

1948

annual report

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british columbia power corporation, limited

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B. C. Electric's

Greatest Year of Construction

1948 JUNE 1948						
Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.



1948 JULY 1948						
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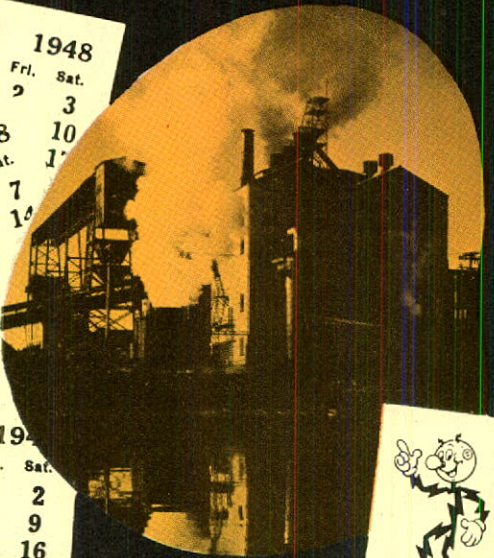
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1948 OCTOBER 1948						
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1948 NOVEMBER 1948						
Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.

1948 DECEMBER 1948						
Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.



January:

New bus services in Vancouver.

February:

Chilliwack substation completed.

April:

Kidd substation completed.

May:

Surrey substation completed.

June:

Horne-Payne substation commenced.

July:

Conversion from street-cars to buses in Victoria completed.

August:

Trolley coach service and new bus services in Vancouver commenced. Oakridge Transit Centre opened. Scotia substation completed.

October:

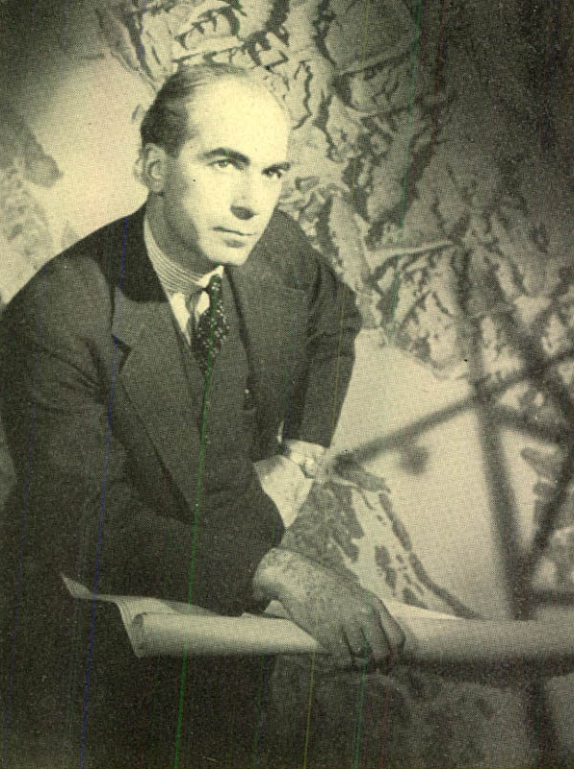
First 62,000 h.p. unit of Bridge River Hydro Electric Development placed in operation.

November:

New bus service garage in Victoria completed.

December:

Balfour substation in Langley completed. New gas plants in Vancouver and Victoria, new holder in New Westminster completed.



1948

1948 and the immediately following years may, in broad terms, be described as follows:

1948 was the great year of construction which saw the Companies' vast post-war program for improved and extended services reach a level of activity far ahead of anything in their previous history.

1949 will be the year of fruition, when our consumers will see the bulk of the program of construction come into actual production.

1950 will be the year of completion, when the finishing touches will be put on the post-war program which was originally scheduled for ten years.

The size and tempo of this program may be gauged by the fact that from 1945 when the financing of the post-war program began until February, 1949, it required the raising of just short of \$70,000,000 of new money. The successful completion of this financing is the finest possible indication of the confidence of the investing public both in the Companies as such and in the future of the splendid areas they serve.

A. E. Graves
President.

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B. C. Electric's

Greatest Year of Construction

1948

1948 JUNE 1948						
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Rushed to completion eight months ahead of schedule, the first 62,000 h.p. unit of Bridge River Hydro Electric Development was officially opened in October, 1948, and commenced delivering energy to the Greater Vancouver metropolitan area. Two more units of the same capacity will be added in 1949. Ultimate capacity, 10 units.



At the official opening on October 23, 1948, the first unit at Bridge River was dedicated by The Very Reverend Cecil Swanson, D.D. (left to right) A. E. Grauer, Geoffrey M. Downton, Dean Swanson, Thomas Ingledow, The Honorable Herbert Anscomb, Acting Premier, Province of British Columbia.



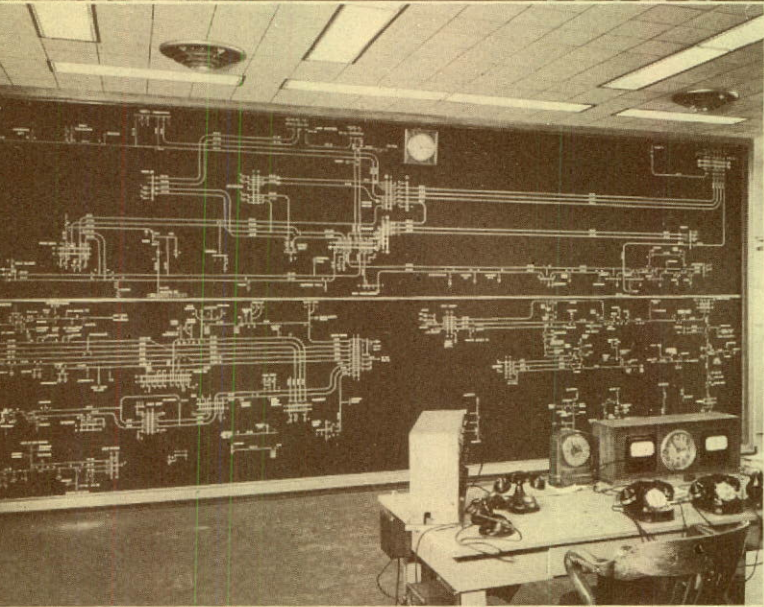
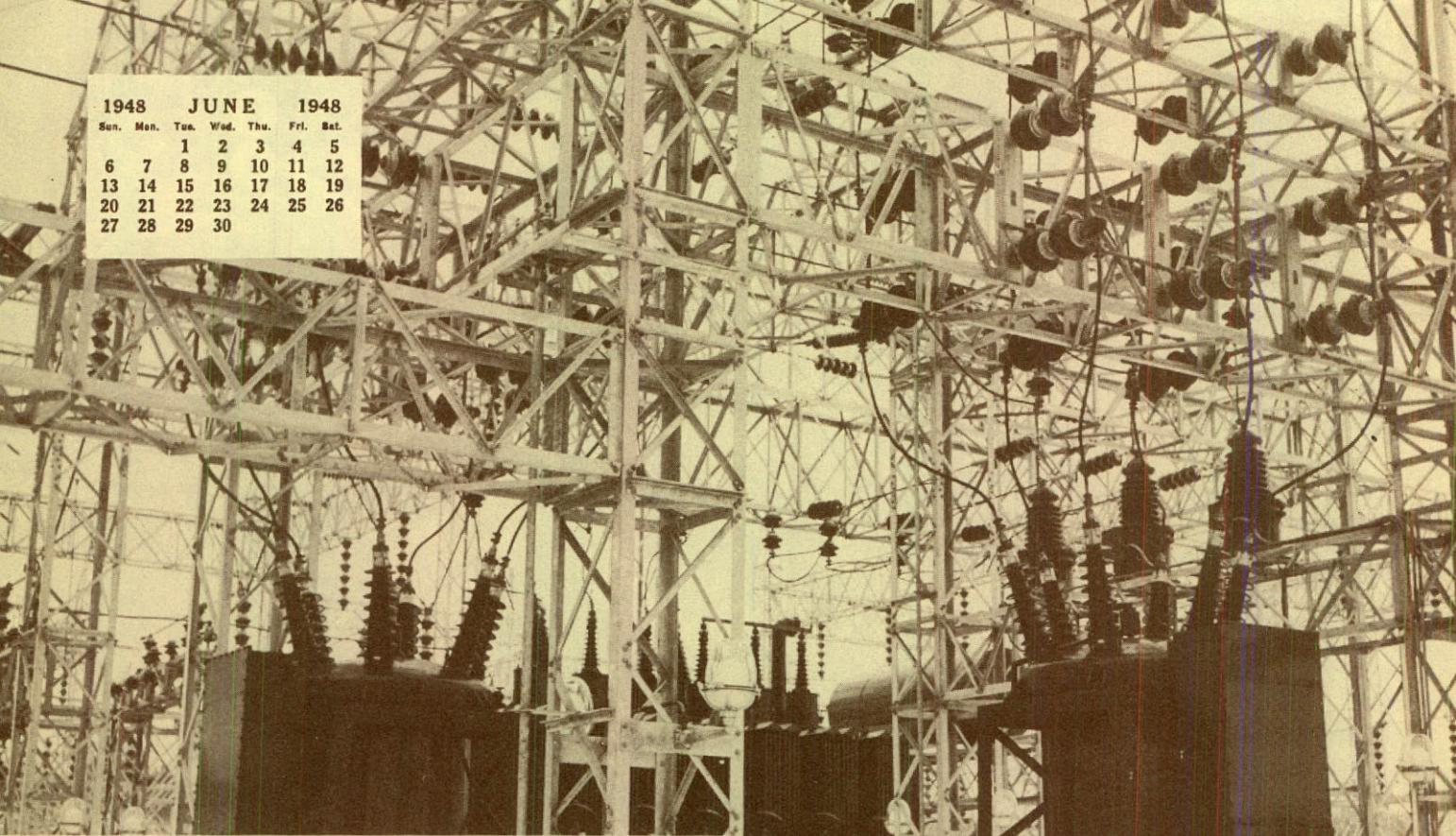
KEY FOR MAP:

- 1. Lajoie Falls storage dam on Bridge River.
- 2. Diversion dam on Bridge River.
- 3. Generating station on Seton Lake.
- 4. Transmission line to Vancouver.
- 5. Buntzen generating stations.
- 6. Alouette generating station.
- 7. Stave Falls generating station.
- 8. Ruskin generating station.
- 9. Northwest Power Pool interconnection.
- 10. Jordan River generating station.
- 11. Goldstream generating station.
- 12. Interconnection with B.C. Power Commission system.

This relief map shows the rugged character of B. C.'s hinterland, and the location of the Lower Mainland and Vancouver Island hydro-electric developments of the company.

1948 JUNE 1948

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Receiving station for power from Bridge River, Horne-Payne substation in Burnaby was commenced in June. It is part of a giant ring system of substations built, under construction or planned to girdle the Greater Vancouver metropolitan area. Interconnected with double 60,000-volt circuits, they will be fed with power from several sources and will provide a safeguard against interruptions in service.

