

1898

FIFTIETH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

In presenting to the Stockholders the fiftieth Annual Report of the Company, with the accompanying financial statements, it affords the Directors pleasure to be able to exhibit an increase in the consumption of gas, number of consumers, receipts and profits.

These results have been brought about by improved methods, decreased cost of material, and the Company's liberal policy in extending the mains to outlying districts.

The suit brought against the Company by a gas consumer, in which judgment had been obtained by the Company, and which was appealed by him to the Privy Council, was heard on the 22nd March, and his appeal, upon hearing the Appellant's case, and without calling upon the Respondent's Counsel, was dismissed with costs.

During the past year, 1,268 services have been put in, and over five miles of mains have been laid, making the total mileage over 242.

A comparative statement with that of the preceding year, shows:—

	STREET LAMPS.	METERS.	GAS RENTAL.
Year ending 30th September, 1897.....	1,014	22,951	\$529,839.48
“ “ “ 1898.....	1,012	24,257	568,128.51
	Decrease, 2	Increase, 1,306	Increase, \$38,289.03

The Directors regret having to report the death, during the year, of Mr. Morgan Baldwin, for many years a prominent citizen of the community, and a useful and valuable member of this Board for nearly 20 consecutive years.

The vacancy has been filled by the election of Mr. A. J. Somerville, a manufacturer and merchant, well and favorably known in the business community.

A new generating house for water gas, to replace an old building which had become unsuitable for the purpose, is in course of construction, and is nearing completion.

The Company's works and plant have been maintained in a thorough state of efficiency and repair.

This being the Company's jubilee year, a reference to its progress, during the past fifty years, will not be out of place. The output of gas for the year 1848 (the year of the Company's Incorporation), when the population of the city was 23,500, was 5,854,000 cubic feet, its illuminating power 12 candles, and the net price \$5.00 per thousand cubic feet. There is no record of the number of meters then in use, but in 1849 there were 317, while a small quantity of gas was sold at so much per burner per hour.

The output of gas for the year ending 30th September last was 707,211,000 cubic feet, its illuminating power over 20 candles, the net price 90 cents per thousand cubic feet, and the number of meters in use 24,257,—the population of the district supplied about 200,000.

To have obtained such substantial results in the face of the keen competition, for some years past, with electricity, no small credit is due to the energy and ability of the Manager, Mr. Pearson, who for forty years and upwards as an employé of the Company, including thirteen years as Secretary, and ten years as General Manager and Secretary, has done so much, aided by an efficient staff, to promote the interests of the Company.

All of which is respectfully submitted.

LARRATT W. SMITH,
President.

STATEMENT SHOWING PROFIT

REALIZED BY THE CONSUMERS' GAS COMPANY OF TORONTO, FROM OCT. 1ST, 1897, TO OCT. 1ST, 1898

DR.			CR.		
		\$ c.			\$ c.
1898 Oct. 1	To Coal—Bituminous	101,255 00	1898 Oct. 1	By Gas Rents	508,128 51
	" " Anthracite	20,114 80		" Office Rents	1,020 00
	" Oil	40,801 39		" Tar	23,578 33
	" Salaries	29,850 00		" Coke	28,570 73
	" Auditors	00 00		" Ammoniacal Liquor	7,000 46
	" Stationery and Advertising	1,000 11			
	" Insurances	2,311 82			
	" Supt. Works, Siders and Engineers	40,409 08			
	" Purification—Line and Wages	15,249 16			
	" Lamplighting	9,525 50			
	" Meter Setting and Indications	12,035 12			
	" Gas and Meter Inspection	5,854 00			
	" Charges at Works	13,448 82			
	" Directors' Compensation	8,084 38			
	" Horse Board and Expenses	2,178 28			
	" Taxes	23,943 02			
	" Sundries	13,218 35			
	" Balance brought down	254,820 61			
		628,416 03			628,416 03
1898 Oct. 1	To Dividends	170,000 00	1898 Oct. 1	By Balance brought down	254,820 51
	" Profit and Loss	42,101 58		" Interest	1,303 33
	" Depreciation of Plant	50,000 00		" Interest on Debentures	5,928 72
		262,101 58			262,101 58

LARRATT W. SMITH,

President.

L.S.

W. H. PEARSON,

General Manager and Secretary.

