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Control and Supervision of Public Utilities

Provincial Act explained—Future of private enterprise in development of public utilities depend on the moderate operations of the Act—If stringently interpreted private initiative will cease.

The Legislature of the Province of British Columbia, which has recently finished its session, has enacted a bill to provide for the regulations of public utilities which, from a cursory examination, appears to be a comprehensive measure for the regulations of all classes of public utilities operating within the province.

According to the interpretation of the Act a public utility is defined as follows: "Public Utility Company" and "Company" mean any corporation, partnership, person or association of persons that now or at any time hereafter owns, controls, operates or manages for public use directly or indirectly any public utility which is subject to the legislative authority of the Province and shall include lessee, trustee, liquidator and receivers of every such corporation, partnership, person or association."

Public utility means any system, works, plant, equipment or property used or to be used or in connection with:

- (a) the transportation of persons or property over the railway, street railway, tramway or ferry; or
- (b) the transmission of telegraph or telephone messages; or
- (c) the production, storage, transmission, sale, delivery or furnishing of heat, coal, light, power, gas or electricity to or for the public; or
- (d) the conduct of any business declared to be a public utility by an order of the Lieutenant-Governor in Council pursuant to the Act.

The duties of a public utility company are defined as that every such company shall maintain its property and equipment in such condition as to enable it to furnish, and shall furnish, service to the public in all respects, adequate, safe, just and reasonable. Public utility companies are required to furnish to all persons suitable service without discrimination and without delay. Each company must obey the orders of the Public Utilities Commission, and each company shall furnish all necessary information as required and deliver all documents and inventories called for and keep

other records within the province, and furnish a list of administrative officials. The public utilities companies are restricted as to rates and services on the basis of being unjust, unreasonable, unduly discriminating or unduly preferential. Reduced rates and rebates are prohibited, and any change of rate is prohibited except with approval of the Commission.

According to the terms of the Act the British Columbia Electric Railway is specifically mentioned with regard to its passenger rates within the city of Vancouver. Pending a decision to be handed down by the Commission the six-cent fare shall continue to operate, but the one-cent excess is to be deposited in a trust fund and kept separate from the accounts of the company. If the Commission at some future time decides that the five-cent rate is just and reasonable, the one-cent excess fare will be turned over to the Vancouver General Hospital. If, on the other hand, the six-cent fare is allowed, the trust fund so created will be freed and the trust fund go back into the general accounts of the company.

An important feature of the Act is that no public utility company shall issue any stocks, bonds, debentures, securities or other evidence of indebtedness payable in more than one year from the date thereof, unless it has first obtained approval by the Commission of the proposed issue. Upon application and hearing if the Commission approves of the purpose and amount of the proposed issue and is satisfied that the issue is to be made in accordance with law, the Commission shall grant its approval of the proposed issue. The Commission has also the authority to grant a less amount than applied for and subject to conditions which it may deem reasonable and necessary to impose.

No public utility company may capitalize any franchise or right to be a corporation, nor may it capitalize any franchise in excess of the amount which is actually paid to the province or to municipality as a consideration for the franchise, nor may the company capitalize any contract for consolidation, amalgamation, merger or lease, nor may it issue any security or evidence of indebtedness upon any contract for consolidation, amalgamation, merger or lease. The approval of the Commission shall be required for the disposal

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