Nerve centre of the electrical system is the Load Control Headquarters in Vancouver. The huge wall diagram indicates at all times which circuits are open, and which switches should be opened or closed to relieve trouble on any circuit.

A central "trouble office", staffed 24 hours a day, provides quick action for customers who report interference with electrical or gas service.

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Swift, silent trolley coaches were placed in service in Vancouver on August 16, 1948, marking another forward step in the rapid modernization of the city's transportation system. At the end of the year 353 gasoline buses, 82 trolley coaches, 100 highway buses, 326 street cars and 66 interurban passenger cars were in service on the company's transportation operations. 118 new vehicles are scheduled for delivery in 1949.

To further the job-security of employees, training programmes enabled employees to acquire new skills necessitated by the conversion from street car to bus and trolley coach operation.

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Oakridge Transit Centre, 14-acre bus and trolley coach servicing, maintenance, parking and administration headquarters in Vancouver was officially opened August 16, 1948. Administration Building is pictured at left.

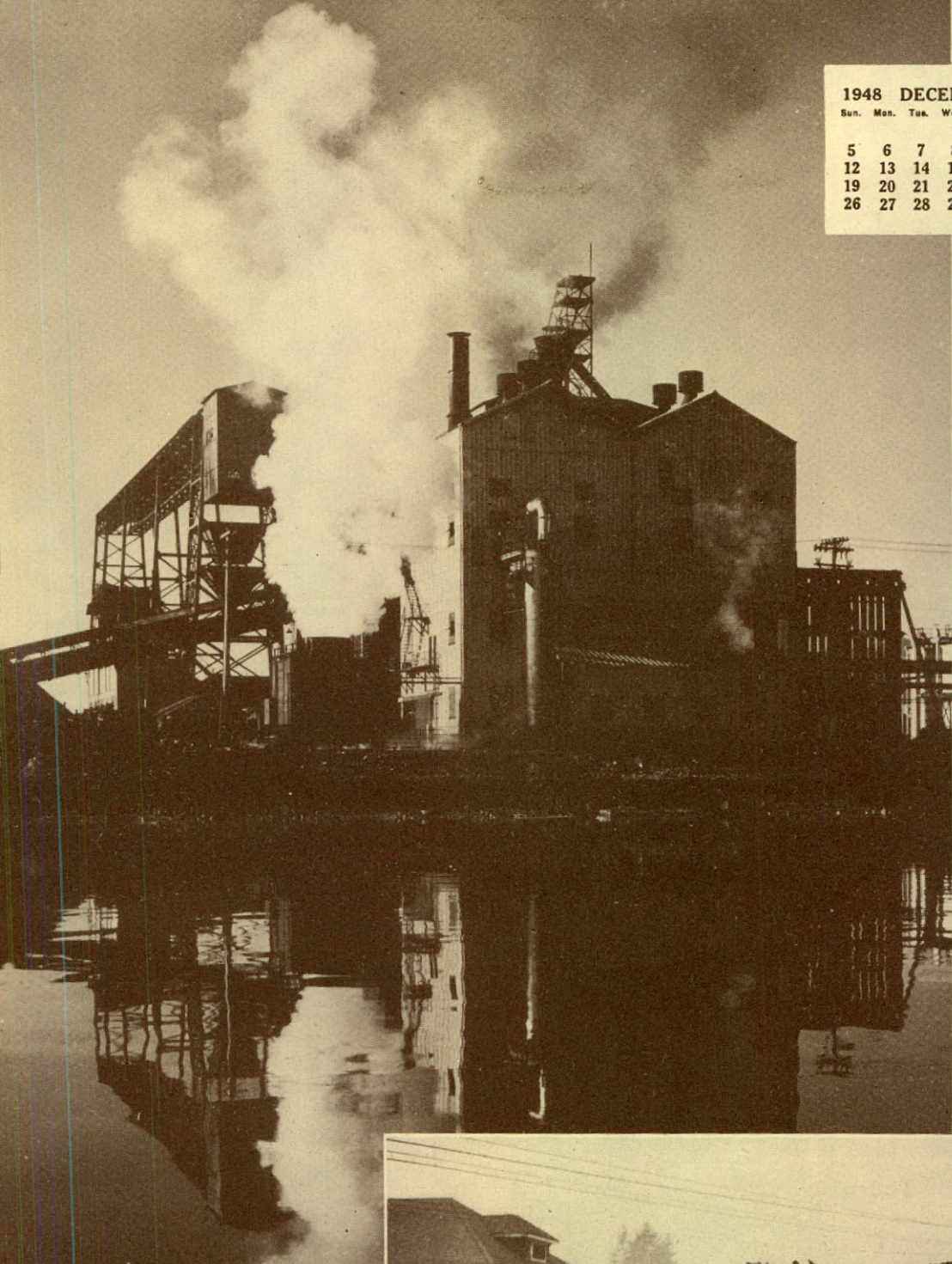


To provide for the servicing of the new buses, Victoria's Carbally Road garage was completed in 1948. Victoria's last street car run took place July 3, 1948. On that date conversion to a modern all-bus service was completed. The cities and municipalities of New Westminster, North Vancouver, Burnaby and Richmond, also served by the company, have completely modern bus systems.



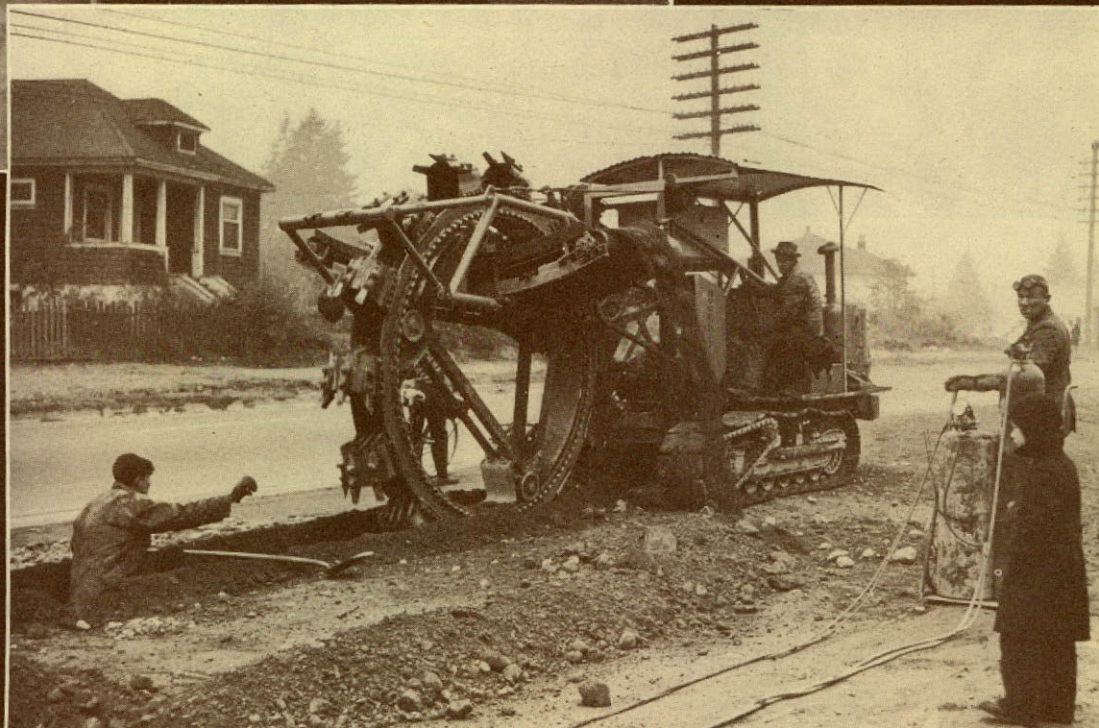
1948 DECEMBER 1948

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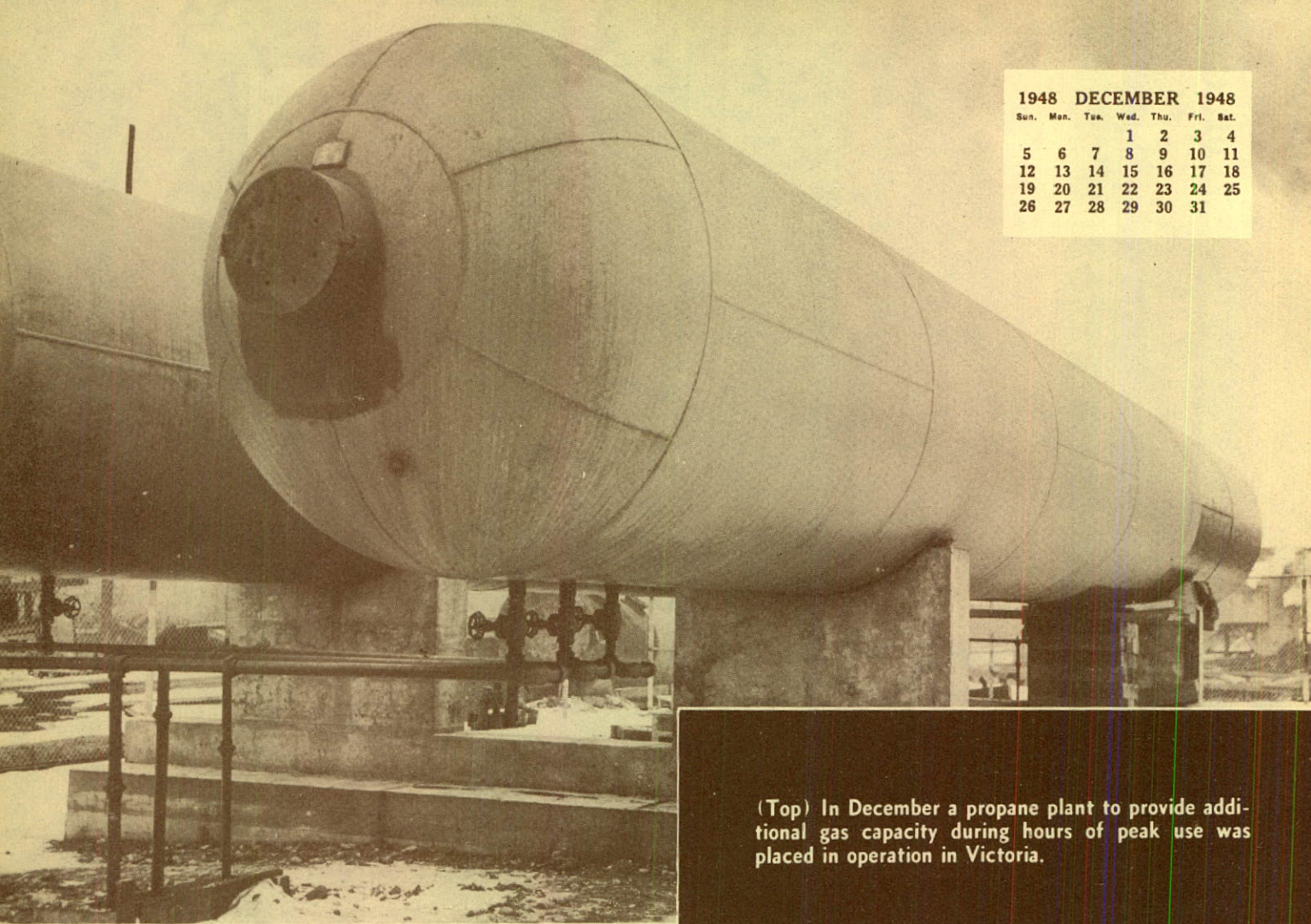
The second unit of Vancouver's new carburetted water gas plant (daily capacity, 4,500,000 cu. ft.) was placed in operation in December, 1948.

