

Approved and ordered this 12th day of July, A.D. 19 45

Lieutenant-Governor.

At the Executive Council Chamber, Victoria,

PRESENT:

The Honourable

- Mr. Hart
- Mr. Pearson
- Mr. Kenney
- Mr. MacDonald
- Mr. Anscomb
- Mr. Carson
- Mr. Perry
- Mr.
- Mr.
- Mr.
- Mr.

in the Chair.

To His Honour

The Lieutenant-Governor in Council:

The undersigned has the honour to REPORT:

THAT the Public Utilities Commission, constituted under the "Public Utilities Act", at a meeting of the said Commission held on the 6th day of July, 1945, made an order authorizing the issuance of not exceeding \$5,000,000 principal amount of general mortgage bonds of British Columbia Electric Railway Company Limited, a copy of which order is attached hereto;

AND TO RECOMMEND THAT in accordance with the provisions of the said Act the said order be approved.

Dated this

10th

day of July, A.D. 1945.

Premier.

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Approved this

10th

day of July, A.D. 1945.

Presiding Member of the Executive Council.

PUBLIC UTILITIES COMMISSION

IN THE MATTER OF the "Public Utilities Act"

and

IN THE MATTER OF an application of BRITISH
COLUMBIA ELECTRIC RAILWAY COMPANY LIMITED
for approval of a proposed issue of bonds

W. A. CARROTHERS, D.F.C., Ph.D.,	Chairman
L. W. PATMORE, LL.B., K.C.,	Commissioner
J. C. MacDONALD, B.A., B.E.,	Commissioner

The 6th day of July, A.D. 1945.

Upon reading the Petition herein of British Columbia Electric Railway Company Limited (hereinafter referred to as "the Company") and the documents filed in support thereof; and upon hearing what was said in support thereof on the third day of July, 1945, by Mr. A. H. Douglas of Counsel for the Company, Mr. W. G. Murrin, its President, and Mr. J. Lorn McLean, its Treasurer;

THIS COMMISSION HEREBY ORDERS:

1. That the Commission hereby approves the proposed issue by the Company of not exceeding \$5,000,000 principal amount of its General Mortgage Bonds to be designated 1945 Series, to bear interest at the rate of 4% per annum, to be dated July 1st, 1945, and to mature July 1st, 1965, such Bonds to be issued under and secured by a Deed of Trust and Mortgage in favour of Montreal Trust Company to be dated as of the 1st day of July, 1945, and to be in the form of the draft Deed filed herein with such amendments and additions thereto as may be required by Messrs. Montgomery, McMichael, Common, Howard, Forsyth & Ker, Solicitors, Montreal, and which Messrs. Robertson, Douglas & Symes, Solicitors for the Company may approve and which they shall certify in writing to the Commission merely correct errors, remove inconsistencies or otherwise do not make material changes in the said draft Deed.
2. That approval is hereby granted to the Company to mortgage and charge its undertaking, property and assets in accordance with the terms of the said draft Deed for the purpose of securing the said issue of Bonds hereby authorized.
3. That the said \$5,000,000 Bonds 1945 Series or any part thereof may be sold to British Columbia Power Corporation Limited at the price of \$97.00 per \$100.00 plus accrued interest, if any.
4. That the Company shall furnish to the Commission a true copy of the said Deed of Trust and Mortgage to be dated as of July 1st, 1945, as soon as the same is executed.
5. That the proceeds of the said issue of Bonds shall be applied on account of the capital expenditures mentioned in the said Petition dated June 29th, 1945.
6. That this order shall be operative and effective immediately upon its approval by the Lieutenant-Governor in Council, subject to the terms and conditions named herein.

Certified a true copy, the original being in my custody

(SEAL)

The 6th day of July, 1945

A. Jackson
Secretary

PUBLIC UTILITIES COMMISSION

"W. A. CARROTHERS"

Chairman.

PUBLIC UTILITIES COMMISSION.

MEMORANDUM

TO..... The Hon. the Premier,.....

FROM

..... BUILDINGS.

..... Public Utilities Commission.....

..... July 9th, 1945.

We are submitting, herewith, for the approval of the Lieutenant-Governor in Council our order dated July 6th, 1945, approving an issue of \$5,000,000 of General Mortgage Bonds of British Columbia Electric Railway Company Limited. This issue is linked up with an issue of bonds by the parent company, British Columbia Power Corporation Limited.

The parent company is issuing \$5,000,000 of 4% bonds at a price of 97% of par, the proceeds of which issue will be applied against an existing debt owing by the parent company to the British Columbia Electric Railway Company Limited. This issue does not involve the provisions of the "Public Utilities Act". As part of the arrangements with the underwriters, however, the parent company has given them an option to purchase a further amount of the parent company's bonds not exceeding \$5,000,000 at the same price. These additional bonds can only be issued by the parent company on the basis of a charge on the assets of a subsidiary. The issue by the British Columbia Electric Railway Company Limited, to which we have given our approval, is being made to meet this requirement. The terms on which the bonds of the British Columbia Electric Railway Company Limited are issued are similar to those on which the bonds of the parent company will be issued. In particular, the interest rate is the same and the price is the same as the parent company receives from the underwriters.

The British Columbia Electric Railway Company Limited has submitted to us particulars of its requirements for money for the three years ending December 31st, 1947, for its own operations and those of its affiliated and subsidiary companies. We are satisfied from these that the amount of the issue is reasonable.

With regard to the interest rate being paid, this is substantially in accordance with the current yield on the existing bonds of British Columbia Power Corporation Limited. While the 4% rate is very slightly higher than the existing yield, the proposed bonds mature five years later than the existing bonds.

W. A. Cameron

Chairman.
PUBLIC UTILITIES COMMISSION.

Encl.