 3%)—120,000 shares	\$ 12,000,000	\$ 12,000,000
4¾% Cumulative preferred shares of \$100 each (redeemable at a premium of 5%)—264,134 shares	26,413,400	26,413,400
5% Cumulative preferred shares of \$50 each (redeemable at a premium of 4%)—		
100,000 shares (issued in November 1952)	5,000,000	.....
1,240,000 Class "A" shares of no par value and		
1,000,000 Class "B" shares of no par value	64,520,000	64,520,000
	\$107,933,400	\$102,933,400
General reserve (Note 2)		766,565
Capital surplus (Note 2)		1,070,456
Earnings employed in the business (per statement attached)	6,525,165	5,063,858
	\$114,458,565	\$109,834,279
COMMITMENTS (Note 7)		
	\$267,721,220	\$244,285,716

**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 1952, 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 1952 and the results of their combined operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies, the consolidated balance sheet and statement referred to having been prepared on a basis consistent with that of the preceding year.

Vancouver, B. C.,
12 March 1953.

PRICE WATERHOUSE & Co.,
Auditors.

STATISTICS OF COMBINED COMPANIES

	1939 (1)		1948		1949		1950		1951		1952	
	Millions of dollars	% of total	Millions of dollars	% of total	Millions of dollars	% of total	Millions of dollars	% of total	Millions of dollars	% of total	Millions of dollars	% of total
REVENUE AND ITS DISPOSITION												
Gross revenue from operations	15.40		36.91		39.63		43.02		46.88		52.69	
Other revenue, including income from investments .....	.04		.12		.15		.18		.11		.22	
Total revenue	15.44		37.03		39.78		43.20		46.99		52.91	
Disposition of revenue												
employment costs (wages, salaries, pensions, etc.)	5.95	39	16.89	46	17.00	43	18.02	42	17.71	38	19.13	36
materials and services	1.42	9	7.49	20	7.40	18	6.70	15	7.33	15	8.21	16
required for government (2)	1.75	11	3.81	10	4.43	11	5.48	13	7.54 (3)	16	9.42 (3)	18
wear and exhaustion of property	1.93	13	3.41	9	4.73	12	5.51	13	6.12 (3)	13	6.39 (3)	12
interest and other costs on bonds and debentures	1.69	11	2.03	6	2.81	7	3.56	8	3.70	8	3.94	7
dividends on preferred stock .....	.65	4	.80	2	1.10	3	1.33	3	1.68	4	1.82	3
dividends on "A" shares	2.00	13	1.60	4	1.70	4	1.98	5	1.98	4	1.98	4
retained and invested in the business .....	.05		1.00	3	.61	2	.62	1	.93	2	2.02	4
Operating income	4.35		5.31		6.07		7.31		8.18		9.53	
Operating income as a percentage of gross revenue from operations	28.26		14.40		15.32		16.99		17.45		18.09	
(1) Fiscal year ended 30 June.												
(2) Excludes sales taxes and custom duties on materials purchased, as well as sales tax on electricity and gas sold (collected from customers on behalf of government). These amounted to about \$2.5 million in 1952.												
(3) Before additional capital cost allowances and resultant income tax reduction.												

STATISTICS OF COMBINED COMPANIES

	1939	1943	1947	1949	1951	1952
ELECTRIC						
Generating capacity (rated K.W. in thousands) (1)						
Mainland system	193.6	193.6	193.6	313.6	377.8	437.8
Vancouver Island system	30.2	30.2	38.2	38.2	38.2	38.2
Peak one-hour demand (k.w. in thousands)						
Mainland system	117.0	152.6	219.0	(2) 318.0	(2) 403.8	(2) 411.6
Vancouver Island system	21.9	30.2	38.6	43.3	51.7	56.4
Meters on line at year-end (in thousands)	143.4	161.1	193.9	219.8	238.8	245.6
Kilowatt hours sold (in millions)	453.2	595.3	815.9	1,104.8	1,512.5	1,652.7
Proportionate sales by class of customer—						
Residential	25.5%	23.3%	29.8%	31.8%	32.6%	33.5%
Other systems—						
domestic (largely residential)	5.9%	4.4%	5.2%	6.0%	4.0%	2.5%
Commercial and street lighting	23.0%	17.4%	21.3%	18.2%	17.4%	17.6%
Industrial	45.6%	54.9%	43.7%	35.9%	33.6%	34.4%
Other systems—export .....	.....%	.....%	.....%	8.1%	12.4%	12.0%
Average annual consumption per residential customer (in kilowatt-hours)	985	1,051	1,548	1,977	2,523	2,734
Average selling price per residential kilowatt-hour (in cents)	2.57	2.40	2.23	1.99	2.19	2.37
<p>(1) Excluding electricity available from other systems, and furthermore with favourable conditions rated capacity can be and has been exceeded on occasion.</p> <p>(2) Including exported at time of peak demand, 39.0 thousands of k.w. in 1949, 60.0 thousands of k.w. in 1951 and 60.0 thousands of k.w. in 1952.</p>						
GAS						
Manufacturing cap. (cu. ft. per day in millions)						
Greater Vancouver	9.1	9.9	13.9	17.4	20.3	20.5
Greater Victoria	1.1	1.6	2.2	2.7	4.5	5.5
Peak one-day output (cubic feet in millions)						
Greater Vancouver	5.6	9.1	12.4	12.7	13.5	13.0
Greater Victoria	0.8	1.4	1.7	2.3	2.4	2.1
Meters on line at year-end (in thousands)	52.2	58.9	63.8	67.3	69.4	69.9
Gas sold (cubic feet in millions)	1,407	2,279	2,933	3,386	3,493	3,648
TRANSPORTATION						
Vehicles in operation at year-end—						
Urban—street cars	349	352	348	225	118	85
gas buses	56	88	317	381	356	347
trolley coaches .....	.....	.....	42	168	311	311
total	405	440	707	774	785	743
Interurban rail passenger cars	69	69	69	69	54	54
Interurban buses	36	40	107	105	95	95
Revenue miles run—urban (in millions)	14.8	18.6	22.4	27.0	25.1	24.1
Passengers carried (in millions)—						
Urban	67.4	121.5	145.8	135.1	120.5	114.1
Interurban rail	5.3	10.1	9.9	8.2	6.0	5.3
Interurban bus	1.2	2.1	5.6	5.4	4.9	4.5
Passenger revenue per mile—urban (in cents)	27.7	39.6	38.7	43.3	45.6	51.5
Rail freight (tons in thousands)	307	890	724	953	1,127	1,127
NUMBER OF EMPLOYEES AT YEAR-END	3,784	4,625	6,000	5,977	5,417	5,324