To bring gas service to new residential developments and to new customers (2,564 were added during the year), 120,000 feet of new mains were laid. Mechanical trench-digging equipment and extra work crews were added to prepare for a program of laying over 200,000 feet in 1949.

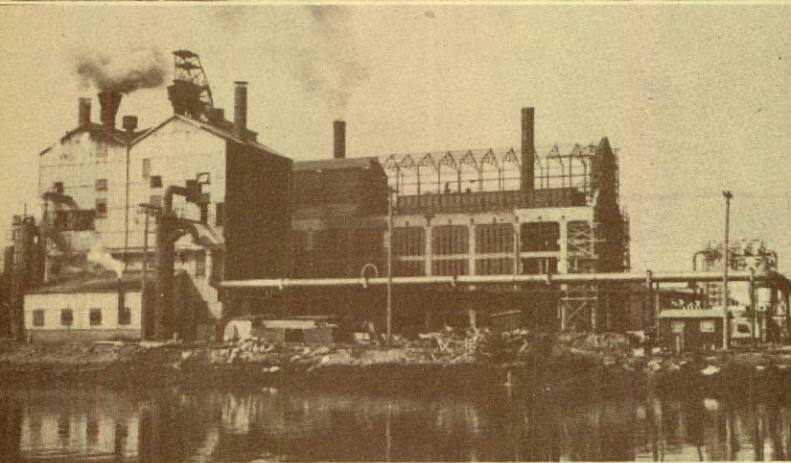


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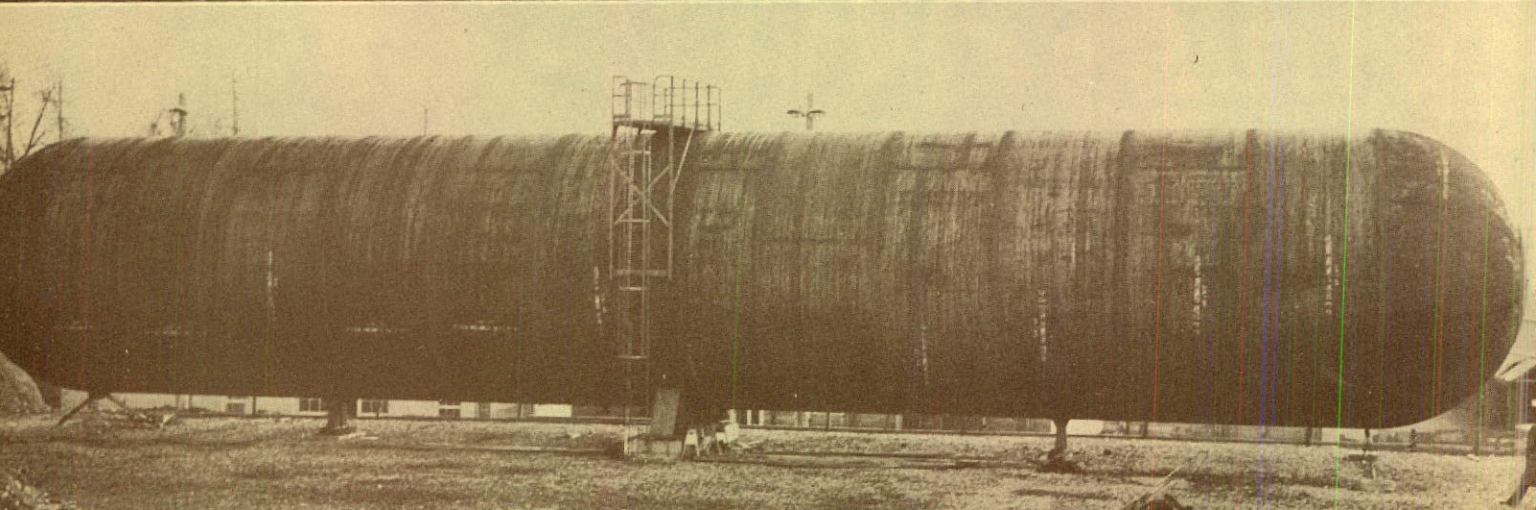


(Top) In December a propane plant to provide additional gas capacity during hours of peak use was placed in operation in Victoria.



(Left) Work was advanced during the year on the rebuilding of 12, and the construction of an additional 12 coke ovens in the Vancouver Carrall Street gas works, to provide additional gas capacity and to furnish coke for the operation of the water gas units.

(Below) A new high-pressure gas holder installed during the year at New Westminster.



the board of directors of
british columbia power corporation, limited
presents its report for the year

1948

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

directors

E. RONALD CRAMMOND	R. H. B. KER
G. T. CUNNINGHAM	W. G. MURRIN
SYDNEY G. DOBSON	A. J. NESBITT
SEVERE GODIN	J. G. ROBSON
A. E. GRAUER	P. A. THOMSON
J. H. GUNDY, C.B.E., LL.D.	J. LYMAN TRUMBULL, C.B.E.
ANDREW P. HOLT	J. B. WOODYATT
NORMAN A. YARROW	

officers

A. E. GRAUER	- - - - -	President
E. W. ARNOTT	- - - - -	Vice-President
T. INGLEDOW	- - - - -	Vice-President
W. C. MAINWARING, O.B.E.	- - -	Vice-President
LORN McLEAN	- -	Vice-President and Treasurer
T. M. MORAN	- - - - -	Vice-President
A. B. ROBERTSON	- - - - -	Vice-President
J. A. BRICE	- - - - -	Secretary
G. G. WOODWARD	- - - - -	Assistant Secretary



the b. c. electric



1. A. E. GRAUER, President. 2. L. B. JACK, Director of Industrial Relations. 3. T. INGLEDOW, Vice-President and Chief Engineer. 4. W. C. MAINWARING, Vice-President and Assistant to the President. 5. A. BRUCE ROBERTSON, Vice-President and General Solicitor. 6. I. W. NEIL, Vice-President and General Manager, B. C. Motor Transportation Ltd., and General Manager, B. C. Electric Transportation Services. 7. H. N. WALTERS, General

the principal companies and the general nature of their businesses

BRITISH COLUMBIA POWER CORPORATION, LIMITED

Holding company—no operations.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

Manufacture, transmission and distribution of gas in Greater Vancouver. The ownership of electric and gas generation and transmission and gas distribution facilities operated by subsidiary companies. Hydro-Electric Development under construction at Bridge River.

BRIDGE RIVER POWER COMPANY, LIMITED

Generation of electrical energy at Bridge River.

VANCOUVER POWER COMPANY, LIMITED

Generation of electrical energy at Lake Buntzen.

VICTORIA GAS COMPANY LIMITED

Manufacture, transmission and distribution of gas in Greater Victoria.

WESTERN POWER COMPANY OF CANADA, LIMITED

Generation of electrical energy at Alouette, Stave Falls and Ruskin.

VANCOUVER ISLAND POWER COMPANY, LIMITED

Generation of electrical energy at Jordan River and Brentwood.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED

Distribution of electrical energy in Lower Mainland and Vancouver Island South. Passenger transit operations in Greater Vancouver and Greater Victoria. Inter-urban rail operation in Lower Mainland for freight and passengers.

B. C. MOTOR TRANSPORTATION LIMITED

Interurban stage operations in Lower Mainland.

THE ROYAL BANK OF CANADA - - Bankers

MONTREAL TRUST COMPANY - Transfer Agent

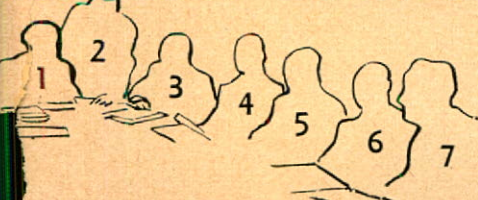
THE ROYAL TRUST COMPANY - - Registrar

PRICE, WATERHOUSE & CO. - - - Auditors

Head Office of the Corporation, B. C. ELECTRIC BUILDING, 425 Carrall Street, Vancouver, British Columbia, Canada.

