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The Consumers' Gas Company  
~ of Toronto ~  
Ninety-Ninth Annual Report

Year ended 30th September, 1947

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# The Consumers' Gas Company *of* Toronto

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## BOARD OF DIRECTORS

### *President*

A. L. BISHOP

President, The Coniagas Mines, Limited  
Director, The Manufacturers Life Insurance Company  
Director, The Consolidated Mining and Smelting Company of Canada, Limited

### *Vice-President*

EDWARD J. TUCKER

General Manager  
The Consumers' Gas Company of Toronto

### *Directors*

W. C. LAIDLAW

President, R. Laidlaw Lumber Company,  
Limited  
Director, Imperial Bank of Canada  
Director, Canada and Dominion Sugar  
Company, Limited

M. R. GOODERHAM

President, Manufacturers Life Insurance  
Company

F. S. CORRIGAN

President, General Steel Wares Limited  
Vice-President, Canada Permanent Mortgage  
Corporation  
Director, North American Life Assurance  
Company

ROLPH R. CORSON

President, Chartered Trust and Executor  
Company  
President, Boiler Inspection and Insurance  
Co. of Canada  
Vice-President, Laura Secord Candy Shops  
Limited

J. G. PARKER

Managing Director  
The Imperial Life Assurance Co. of Canada

V. R. SMITH

President, Confederation Life Association  
Director, Bell Telephone Co. of Canada  
Director, Dominion Fire Insurance Company

J. A. NORTHEY

President, Telfer Paper Box Co. Ltd.  
Director, Canadian National Railways  
Director, Imperial Bank of Canada

*His Worship the Mayor of Toronto*

ROBERT H. SAUNDERS,  
K.C., C.B.E.



# Ninety-Ninth Annual Report *of the* Directors *of* The Consumers' Gas Company *of* Toronto

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## TO THE SHAREHOLDERS:

Your Directors present herewith the Ninety-ninth Annual Report of the operations of the Company together with the Balance Sheet as of September 30th, 1947, and the Statement of Income for the year ended September 30th, 1947.

The following figures taken from the Statement of Income summarize the financial results of the year's operations:—

Gross Operating Revenue .....	\$9,994,602.96
Operating Expenses and Taxes .....	8,035,425.23
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Net Operating Income .....	1,959,177.73
Interest Earnings .....	81,674.06
Transferred from Reserve Fund .....	262,364.91
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	\$2,303,216.70
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Dividends .....	\$1,164,416.00
Transferred to Plant and Buildings Renewal Fund .....	1,138,800.70
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	\$2,303,216.70
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## GAS OUTPUT

The output of gas was higher than in any previous year, the total volume being 8,179,660,000 cubic feet, an increase of 3.64 per cent. over the output of 1946, and 49.25 per cent. greater than that of the year 1940.



A new record in the consumption of gas in a single day was established on February 5th, when the output measured 29,828,000 cubic feet. The previous record day of 27,175,000 cubic feet was exceeded on ten occasions during the year.

#### OPERATING REVENUES

The revenue derived from the sale of gas exceeded that of last year by \$627,846, the total amount being \$7,943,686.

The sales of gas to all classes of customers have shown a satisfactory increase in volume.

After carefully considering the financial position of the Company, and having regard to the high and increasing cost of all labour and materials required in the Company's operations, the Directors were reluctantly compelled to increase the price of gas to consumers. The increase became effective in April.

The value of residuals produced, coke, tar and ammonia, totalled \$1,322,441, an increase of \$19,397 over 1946.

There was but little improvement in the supply of gas-burning appliances, the number available falling short of demands. The revenue from the sales of appliances, however, amounted to \$722,139, which was \$140,056 higher than last year.

#### OPERATING EXPENSES

Production, distribution and administration expenses, and taxes, aggregated \$8,035,425, an increase over 1946 of \$593,120.

Further increases in the cost of coal at the mines and transportation charges were made effective during the year, while the price of gas oil was advanced by 12 per cent.



It is anticipated that prices for coal and oil will be still higher on future purchases than the prices at present prevailing, and that the Company will have to meet a greater burden of expense during the coming year.

As a result of the vacation period taken by the miners in July, followed by lessened hours of work and unauthorized strikes at the mines, it has not been possible to accumulate sufficient stocks of coal for winter use from the customary sources. Supplementary purchases of coal have been made at additional cost to take care of the deficiency.

Payrolls for the year totalled \$2,886,322, an increase over 1946 of \$447,270. On February 1st a general increase of 17 cents per hour was granted to employees organized under Local 161, International Chemical Workers Union, A.F. of L., and on August 1st, in accordance with the terms of the existing agreement, a further increase of 7 cents per hour was granted to compensate for the increase in the cost of living subsequent to February 1st as reported by the Dominion Bureau of Statistics. Corresponding increases in pay were given to the balance of the staff.

As compared with the rates paid in 1939 the average wages now paid to our hourly rated employees have advanced by 78 per cent.

#### TAXES

Taxes, including municipal property and business taxes, and Dominion and Provincial Income Taxes, amounted to \$938,430, a sum equal to 12 cents for each dollar received from the sale of gas.

#### REPAIRS AND RENEWALS

The properties and plants of the Company have been maintained in good physical condition and up to a high degree of operating efficiency.



The expenditures during the year for repairs and renewals, which were abnormally heavy, amounted to \$994,002, all of which has been charged to the Plant and Buildings Renewal Fund.