LIST OF SHAREHOLDERS HAVING FUNDS IN UNCLAIMED DIVIDEND ACCOUNT

The following shareholders, whose present addresses are unknown to the Company, have money representing unclaimed dividends due them. If you can supply any information about any of them would you please write to the Montreal Trust Company, 466 Howe Street, Vancouver 1, B. C.

BRITISH COLUMBIA POWER CORPORATION, LIMITED CLASS "A" SHAREHOLDERS

Mrs. Mary Harriett Archibald, Sudbury, Ontario	Mme. Yolande Bienvenue Herminie Leontine De Neufville, Cognac, France	Miss Sarah Pitcher, Hastings-on-Hudson, New York
Paul Marie Gustave Boigues, Paris, France	Mrs. Elizabeth Fielden, Victoria, B. C.	Alphonse Ratte, St. Pascal, P.Q.
Jules Bouchat, A Bouvignes Les Dinant, Belgium	Christian Walter Haesler, Prince Albert, Sask.	John Shaw, St. Anne's-on-Sea, England
James M. Burgess, Vancouver, B. C.	James Hodge, Montreal, P.Q.	Abram Smofsky, Miami, Florida
Miss J. Etta Carpenter, Montreal, P.Q.	E. F. Knox, Toronto, Ontario	Vernon Roy Taylor, Timmins, Ontario
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Abraham Cohen, Montreal, P.Q.	J. L. Maynard, Montreal, P.Q.	J. Arthur Trudeau, Montreal, P.Q.
Claude Davidson, Vancouver, B. C.	Henri Moray, Herstal, Belgium	Constank Volery, Victoria, B. C.
Sydney Edward Davies, Philip S. Davies, Wallasey, England	Honore Desire Pin, Seine, France	

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED 4% PREFERRED SHAREHOLDERS

Mrs. Agnes Avison, Toronto, Ontario	Hedley A. Matthews and Peter J. S. Mackenzie, former address unknown.	Mrs. Bessie Robertson, Chilliwack, B. C.
Mrs. Mary Grace Cooke, Sooke, B. C.	Mrs. Marie Louise McDonald, Victoria, B. C.	Miss Henrietta A. Shipley, White Rock, B. C.
Mrs. Alice Hicks, Vancouver, B. C.	Miss Helen Georgina Reid, Fort Langley, B. C.	Charles Richard Speers, Vancouver, B. C.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED 4¼% PREFERRED SHAREHOLDERS

Thomas Aitken, Vancouver, B. C.	Mrs. Eleanor Jenkins, Tranquille, B. C.	Agnes Morelle, Lulu Island, B. C.
Mrs. Jeannie L. Cockburn, Vancouver, B. C.	Miss Minnie McFatrige, Halifax, N. S.	Mrs. Lois Prince, Vancouver, B. C.
Mrs. Jean M. Dickson, Vancouver, B. C.	Mrs. Hetty Ella Moody, Brentwood, B. C.	

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SEVERE GODIN	J. G. ROBSON
A. E. GRAUER	P. A. THOMSON
C. L. GUNDY	J. L. TRUMBULL, C.B.E.
ANDREW P. HOLT	J. B. WOODYATT

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LORN McLEAN	VICE-PRES. & TREASURER
A. B. ROBERTSON, Q.C.	VICE-PRESIDENT
J. A. BRICE	SECRETARY
G. G. WOODWARD	ASSISTANT SECRETARY

THE ROYAL BANK OF CANADA	BANKERS	THE ROYAL TRUST COMPANY	REGISTRAR
MONTREAL TRUST COMPANY	TRANSFER AGENT	PRICE WATERHOUSE & CO.	AUDITORS

HEAD OFFICE OF THE CORPORATION:

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