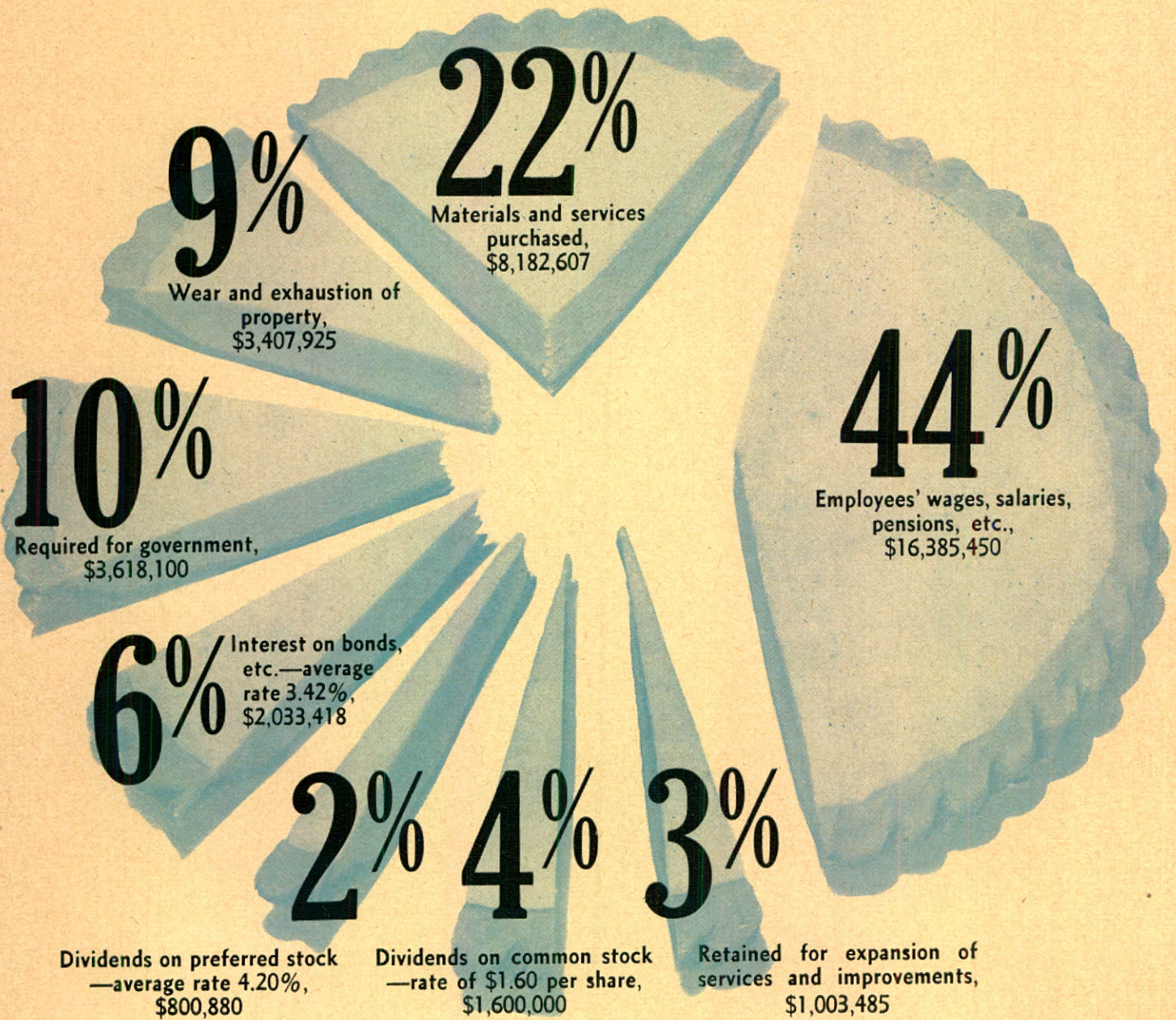


management committee



Sales Manager. **8.** H. J. MERILEES, Manager, Public Information Department. **9.** E. H. ROHRER, Manager, Gas Division. **10.** H. L. URDY, Director of Research and Administrative Controls. **11.** T. M. MORAN, Vice-President in charge of Transportation and Gas. **12.** E. W. ARNOTT, Vice-President in charge of Island Operations. **13.** LORN McLEAN, Vice-President and Chief Financial Officer.

disposition of 1948 revenue



*To be submitted at the Annual General
Meeting, March 31, 1949.*

annual report

*of the directors of the british columbia power
corporation for the year ending december 31, 1948*



1948 was the greatest year of construction in the history of the B. C. Electric. Expenditures on plant totalled \$31,664,959.

1948 was also a year in which investors expressed in increasing measure their confidence in the enterprise. During the year

financing to the extent of \$22 millions was effected and in February, 1949, issues totaling \$20 millions were marketed to restore the working capital position and to complete the financing of the 1949 construction programme.

results of operations

The balance of income after providing for preferred dividends of subsidiary companies amounted to \$2,603,485 as compared with \$1,980,605 in 1947. Expressed in terms of the number of outstanding "A" shares of B. C. Power Corporation these earnings represented \$2.60 as against \$1.98 per share respectively.

Dividends on the "A" shares during 1948 were continued at the annual rate of \$1.60 per share. Thus in 1948 a significant propor-

tion of the year's earnings was re-invested in the business in the form of expanded and improved facilities. This policy, prudent at any time, is of particular importance in a period of heavy financing such as the Companies are going through; it minimizes new-money requirements at a time when investment funds are not overly abundant and by making our security offerings more attractive allows them to be placed at lower interest and dividend rates than otherwise.

gross revenues

The gross revenues from operations for the year amounted to \$36,910,053, to which the various services contributed as follows:

	1948	Increase or <i>Decrease</i> compared with 1947	
		Amount	%
Electric	\$16,318,201	\$1,904,941	13.22
Railway, Trolley Coaches and Urban Buses—Passenger	12,237,721	2,481,039	25.43*
Stages, Taxis and Motor Freight.....	2,432,269	33,815	1.37**
Railway Freight	2,195,978	542,771	32.83
Gas	3,495,695	483,827	16.06
Miscellaneous	230,189	110,945	32.52
Total	\$36,910,053	\$5,267,818	16.65

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

	1948	Increase or <i>Decrease</i> compared with 1947	
		Amount	%
Kilowatt Hours Sold.....	951,745,454	135,883,531	16.66
Passengers—			
Railway, Trolley Coaches and Urban Buses.....	150,409,799	6,006,943	3.84*
Stages and Taxis.....	5,470,508	241,170	4.22**
Railway Freight Tonnage.....	1,021,368	297,472	41.09
Cubic Feet of Gas Sold.....	3,199,206,000	265,962,000	9.07

*The 1947 transportation figures were affected by a strike of approximately one month's duration.

**Mainland taxi operations were sold in April, 1947.

The growth in the electric service continued at a high level. The number of customers increased over the year by 13,433 or 7% to amount to 207,324 at the year-end. Volume of use also continued to increase; average annual consumption by domestic customers which was 1,548 K.W.H. in 1947,

rose to 1,812 K.W.H. in 1948, an increase over the year of 264 K.W.H. Corresponding figures are not yet available for Canada as a whole, but for the United States, where they are available, average annual domestic consumption rose only by 112 K.W.H. in 1948 to reach a level at the year-end of 1,550 K.W.H.

Toward the end of May and continuing until after mid-June there were serious floods in the Fraser Valley (such as had been last experienced more than 50 years before) which somewhat cut down the electric and transportation revenues and increased the expenses of those services in the area.

In the gas and transportation services, rates were increased as referred to below.



Rates

Reference was made in the 1947 report to the provision of the Public Utilities Act of British Columbia which requires that the Public Utilities Commission, in determining fair rates to consumers and fair return to the utility, deal with the services, namely, Transportation, Gas and Electric, separately; reference was made also to its further provision that, if taking the services separately might be inequitable or contrary to the general public interest, the Lieutenant-Governor in Council may order that two or more services be combined for the purpose of determining fair rates and fair return. Following continuing investigation of the necessity of a unifying order and special investigation after the Companies' petition that such an order be made, the Lieutenant-Governor in Council on July 16, 1948, ordered that the Companies' electric, gas and transportation services be classed as one unit for purposes of fixing fair rates and fair return. Within the framework of this order, the Public Utilities Commission regulates the services as two areas, namely, those in Vancouver Island South as one area and those in the Lower Mainland as the other.

The granting of the unifying order cleared the way for general rate hearings on all the Companies' rates and fares. The hearings

before the Public Utilities Commission took place in Vancouver August 25-27, 1948, and in Victoria on September 20, 1948. In the outcome the following changes resulted. The Companies' requests that the increase in Greater Vancouver gas rates be confirmed, that the interim increase in Vancouver City transportation fares (both referred to in the 1947 report) as well as in transportation fares in other parts of Greater Vancouver approved in 1948 be made final and that fares be increased in other parts of the Lower Mainland transportation system to bring the system fare structure into balance at the new levels were authorized. The Companies' request that the interim increase in Greater Victoria gas rates, which had been approved in July, 1948, be made final was also authorized.

On October 2, 1948, the Public Utilities Commission, following a public hearing, with no opposition from the councils of the constituent municipalities, authorized an increase in transportation fares in Greater Victoria. As part of the revised fare structure a weekly pass at \$1.35 in place of the former \$1.00 pass was included on a test basis; the operating results are to be reviewed as at March 1, 1949, when among other things the justification for retaining a weekly pass will be reviewed.

operating expenses

Operating expenses at \$31,594,082 show an increase of \$3,766,903, or 13.54% over 1947. Increased wage rates, which became effective under the various agreements at varying dates during the course of 1947 applied to the full year 1948. The increase in costs under this head in 1948 over 1947 amounts to approximately \$1,100,000. Other elements of increased cost, apart from those associated with increased volume, include the Vancouver City business tax levied for the first time in 1948, increased costs of coal and fuel oil affecting particularly the gas operations, and the British Columbia Social Security and Municipal Aid tax of 3%—effective July 1, 1948, which increased the cost of most operating supplies, as well also as the cost of capital projects.

Increased provision for depreciation in 1948 is a reflection of the increased plant in operation. As in former years, the amount provided is based on the property valuation fixed for rate-making purposes by the Public

Utilities Commission and calculated at the rates set by the Commission. The Commission has completed its investigation of the Companies' operating results, as reported to it, to the end of 1947.

On the accounting treatment of operating practices, including depreciation accounting, the broad policies followed by the Companies have been directed and approved by the Public Utilities Commission. The Company's returns for taxes on income have not yet been assessed by the taxation authorities for the years subsequent to 1939 and those of some important subsidiary companies have not yet been assessed for the years subsequent to 1940. Provision for taxes on income has been made by the Companies on the basis of the operating results as stated in their annual accounts, and the reserves for taxes on income carried in the attached Consolidated Balance Sheet reflect this position.

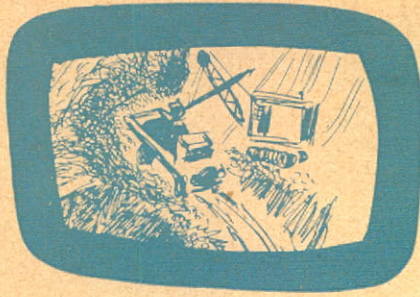
construction programme

The net additions to the property account for the year totalled \$29,306,243 as compared with \$16,779,195 in 1947. For the fifteen years 1925-1939 net additions to property account averaged \$2,782,000 per year. The net additions in 1948 comprise gross addi-

tions of \$31,664,959 less retirements, chiefly in the railway service upon conversion to free-wheeling operation, of \$2,358,716.

The major expenditures in 1948, by projects, were as follows:

Electric Extensions, Mainland and Vancouver Island, to Connect 15,181 additional Customers.....	\$ 5,462,000
Gas Extensions, Mainland and Vancouver Island, to Connect 2,564 additional Customers.....	575,000
Bridge River—Hydro-electric Development.....	14,857,000
Substation and Local Transmission System, Greater Vancouver and Fraser Valley.....	3,563,000
Carburetted Water Gas Plant, No. 2 Unit, Vancouver.....	477,000
Coke Oven Plant, Vancouver; Rebuild 12 and Construct 12 New Ovens.....	392,000
Oakridge Transit Centre at Vancouver and Garbally Road Garage at Victoria.....	1,209,000
Trolley Coaches, Vancouver, 40 Units.....	961,000
Buses, Mainland and Vancouver Island, 33 Units.....	624,000



The first unit at Bridge River of 45,000 kilowatts was placed in operation October 23, 1948, eight months ahead of the date originally scheduled. At the invitation of the Company, some 250 people representative of the life of the community as a whole journeyed to the site; there the Very Reverend Cecil Swanson, Dean of the Diocese of New Westminster, dedicated the generating station "to the glory of God and the service of humanity"; the Honourable Herbert Anscomb, Acting Premier of the Province of British Columbia, performed the opening ceremony; and Mr. Geoffrey Downton, who in 1912, while surveying in the area, first visualized the power possibilities of the site, gave the signal for putting the first unit into operation.