The programme of repairs and renewals included some extraordinary and non-recurring items of considerable magnitude, such as the painting of the gas holders at Stations "A" and "C", the modernization of units of the water gas plant at Station "A", and the reconstruction of a boiler at Station "B". In addition, much of the maintenance work deferred during the war years was proceeded with.

#### PLANT AND EQUIPMENT

The demand for gas exceeded all previous records and resulted in the nominal productive capacity of the plant being exceeded on several days in the winter months. To meet this situation many additions to the gas production plants and distribution facilities were undertaken.

At Station "B" Works an extension to the generating house building, the installation of one new water gas set having a capacity of  $5\frac{1}{4}$  million cubic feet of gas per day, and the construction of one new oil-fired boiler, were completed and placed in operation. Uncompleted work consists of the installation of two additional water gas sets and one naphthalene washer.

The distribution system was extended by the laying of 10 miles of high pressure and distribution mains.

Actual expenditures for these purposes totalled \$857,285. Notwithstanding the difficulties experienced by delays in securing the necessary materials and equipment which made construction work much slower than under normal conditions, satisfactory progress was made.



## SALES PROMOTION

Sales promotion activities were carried on by means of local advertising, radio, and Home Service programmes. A large, attractive and well-equipped display of gas appliances was sponsored by the Company at the Canadian National Exhibition.

## GENERAL

The share capital outstanding consists of 145,552 shares of common stock having a par value of \$100.00 each, a total value of \$14,555,200. The stock is owned by 4,909 shareholders, 83 per cent. of whom reside in Canada. During the past ten years the number of shareholders has increased by 932, or 23 per cent., while the issued capital stock has remained unchanged.

During the year the Directors gave a great deal of consideration to the matter of raising the current and future capital requirements of the Company, and have decided that the interests of the Company would be best served if some portion of the needed money was secured by the issue of bonds, debentures or other securities of the Company. To this end, on October 3rd, 1947 the Directors passed a By-law authorizing an application to the Lieutenant-Governor-in-Council for Supplementary Letters Patent providing for the extension of the limited power already possessed by the Company to borrow money. A copy of this By-law has been placed in the hands of the shareholders for their consideration at a Special General Meeting to be held immediately following the Annual General Meeting on November 10th.

The Directors record with deep regret the death, on February 20th, 1947, of their honoured colleague Colonel J. F. Michie, who as a Director of the Company from September 17th, 1917, and as Vice-President from February 7th, 1938, until October 5th, 1945, rendered valuable services to the Company.



The vacancy on the Directorate occasioned by the death of Colonel Michie was filled by the election to the Board of Mr. J. A. Northey.

The Directors acknowledge with deep appreciation the continued loyalty and unfailing energy with which the staff have met the difficulties encountered in conducting the affairs of the Company during the year.

All of which is respectfully submitted.

A. L. BISHOP.

President.



# The Consumers' Gas Company *of* Toronto

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## Statement of Income

For Year ended September 30th, 1947

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### GROSS OPERATING REVENUE:

Gas Sales.....	\$7,943,685.84	
Residuals Produced.....	1,322,440.92	
Merchandise Sold.....	722,139.43	
Miscellaneous Revenue.....	6,336.77	
		<hr/>
		\$9,994,602.96
Production, Distribution and Administration Expenses (including Taxes of \$938,430.41)...		8,035,425.23
		<hr/>
NET OPERATING INCOME.....		1,959,177.73
INTEREST EARNINGS, NET.....		81,674.06
		<hr/>
TOTAL NET INCOME before Provision for Plant and Buildings Renewal Fund.....		2,040,851.79
Dividends on Capital Stock.....		1,164,416.00
		<hr/>
		\$ 876,435.79
Transferred from Reserve Fund.....		262,364.91
		<hr/>
		\$1,138,800.70
Transferred to Plant and Buildings Renewal Fund		1,138,800.70
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# The Consumers' Gas

Balance

September

## LIABILITIES

Capital Stock .....	\$14,555,200.00
*Reserves:	
Reserve Fund .....	\$ 3,464,458.42
Plant and Buildings Renewal Fund. 10,553,130.24	
	<hr/> 14,017,588.66
Dividend No. 390, payable October 1st, 1947 .....	291,104.00
Provision for Dominion and Ontario Taxation .....	147,741.12
(subject to confirmation by the Deputy Minister for Tax- ation of the basis of computation of the Dominion Tax.)	
Accounts Payable .....	759,817.86
Bank Advance .....	1,065,402.83
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	<u>\$30,836,854.47</u>

Approved on behalf of the Board of Directors.

(Signed) A. L. BISHOP,  
*President.*

(Signed) EDWARD J. TUCKER,  
*Vice-President and General Manager.*



# Company of Toronto

## Sheet

30th, 1947

### ASSETS

Real Estate, Plant and Equipment.....	\$25,475,157.54
Investment in Dominion of Canada Bonds (At Cost)	2,813,944.56
Materials and Supplies.....	1,388,716.95
Cash in Bank and Offices.....	14,158.00
Accounts Receivable, after making provision for Doubtful Accounts.....	986,119.11
Interest Accrued, not due.....	28,354.75
Prepaid Taxes and Insurance.....	130,403.56
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	<u>\$30,836,854.47</u>

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1947, and in the conduct of the work have received all of the information and explanations we have required.

We report that, in our opinion, the above balance sheet fairly represents, in accordance with accepted principles of accounting appropriately applied and consistently maintained, the financial position of the Company at 30th September, 1947, according to the best of our information and as shown by the books of the Company.

GUNN, ROBERTS & COMPANY,

*Chartered Accountants*

TORONTO, NOVEMBER 4th, 1947.