Examined and found correct—

W. E. SAMPSON,
JNO. C. COPP, } Auditors

Toronto, 22nd October, 1898.

TORONTO,

\$	c.
508,128	51
1,020	00
23,278	33
28,370	73
7,009	46
<hr/>	
628,416	03
<hr/>	
254,806	51
1,303	35
5,928	72
<hr/>	
262,101	58

— OF THE —

		LIABILITIES.			ASSETS.	
		\$	c.	\$	c.	
1888						1888
Oct. 1						Oct. 1
	Capital Stock	1,700,000	00			Works, Plant and General Outlay
	Reserve Fund	753,110	50			Main Pipes and Specials
	Plant and Building Renewal					Service Pipes and Fittings
	Fund, October 4, 1897	287,077	04			Retorts, Firebricks, etc.
	Profit and Loss	42,101	58			Coal
						Oil
		329,770	32			Coke
	Less Repairs and Renewals	51,730	04	278,030	58	Tar
						Outside of Iron
	Profit and Loss Reserved for					Cash
	Dividend No. 194	12,500	00			Dominion Bank
	Sundry Accounts Ow'g	28,554	76			Debitures
						Horses and Conveyances
						Ga Accounts Ow'ing
						Sundry Accounts Ow'g
		2,802,243	93			
						2,802,243
						93

L.S.

We beg to report the completion of the audit of the books and vouchers of the Consumers' Gas Company of Toronto for the year ending 1st October, 1898, and certify to their correctness

(Signed) W. E. SAMPSON, }
JNO. C. COPP, } *Auditors*

TORONTO, 22nd October, 1898.

ON, } Auditors
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CONSUMERS' GAS COMPANY.

The Fiftieth Annual General Meeting of the Consumers' Gas Company was held at the Company's office, 19 Toronto Street, on Monday, 31st October, 1898, at noon.

Among those present were: Dr. Larratt W. Smith, Samuel Alcorn, J. L. Blaikie, I. C. Gilmor, George Gooderham, James Henderson, Thos. Long, A. J. Somerville, T. R. Wood, W. H. Evans, C. C. Baines, W. H. Pearson, J. Laxton, W. S. Lee, D. F. Jessopp, and Miss Dickson.

The President occupied the chair, and read the Annual Report. In moving its adoption, he expressed gratification at being able to lay so satisfactory a statement before the Shareholders. He remarked amongst other things, that the output of gas had increased, during the year, by 47,828,000 cubic feet, being 7.2% over the output of the preceding year. There was another matter, to which he thought it desirable to call attention, and that was that meters were supplied by the Company, to the consumers free of charge; and it would probably surprise the Stockholders to learn that if meter rents were charged at the rates imposed by many other companies, the charge would amount to about ten cents per thousand cubic feet upon the quantity of gas sold during the past year. In alluding to the Company's success in the proceedings instituted by a consumer, he stated that they had been very costly both to the consumers and ratepayers, many thousands of dollars having been recklessly expended in costs for no useful purpose whatever, one eminent Judge of the Court of Appeal, from the decision of which the case was carried by the City to the Privy Council, having in his judgment incidentally stated, that with one exception (that of the restriction of the Dividend) this "Company was as free in the conduct of its business, and the "disposition of its property, as any other Corporation or individual;" whilst another learned Judge of the same Court used the following language in giving his judgment: "As I make it out between the "passing of the Act (1887) and the date of issuing the writ, five fiscal years elapsed, and assuming that "the amount of net profit in each of the five fiscal years equalled five cents per thousand cubic feet, on "the quantity of gas sold during the preceding year, the outside sum by which the plaintiffs could "have asked to have had the price of gas reduced for the five years would be 25 cents per thousand "feet on the whole quantity of gas supplied to them during the five years. And it appears from the "Annual Reports of the Directors of the Company, pages 25-30 and 54 of the Appeal Book, that the "price of gas was reduced from the 1st October, 1885, to the 1st October, 1893, by the sum of 40 cents per "thousand cubic feet, so that not only does it not appear, as pointed out by our learned brother Mac- "Lennan, that the plaintiffs have paid any sum in excess of what was properly chargeable, but it does "appear, that reductions have been made which possibly and probably have given the Plaintiffs more "than they were entitled to, on any view of the facts as alleged by them," so that it could scarcely be said, that the judgment of this Court (all the Judges being unanimous) passed off as has been sometimes alleged by the opponents of this Company upon a mere technicality, and it might be further added, that since this Judgment had been delivered, the price of gas had been still further voluntarily reduced by 15 cents per 1000 cubic feet.