The second and third units at Bridge River, each of 45,000 kilowatts, are presently scheduled to go into operation in April and October

of 1949, respectively. A contract is being negotiated with certain public utility companies in the northwestern states of the United States for the sale of surplus power to commence when the second unit goes into service.

Work at Horne-Payne substation had reached a point in October which enabled it to receive Bridge River energy. Several additional links in the double circuit local transmission system for Greater Vancouver were completed during the year.

A second carburetted water gas unit at Vancouver of the same capacity—4,500,000 cubic feet per day—as the first which went into operation in August, 1947, was completed and placed in service in December, 1948.

The conversion to an all-bus operation in Greater Victoria was completed during the year; the last street cars operated there on July 3, 1948. The Garbally Road garage at Victoria, completed during the year, provides parking for and handles general servicing of the buses. In Vancouver the first conversions to trolley coach operation took place on the Fraser-Cambie, Davie and Robson lines which have route lengths of 17.5, 4.1 and 4.1 return trip miles respectively; the first service, that on the Fraser-Cambie line, was inaugurated on August 16, 1948. The Oakridge Transit Centre was constructed in Vancouver on a 14-acre site to provide an administration, maintenance and parking headquarters for the Greater Vancouver bus and trolley coach operations.

It would not be proper to close these references to the 1948 construction programme without thanking contractors, suppliers of equipment and materials, and municipal authorities for their energetic efforts which have combined with the efforts of the members of the Companies' organization to enable this great volume of essential construction to be accomplished.



power supply

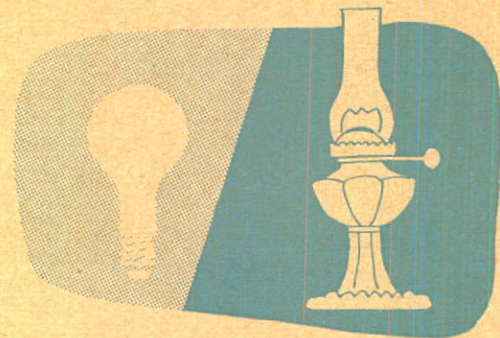
The total kilowatt hours generated and purchased for the combined systems increased by 14.1% over 1947. There was a slight drop in Victoria because power ceased to be supplied to the street railway and British Columbia Power Commission. The trend of other load growth in the Victoria area continues upward. For the Lower Mainland system alone the rate of increase was 17.1%.

The one-hour peak load of the Lower Mainland system increased in December to 250,900 kilowatts. This figure represented a striking increase of 18% over the one-hour peak load of December, 1947. Loads closely approximating the year's peak occurred on a number of occasions, so that even after the opening of the first unit at Bridge River in October it was necessary to use the Vancouver steam plant and also to import up to 15,000 kilowatts during afternoon hours to meet peaking deficiencies. In addition, some dump energy was imported, mainly in the spring, summer and early autumn, to protect water levels in the reservoirs. On the other hand, when our water levels were high during the latter part of November and the first part of December, off-peak energy on an immediately cancellable basis was exported into the State of Washington to assist consumers there. These exports were terminated on December 20.

Toward mid-January, 1949, following some forty consecutive cold and virtually rainless days in what is customarily the rainy season, the water approached critically low levels in the Lower Mainland reservoirs. The Vancouver Island system maintained a comfortable margin.

Voluntary curtailment of use was appealed for and obtained in the Lower Mainland. When a further period passed without rain, larger measures of curtailment were pro-

gressively imposed. Rain and warm weather brought an end to the critical period and restrictions were removed on February 25, 1949. During this critical time the first unit at Bridge River proved of the utmost value, supplying over 30% of the Mainland's load



requirements. This unit has been in 'round-the-clock operation since its installation in October. This has been possible since the free flow in the river is sufficient to operate the unit to capacity; by contrast the older developments closer to Vancouver rely on the impounded waters of the season of heavy precipitation. This will be true also of the additional units at Bridge River but since the seasons of heavy run-off in the two localities do not coincide, the Bridge River development forms a natural complement to, and insurance for, the older closer-in developments.

For the future, the second unit at Bridge River, of 45,000 kilowatt capacity, comes on the system in April, 1949, and the third unit of equal capacity goes into operation in October, 1949. There will thus be ample capacity for system growth and for contingencies. This position will be maintained by the completion of the third unit at Ruskin scheduled for October, 1950, with a capacity of 35,000 kilowatts. These steps will also mean that in the five years since the end of the war the capacity of the Lower Mainland system will have been approximately doubled.

financing

To finance the construction programme two public issues were made in 1948 by British Columbia Electric Company Limited. The first was an issue on April 12 of \$17,000,000 principal amount of First Mortgage Bonds, 3 $\frac{3}{4}$ % Series "C", the proceeds of which amounted to \$16,405,000. The second was an issue on November 15 of

\$5,000,000 par value of 4 $\frac{3}{4}$ % Cumulative Redeemable Preferred Shares netting the issuing company \$4,800,000.

During the year \$430,000 principal amount of First Mortgage Bonds were redeemed through payments made into the sinking funds.

employee relations

Although negotiations had been begun in 1947 with the International Brotherhood of Electrical Workers for a new agreement, this matter was not concluded until April, 1948. Like our six other agreements this was for a two-year term and dated from the middle of 1947 when the agreement was opened. As

a result of negotiating two-year contracts with employees' organizations, no wage agreements were opened during 1948, but towards the end of the year the Street Railwaymen's union gave notice that it would open its agreement effective March 1, 1949.

personnel

During the year Mr. E. N. Horsey, Vancouver Island operations manager, retired after 38 years' service and was succeeded by Mr. W. C. Mearns, and Mr. W. A. Riddell, solicitor, Mainland, retired after 41 years' service and was succeeded by Mr. W. H. Q. Cameron. At the year-end Mr. James Lightbody, publications manager, retired on pension after 33 years' service. The Directors wish to record their appreciation of the long and able service of Messrs. Horsey, Riddell and Lightbody and of other employees who retired on pension during the year.

Death deprived the Companies of the services of several faithful employees. Among

them were Mr. C. W. Colvin, assistant to the vice-president and chief engineer, and Mr. S. Anderson, assistant civil engineer, who had had service of 29 and 25 years respectively.

The business of the Companies is conducted by an employee body numbering over 6,000. For their efforts in a year of problems and accomplishments the Board of Directors desires to record its deep appreciation. Many employees showed their mettle as good citizens during the Fraser Valley floods when they took a large and leading part in the preventive and later in the remedial activities.

organization

During the year all functions having to do with relations, whether with employees, customers or the public generally, were brought under the direction of Mr. W. C. Mainwaring as vice-president and assistant to the President. Mr. E. W. Arnott, formerly vice-president in charge of transportation on the Mainland, succeeded Mr. Mainwaring as vice-president in charge of Vancouver Island operations.

Formerly the stage operations in the name of B. C. Motor Transportation Limited and the urban railway and bus together with the interurban railway operations in the name

of British Columbia Electric Railway Company, Limited, were separately conducted. During the year, in the interests of integration and economy, the two sets of operations were brought under common direction of Mr. Ivor W. Neil, vice-president and general manager of B. C. Motor Transportation Limited, who, while keeping that designation, was appointed general manager of all transportation services. At the same time, vice-president T. M. Moran, who has responsibility for the Mainland gas operations, also assumed responsibility for the Mainland transportation operations.

financial statements

A Consolidated Balance Sheet and Statement of Income and Earned Surplus of British Columbia Power Corporation, Limited, and Subsidiary Companies, with the opinion thereon of the auditors, is attached. Since the present Report is to be issued also to the preferred shareholders of British Columbia Electric Company Limited there are included corresponding statements for that Company and its subsidiaries.

* * *

To the annual meeting held on March 25, 1948, in addition to the "B" shareholders,

Vancouver, B. C.,
March 3, 1949.

there were invited the "A" shareholders and also the preferred shareholders of the Electric Company resident in the area. This was done to permit all shareholders to attend who conveniently could in order that they might hear the President's address and have any questions answered. As a further measure of convenience the meeting was held in an uptown hotel. Last year's experiment was well received and will be repeated this year. It is hoped that even larger numbers of shareholders will attend.

A. E. GRAUER,
President.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Income and Earned Surplus
for the Year Ended December 31, 1948*

Gross revenue from operations.....	\$36,910,053
<i>Deduct—</i>	
Expenses:	
Operation and maintenance, including property taxes (Note 2).....	\$24,679,848
Legal fees and executive remuneration.....	166,713
Directors' fees.....	23,327
Provision for accidents.....	340,054
Employees' pensions (Note 1)—	
Payments under contributory pension plan:	
In respect of past years' services.....	\$ 340,000
In respect of 1948 services.....	440,626
	\$ 780,626
Payments to pensioners from general funds.....	243,339
	1,023,965
Provision for depreciation.....	3,407,925
Provision for taxes on income.....	1,952,250
	31,594,082
Operating income.....	\$ 5,315,971
<i>Add—</i>	
Income from investments.....	\$ 106,588
Profit on disposal of trucking operation, temporary investments, etc. (net).....	15,223
	121,811
	\$ 5,437,782
<i>Deduct—</i>	
Interest on bond debt.....	\$2,326,542
<i>Less—</i>	
Interest charged to construction (Note 2).....	461,844
	\$ 1,864,698
Bond discount and refunding and issue expenses written off:	
Applicable to refunded issues.....	\$ 80,240
Applicable to outstanding issues.....	88,479
	168,719
	2,033,417
Net income for the year.....	\$ 3,404,365
<i>Deduct—</i>	
Dividends on preference shares and stock of subsidiaries:	
British Columbia Electric Company Limited—	
4% Cumulative preferred shares.....	\$ 480,000
4¾% Cumulative preferred shares (issued November 15, 1948).....	30,000
	\$ 510,000
British Columbia Electric Railway Company, Limited—	
5% Cumulative perpetual preference stock.....	290,880
	800,880
Balance of income.....	\$ 2,603,485
<i>Add—</i>	
Earned surplus as at January 1, 1948.....	\$ 1,639,985
Portion of excess profits tax recovered.....	19,861
	1,659,846
	\$ 4,263,331
<i>Deduct—</i>	
Commission on issue of 4¾% Cumulative preferred shares of British Columbia Electric Company Limited and provision for expenses of issue.....	245,000
	\$ 4,018,331
<i>Deduct—</i>	
Dividends on Class "A" shares of parent company.....	1,600,000
Earned surplus as at December 31, 1948.....	\$ 2,418,331

BRITISH COLUMBIA POWER
AND SUBSID
Consolidated Balance Sheet

ASSETS

CURRENT AND WORKING ASSETS:

Cash on hand and in banks.....	\$	959,994
Dominion of Canada bonds at cost (quoted market value \$67,448).....		67,375
Working funds advanced to agents, conductors, etc.....		183,627
Accounts receivable, less reserve		3,518,078
Inventories of stores, materials and supplies (including construction materials) determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost.....		5,857,755
		\$10,586,829

CONSTRUCTION FUNDS:

Cash held by trustee for bondholders, since withdrawn.....		411,194
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DEFERRED ACCOUNTS RECEIVABLE:

Estimated recoverable portion of excess profits tax.....		1,264,500
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EMPLOYEES' PENSION FUND (NOTE 1):

Bonds and cash in hands of trustee (represented as to \$3,196,331 by securities of or guaranteed by the Dominion of Canada and as to \$160,199 by other securities and cash).....		3,356,530
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INVESTMENTS:

Shares of British Columbia Power Corporation, Limited held by subsidiary companies (quoted market value \$453,357)		666,540
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DEFERRED CHARGES:

Advance payments on account of future contributions to pension plan for employees' past services (Note 1).....	\$	515,931
Insurance unexpired, deferred payments made under transportation franchise agreements, and other prepaid items		542,422
		1,058,353

UNAMORTIZED BOND REFUNDING AND ISSUE EXPENSE:

Premium and exchange on bonds redeemed, bond refunding and issue expenses and discounts, less amounts written off—		
Applicable to refunded issues.....	\$	949,842
Applicable to outstanding issues.....		1,674,266
		2,624,108

PROPERTY ACCOUNT (NOTES 2 AND 3):

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.....		\$199,002,562
Less—		
Reserve for depreciation.....		44,888,155
		\$154,114,407
Unfinished construction		9,600,000
		163,714,407

APPROVED ON BEHALF OF THE BOARD:

G. S. Cunningham Lang

Director.

\$183,682,461

J. M. Ke...

Director.

CORPORATION, LIMITED

ARY COMPANIES

as at December 31, 1948

LIABILITIES

CURRENT AND ACCRUED LIABILITIES:

Accounts payable	\$ 4,466,326	
Debenture and bond interest accrued.....	890,382	
Dividends declared, since paid.....	695,440	
Sinking fund payments due within one year.....	613,975	
Reserve for taxes on income and other taxes.....	2,603,476	
Current liabilities on construction account.....	4,500,000	\$ 13,769,599

BOND DEBT:

British Columbia Electric Company Limited—		
3¼% First mortgage bonds:		
Series "A" due January 2, 1967—		
Issued (less redeemed \$330,000).....	\$32,670,000	
Series "B" due October 1, 1967—		
Issued (less redeemed \$100,000).....	9,900,000	\$42,570,000
3¾% First mortgage bonds:		
Series "C" due April 1, 1968—		
Issued	17,000,000	
		\$59,570,000
Less—		
Sinking fund payments due within one year, included in current and accrued liabilities.....	613,975	
		\$58,956,025
British Columbia Electric Railway Company, Limited—		
4¼% Perpetual consolidated debenture stock:		
Issued—£2,788,170 at \$4.85.....	13,522,625	72,478,650

CAPITAL STOCK OF SUBSIDIARIES HELD BY PUBLIC:

British Columbia Electric Company Limited—		
4% Cumulative preferred shares of \$100.00 each (redeemable at a premium of 3%).....	\$12,000,000	
4¾% Cumulative preferred shares of \$100.00 each (redeemable at a premium of 5%):		
Issued November 15, 1948.....	5,000,000	\$17,000,000
British Columbia Electric Railway Company, Limited—		
5% Cumulative perpetual preference stock—£1,440,000 at \$4.85.....	6,984,000	
Minority shareholders of other subsidiaries.....	3,446	23,987,446

RESERVES:

General and accident.....	\$ 1,041,640	
Employees' pension fund (per contra).....	3,356,530	4,398,170

CAPITAL AND SURPLUS:

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 \$2.00 per share and equal participation with Class "B" shares up to a further \$3.00 per share, redeemable at any time on resolution of Directors at \$100.00 per share.		
1,500,000 Class "B" shares without nominal or par value.		
Issued:		
1,000,000 Class "A" shares and 1,000,000 Class "B" shares issued for a total cash consideration of.....	\$59,250,000	
Capital surplus—		
Surpluses of subsidiaries as at May 19, 1928, the date of acquisition of their capital stocks by the Corporation (Note 3).....	6,115,765	
Deferred surplus—		
Estimated recoverable portion of excess profits tax (per contra).....	1,264,500	
Earned surplus (per statement attached).....	2,418,331	69,048,596

COMMITMENTS (NOTE 4):

\$183,682,461

The above consolidated balance sheet and related statement of income and earned surplus, supplemented by the notes appended thereto, are submitted with our report to the shareholders dated March 2, 1949.

PRICE, WATERHOUSE & Co.,
Auditors.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 1948

Note (1)—Employees' Pension Fund:

In each of the years 1943 to 1945 inclusive, the companies made annual payments to the Royal Trust Company as Trustee for the purpose of establishing a non-contributory fund on an actuarial basis to provide for pension payments. The amount of \$3,356,530 recorded in the attached consolidated balance sheet is the sum of these payments, together with interest earned on investments made by the Trustee, less charges to the fund in respect of payments to pensioners.

No payments have been made to the Royal Trust Company since 1945. As of October 1, 1946, the companies entered into contracts with the Dominion Government Annuities Branch and the Standard Life Assurance Company, of Edinburgh, for basic and supplementary contributory retirement plans respectively.

It is the present intention of the companies to complete the plan for providing pensions in respect of employees' services in past years by:

- (1) Transfer or payment to the Annuities Branch and the Standard Life Assurance Company at dates as yet unspecified of sums equivalent to the funds in the hands of the Royal Trust Company, and
- (2) Payment to the Annuities Branch and the Standard Life Assurance Company of amounts equivalent to seven annual payments of \$340,000 commencing in 1947.

The income tax authorities have indicated that they will allow the last-mentioned series of payments as deductions from taxable income. In order to make the plan self-supporting in the early years, it has been necessary for the companies to make payments in 1947 and 1948 considerably in excess of the annual instalments of \$340,000 approved for income tax purposes and charged to operating account. The excess payments to date, amounting to \$515,931 have been carried forward in the attached balance sheet as a deferred charge and the payments in later years will be reduced commensurately.

In addition, the companies made or provided for payments totalling \$440,626 in respect of services rendered by employees during the year ended December 31, 1948.

It is also the intention of the companies to pay the pensions of employees who have retired or in future retire under the non-contributory plan from general funds, and the income tax authorities have indicated that they will allow such payments as current expenses for tax purposes.

Note (2)—Property Account:

In accordance with the practice of earlier periods when the companies were undertaking large, long-term construction projects, interest on the unfinished construction of such projects has been capitalized (at a rate for 1948 of 3¾% commensurate with the cost of interest on new-money bond financing) with corresponding reduction of the charge against the year's earnings.

Similarly, in accordance with their established practice, the companies have allocated a portion of their administrative and general expenses as overhead chargeable to construction account. Included in administrative and general expenses are the salaries and related expenses of the companies' head

office engineering staffs, draftsmen, etc., of which, except for minor charges, no portion is charged direct to construction account. In recognition of the additional administrative and supervisory expenditures resulting from the accelerated construction programme in the post-war years, the method of computing the portion of administrative and general expenses, which might fairly and reasonably during such programme be charged to construction, was reviewed in 1947 and the portion to be capitalized was established at an amount equivalent to 4% of the direct expenditure on capital account. This same percentage rate was applied in 1948.

Note (3)—Property Account:

The properties are included at original cost to the companies (which includes discount on bonds of \$728,671 charged to construction accounts) 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; in addition there is recorded in the property account on the consolidated balance sheet and per contra stated as capital surplus, an amount of \$6,115,765 which represents the surpluses of subsidiaries as at the date of the acquisition of their capital stocks by British Columbia Power Corporation, Limited on May 19, 1928.

A valuation for rate-making purposes was made by the Public Utilities Commission of British Columbia as at June 30, 1939, and this, when brought up to date, including unfinished construction, amounted at December 31, 1948 to approximately \$175,000,000; to this should be added the book value of properties outside the Commission's jurisdiction and not so valued, amounting to some \$5,000,000 making a total of approximately \$180,000,000 before deducting provision for depreciation. The existing reserves for depreciation were found adequate for rate-making purposes by the Commission at at June 30, 1939, and such reserves when brought up to date (as well as the reserves applicable to properties not valued by such Commission) amounted at December 31, 1948 to approximately \$45,000,000. The foregoing amounts represent the valuation 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. Subsequent to June 30, 1939, the provisions for depreciation recorded in the accounts have been based on the gross property valuation made by the Public Utilities Commission, calculated at rates fixed by the Commission.

An appraisal of the properties made by Stone & Webster Engineering Corporation of Boston, Massachusetts, as of December 31, 1936, showed a total replacement cost as at that date (after a deduction for existing physical depreciation) of \$131,802,312. This total included an amount of \$15,000,000 for going concern value. The balance in the property account as at December 31, 1936, after deducting the reserve for depreciation, was \$113,739,799.

Note (4)—Commitments:

As at December 31, 1948 the companies had contracts and commitments for construction and other capital expenditures which aggregated approximately \$16,500,000.

AUDITORS' REPORT TO THE SHAREHOLDERS

TO THE SHAREHOLDERS,

BRITISH COLUMBIA POWER CORPORATION, LIMITED:

We have examined the consolidated balance sheet of British Columbia Power Corporation, Limited and subsidiary companies at at December 31, 1948, and the consolidated statement of income and earned surplus for the year ended on that date, and have obtained all the information and explanations which we required. In connection therewith we examined or tested accounting records of the companies and other supporting evidence but we did not make a detailed audit of the transactions.

The Corporation's returns for income and excess profits taxes have been assessed up to and including the year 1939, and those of its subsidiary companies up to and including years varying from 1940 to 1942. The returns for the subsequent years have not yet been assessed by the taxation authorities and the adequacy of the provision for the period under review and that of the tax reserve shown on the consolidated balance sheet are subject to acceptance by the taxation authorities of the companies' returns and of the accounting policies on which they are based.

As in past years, there is included in the property account on the consolidated balance sheet and per contra stated as capital surplus, an amount of \$6,115,765, which represents the surpluses of subsidiaries as at the date of acquisition of their capital stocks by British Columbia Power Corporation, Limited on May 19, 1928.

Subject to the questions of income and excess profits taxes and of the accounting treatment accorded the surpluses of subsidiaries as at the date of their acquisition, referred to in the foregoing paragraphs, we report that, in our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statement of income and earned surplus, supplemented by the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the financial position of the combined companies as at December 31, 1948, and the income for the year ended on that date.

Vancouver, B. C.,
March 2, 1949.