In speaking of the satisfactory results of the past year's operations, and of those, of the long preceding years, culminating in the present Jubilee year, the President referred in eulogistic terms, to the great value of the services rendered by the Manager and his efficient staff.

The motion for the adoption of the Report was seconded by Mr. George Gooderham, and was carried unanimously.

A vote of thanks to the President, Vice-President and Directors of the Company, for their services during the year, was moved by Mr. Walter S. Lee, seconded by Mr. W. H. Evans, and carried unanimously.

A resolution of thanks to the General Manager and Secretary and the other Officers and Employés of the Company, which was moved by Capt. D. F. Jessopp, seconded by Mr. Walter S. Lee, was also carried unanimously.

The Manager, in acknowledging the compliment, and referring to the progress and prosperity of the Company, mentioned, amongst other matters, that the output of gas for the past year, was nearly double that of 1887, over three times greater than in 1884, and more than four times greater than in 1881. The number of meters in use in 1881 was 4,327; in 1884, 6,088; in 1887, 9,004; in 1891, 14,838; in 1893, 17,702; in 1897, 22,951; and in 1898, 24,257.

This increase in the number of meters, he observed, would doubtless have been larger during the past two years, were it not that the Company was now supplying but one meter for both light and fuel instead of two meters as formerly, the price of gas being the same for both purposes.

The increases in the output of gas were especially gratifying in view of the facts that in 1891, 2,200 street lamps out of about 3,500 were discontinued, and that a number of the Company's largest consumers are now using electricity, in some instances generated on their own premises, and in others furnished at exceptionally low rates. The Company has also been handicapped by the high price charged by the Auer Incandescent Light Co., for their burners and mantles, the same being fully three times greater than is charged for similar burners and mantles in the United States. The Auer Light Company are enabled to make these excessive charges, owing to their having an exceedingly broad patent which prevents the use in Canada of nearly all other incandescent gas lights.

The increase in consumption was mainly attributable to the following causes:—Cheapness and good quality of the gas, its increased use for fuel, extension of mains into the suburbs, and the more general use of gas in the smaller class of houses, both for fuel and light, and to the increasing prosperity of the City. It was gratifying to be able to state that the price of gas in Toronto, 90 cents per 1,000 cubic feet, was lower than that charged in other cities more favorably situated than Toronto, in regard to cost of materials, the price in Buffalo being \$1.00, in most of the other large American cities from \$1.00 to \$1.25, and in Montreal \$1.20 to ordinary consumers for light and \$1.00 for fuel (in addition to meter rent).

This Company possessed the decided advantage of having a very small Capital for the amount of gas supplied, it being not more than one-half of that of many American Companies, and not one-third of that of some of them with a not much larger output. The Capital Stock of this Company for the quantity of gas sold, was probably the lowest of any Company on the Continent of America. The Manager then referred to the future prospects of the Company, and remarked that in view of the increasing demand for gas for fuel, and its adoption by occupants of smaller houses, and of the fact, that two years ago there were still 18,000 houses in the City, which were not supplied with gas, and of the growing prosperity of the City, the outlook of the Company was certainly very promising. He concluded by acknowledging in high terms, the services of the other officers and employees of the Company.

Messrs. W. E. Sampson and J. C. Copp were re-appointed Auditors for the current year.

Messrs. Walter S. Lee and C. C. Barnes were appointed scrutineers, and as a result of their scrutiny reported the following gentlemen to have been unanimously re-elected Directors for the ensuing year:—Samuel Alcorn, J. L. Blaikie, Henry Cawthra, G. R. R. Cockburn, M.A.; I. C. Gilmer, George Gooderham, James Henderson, M.A.; Thos. Long, Larratt W. Smith, D.C.L., Q.C.; Hon. Sir Frank Smith, A. J. Somerville, and Thos. B. Wood.

At a Board Meeting subsequently held, Dr. Larratt W. Smith was unanimously re-elected President and Sir Frank Smith, Vice-President for the ensuing year.