PRICE, WATERHOUSE & Co.,
Auditors.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

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

AND SUBSIDIARY COMPANIES

Consolidated Statement of Income and Earned Surplus for the Year Ended December 31, 1948

Net income for the year (per consolidated statement of income and earned surplus of British Columbia Power Corporation, Limited and subsidiary companies).....		\$3,404,365
 <i>Add back—</i>		
Expenses of British Columbia Power Corporation, Limited:		
Bond discount and refunding and issue expenses written off.....		60,464
Net income for the year of British Columbia Electric Company Limited and subsidiary companies.....		\$3,464,829
 <i>Deduct—</i>		
Dividends on preference stock of subsidiary:		
British Columbia Electric Railway Company, Limited—5% cumulative perpetual preference stock.....		290,880
Balance of income.....		\$3,173,949
 <i>Add—</i>		
Earned surplus as at January 1, 1948.....	\$1,610,854	
Portion of excess profits tax recovered.....	19,861	1,630,715
		\$4,804,664
 <i>Deduct—</i>		
Commission on issue of 4¾% Cumulative preferred shares and provision for expenses of issue.....		245,000
		\$4,559,664
 <i>Deduct—</i>		
Dividends:		
4% Cumulative preferred shares.....	\$ 480,000	
4¾% Cumulative preferred shares (issued November 15, 1948).....	30,000	
	\$ 510,000	
Class "A" and "B" shares (all owned by British Columbia Power Corporation, Limited).....	1,664,000	2,174,000
Earned surplus as at December 31, 1948.....		\$2,385,664

NOTE: As British Columbia Power Corporation, Limited is purely a holding company and carries on no operations, the only difference between the consolidated net income of British Columbia Electric Company Limited and subsidiaries and that of British Columbia Power Corporation, Limited and subsidiaries is represented by the amortization of bond discount and refunding and issue expense of British Columbia Power Corporation, Limited.

BRITISH COLUMBIA ELEC
(the sole direct subsidiary of British
AND SUBSID

Consolidated Balance Sheet

ASSETS

CURRENT AND WORKING ASSETS:			
Cash on hand and in banks.....	\$	959,994	
Dominion of Canada bonds at cost (quoted market value \$67,448).....		67,375	
Working funds advanced to agents, conductors, etc.....		183,627	
Accounts receivable, less reserve.....		3,518,078	
Inventories of stores, materials and supplies (including construction materials) determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost.....		5,857,755	\$ 10,586,829
CONSTRUCTION FUNDS:			
Cash held by trustee for bondholders, since withdrawn.....			411,194
DEFERRED ACCOUNTS RECEIVABLE:			
Estimated recoverable portion of excess profits tax.....			1,232,000
EMPLOYEES' PENSION FUND (NOTE 1):			
Bonds and cash in hands of trustee (represented as to \$3,196,331 by securities of or guaranteed by the Dominion of Canada and as to \$160,199 by other securities and cash).....			3,356,530
INVESTMENTS:			
Shares of British Columbia Power Corporation, Limited (quoted market value \$453,357).....			666,540
DEFERRED CHARGES:			
Advance payments on account of future contributions to pension plan for employees' past services (Note 1)....	\$	515,931	
Insurance unexpired, deferred payments made under transportation franchise agreements, and other prepaid items		542,422	1,058,353
UNAMORTIZED BOND REFUNDING AND ISSUE EXPENSE:			
Premium and exchange on bonds redeemed, bond refunding and issue expenses and discounts, less amounts written off—			
Applicable to refunded issues.....	\$	220,830	
Applicable to outstanding issues.....		1,674,266	1,895,096
PROPERTY ACCOUNT (NOTES 2 AND 3):			
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.....		\$199,002,562	
Less—			
Reserve for depreciation.....		44,888,155	
		\$154,114,407	
Unfinished construction		9,600,000	163,714,407

APPROVED ON BEHALF OF THE BOARD:

J. S. Cummins

Director.

\$182,920,949

J. M. Ke...

Director.

TRIC COMPANY LIMITED

(Columbia Power Corporation, Limited)

TRIC COMPANY LIMITED

as at December 31, 1948

LIABILITIES

CURRENT AND ACCRUED LIABILITIES:

Accounts payable	\$ 4,455,965	
Debture and bond interest accrued.....	890,382	
Dividends declared, since paid.....	295,440	
Amount owing to parent company, British Columbia Power Corporation, Limited.....	827,870	
Sinking fund payments due within one year.....	613,975	
Reserve for taxes on income and other taxes.....	2,339,622	
Current liabilities on construction account.....	4,500,000	\$ 13,923,254

BOND DEBT:

British Columbia Electric Company Limited—		
3¼% First mortgage bonds:		
Series "A" due January 2, 1967—		
Issued (less redeemed \$330,000).....	\$32,670,000	
Series "B" due October 1, 1967—		
Issued (less redeemed \$100,000).....	9,900,000	\$42,570,000
3¾% First mortgage bonds:		
Series "C" due April 1, 1968—		
Issued		17,000,000
		\$59,570,000
Less—		
Sinking fund payments due within one year, included in current and accrued liabilities.....		613,975
		\$58,956,025
British Columbia Electric Railway Company, Limited—		
4¼% Perpetual consolidated debenture stock:		
Issued—£2,788,170 at \$4.85.....		13,522,625
		72,478,650

CAPITAL STOCK OF SUBSIDIARIES HELD BY PUBLIC:

British Columbia Electric Railway Company, Limited—		
5% Cumulative perpetual preference stock:		
£1,440,000 at \$4.85.....		\$ 6,984,000
Minority shareholders of other subsidiaries.....		3,446
		6,987,446

RESERVES:

General and accident.....	\$ 1,041,640	
Employees' pension fund (per contra).....	3,356,530	4,398,170

CAPITAL AND SURPLUS:

Share capital—		
Authorized:		
200,000 preferred shares of \$100.00 each		
1,000,000 Class "A" shares of no par value		
1,000,000 Class "B" shares of no par value		
Issued and paid up:		
120,000 4% Cumulative preferred shares of \$100.00 each (redeemable at a premium of 3%).....	\$12,000,000	
50,000 4¾% Cumulative preferred shares of \$100.00 each (redeemable at a premium of 5%)—		
Issued November 15, 1948.....	5,000,000	
1,000,000 Class "A" shares of no par value and		
1,000,000 Class "B" shares of no par value	58,400,000	
	\$75,400,000	
Capital Surplus—		
Surpluses of subsidiaries as at May 19, 1928, the date of the acquisition of their capital stocks by British Columbia Power Corporation, Limited (Note 3).....	6,115,765	
Deferred surplus—		
Estimated recoverable portion of excess profits tax (per contra).....	1,232,000	
Earned surplus	2,385,664	85,133,429

COMMITMENTS (NOTE 4):

\$182,920,949

NOTE: The above consolidated balance sheet and related statement of income and earned surplus are submitted with our report to the shareholders dated March 2, 1949. The explanatory notes supplementing the accompanying consolidated balance sheet and related statement of income and earned surplus of British Columbia Power Corporation, Limited and subsidiary companies as at December 31, 1948, apply equally to the relevant items in the above consolidated balance sheet.

PRICE, WATERHOUSE & Co.,
Auditors.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED
AND SUBSIDIARY COMPANIES

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 December 31, 1948, and the consolidated statement of income and earned surplus for the year ended on that date, and have obtained all the information and explanations which we required. In connection therewith we examined or tested accounting records of the companies and other supporting evidence but we did not make a detailed audit of the transactions.

The company's returns for income and excess profits taxes have been assessed up to and including the year 1942, and those of its subsidiary companies up to and including years varying from 1940 to 1942. The returns for the subsequent years have not yet been assessed by the taxation authorities, and the adequacy of the provision for the period under review and that of the tax reserve shown on the consolidated balance sheet are subject to acceptance by the taxation authorities of the companies' returns and of the accounting policies on which they are based.

As in past years, there is included in the property account on the consolidated balance sheet and per contra stated as capital surplus, an amount of \$6,115,765, which represents the surpluses of subsidiaries as at the date of acquisition of their capital stocks by British Columbia Power Corporation, Limited on May 19, 1928.

Subject to the questions of income and excess profits taxes and of the accounting treatment accorded the surpluses of subsidiaries as at the date of their acquisition, referred to in the foregoing paragraphs, we report that, in our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statement of income and earned surplus, supplemented by the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the financial position of the combined companies as at December 31, 1948, and the income for the year ended on that date.

PRICE, WATERHOUSE & Co.,
Auditors.

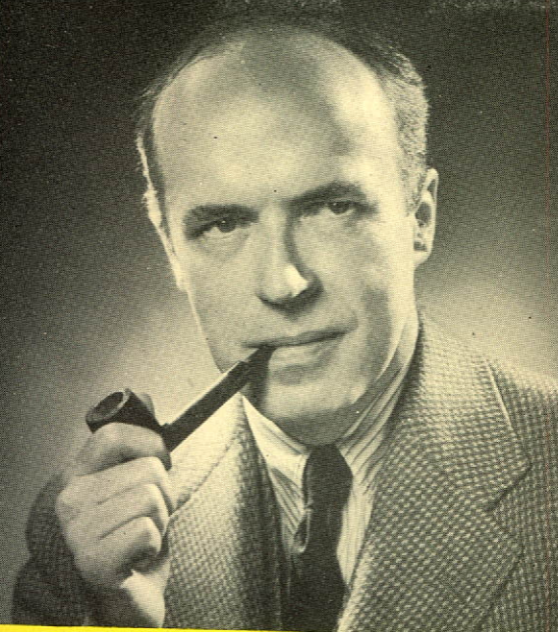
Vancouver, B. C.,
March 2, 1949.

B U S I N E S S I S M O V I N G T O B . C .



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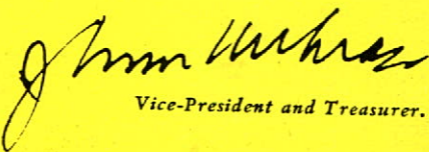




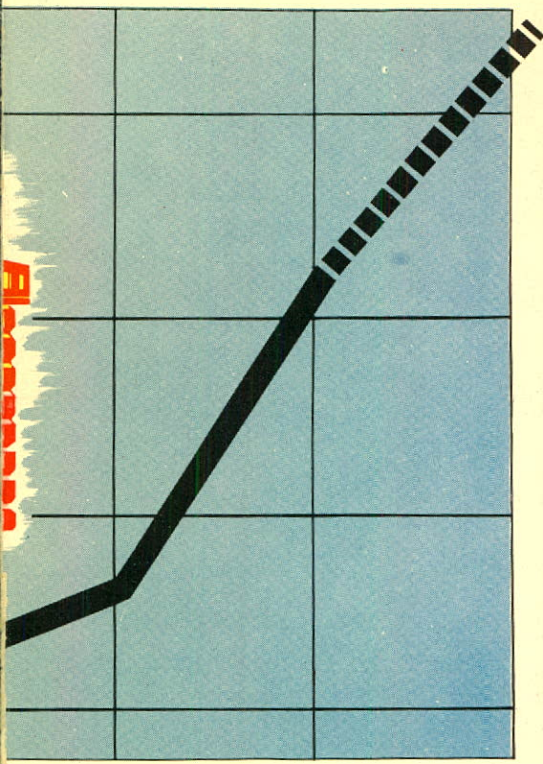
In 1948 the earnings showed the first response to the greatly increased investment in plant in operation. They amounted to \$2,603,485 as compared with \$1,980,605 in 1947.

Dividends on the "A" shares were continued at \$1.60 per share or \$1,600,000 in all.

Thus, a significant proportion of the year's earnings was re-invested in the business in the form of expanded and improved facilities. This policy, prudent at any time when feasible, is of particular importance in a period of heavy financing such as the Companies are going through; it somewhat minimizes new-money requirements at a time when investment funds are not overly abundant and by making our security offerings more attractive allows them to be placed at lower interest and dividend rates than otherwise.

A handwritten signature in black ink, appearing to read "John W. H. H. H.", written in a cursive style.

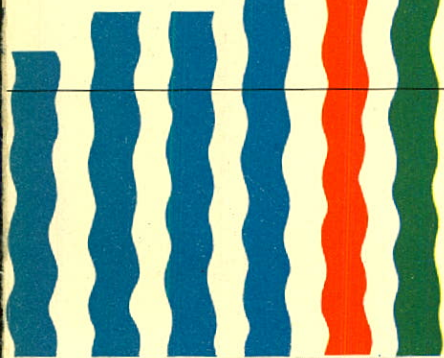
Vice-President and Treasurer.



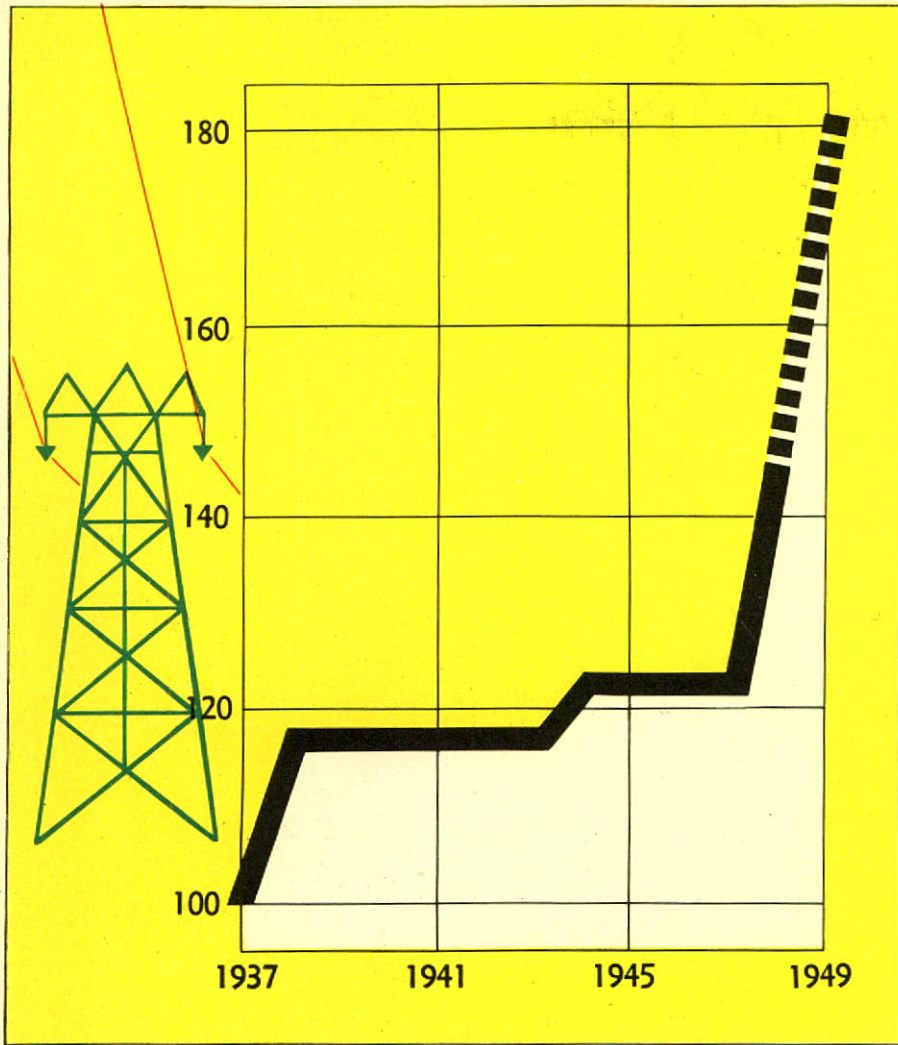
1947 1948 1949
 ce 1st January 1945 = 100



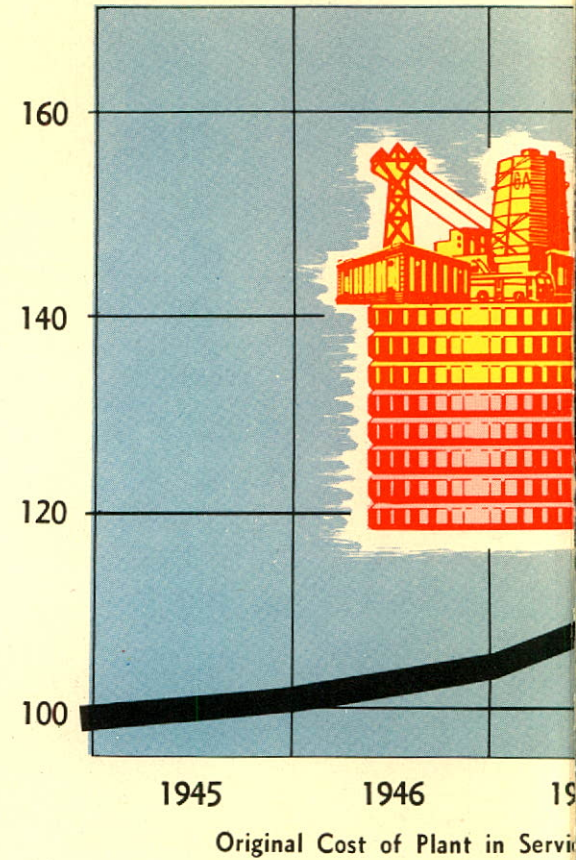
Making Capacity,
 to End of 1949
 1937 = 100



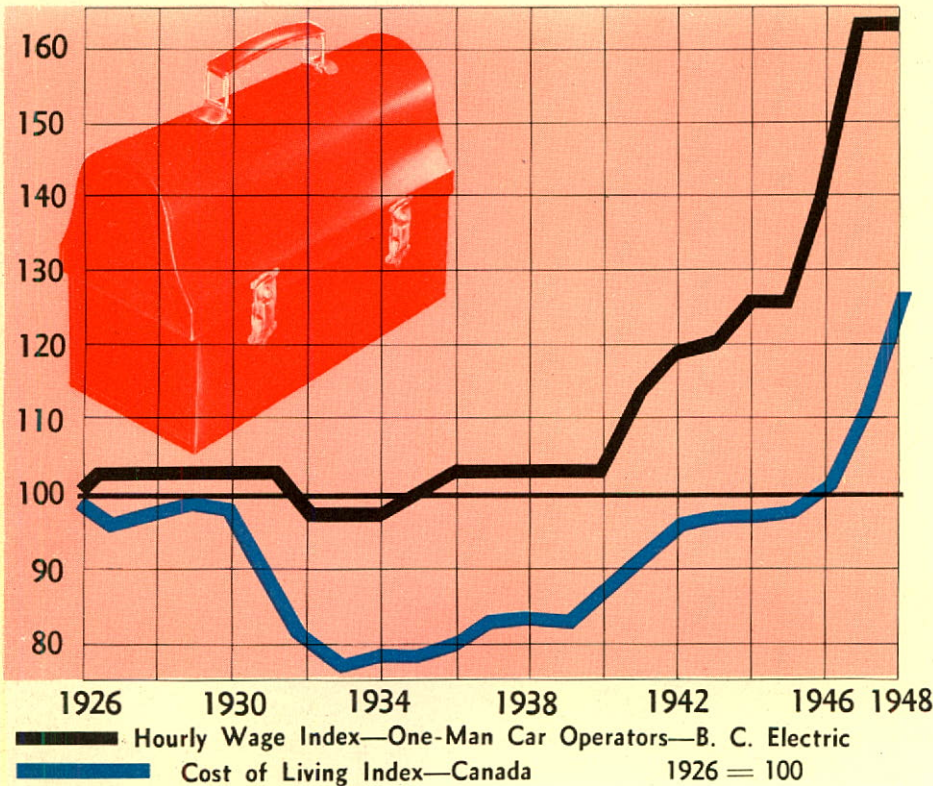
'41 '43 '45 '47 '48 '49



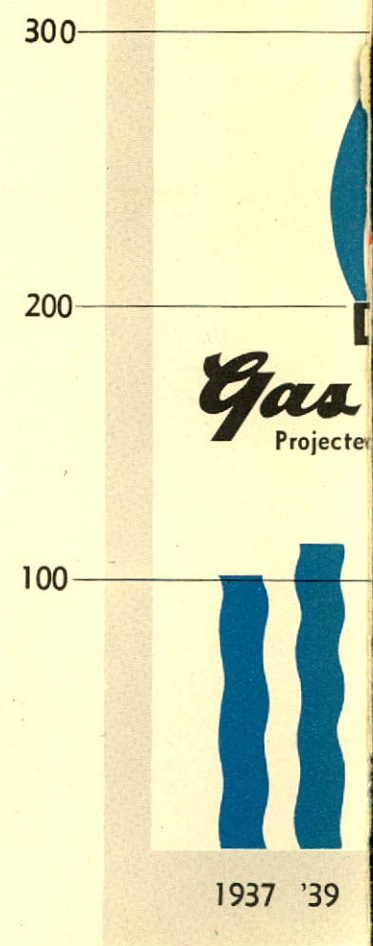
Electricity Generating Capacity Projected to End of 1949 1937 = 100



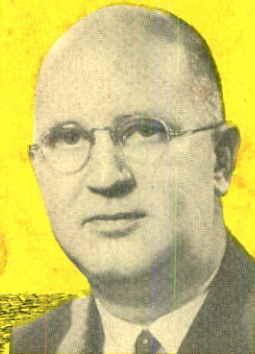
Original Cost of Plant in Service



Hourly Wage Index—One-Man Car Operators—B. C. Electric
 Cost of Living Index—Canada 1926 = 100



1937 '39



THOMAS INGLEDOW
 Vice-President and Chief Engineer
 under whose supervision the many
 construction projects in the Com-
 pany's post-war modernization and
 expansion program have been
 carried out.



BRIDGE RIVER HYDRO

THIS PROJECT IS A MONUMENT TO THE INGENUITY AND SKILL OF THE ENGINEERS WHO CONCEIVED AND PLANNED IT; TO THE ABILITIES OF THE EQUIPMENT AND CONSTRUCTION FIRMS—MANY FROM BRITISH COLUMBIA—WHO TACKLED JOBS OF UNPRECEDENTED MAGNITUDE IN BUILDING AND ERECTING IT; AND TO THE CAPABILITIES OF THE BRITISH COLUMBIA WORKMEN WHO LABORED TO PUT THE GIANT TOGETHER.