



DOCKET NO. \_\_\_\_\_

File Copy

# ANNUAL REPORT

1963

PHILADELPHIA ELECTRIC COMPANY

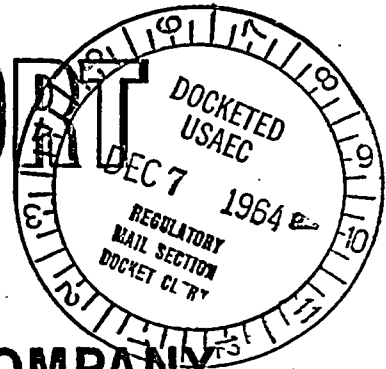


Exhibit D-1

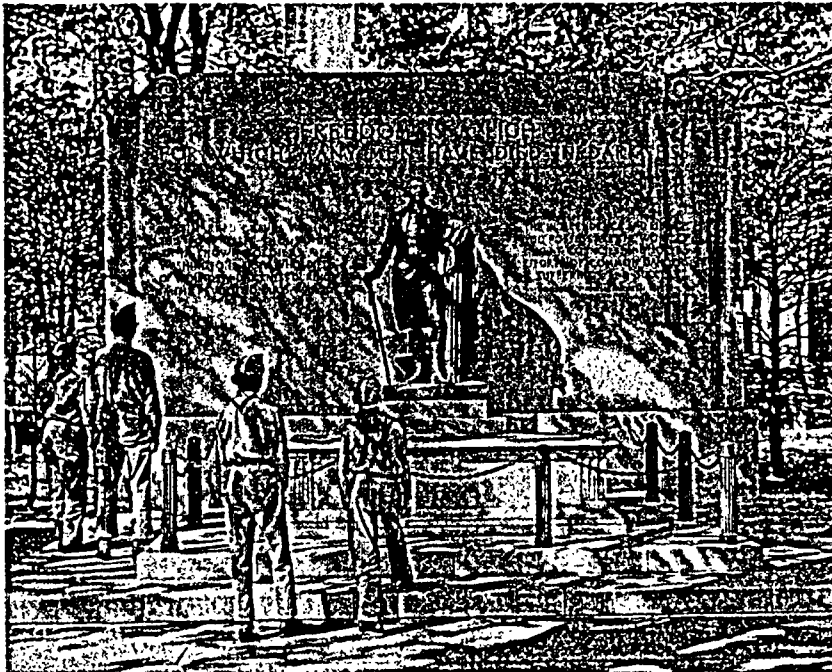
A-376

*ON THE COVER. Aerial view of Philadelphia. Tree-lined Benjamin Franklin Parkway is gateway to Center City.*

## **ANNUAL MEETING**

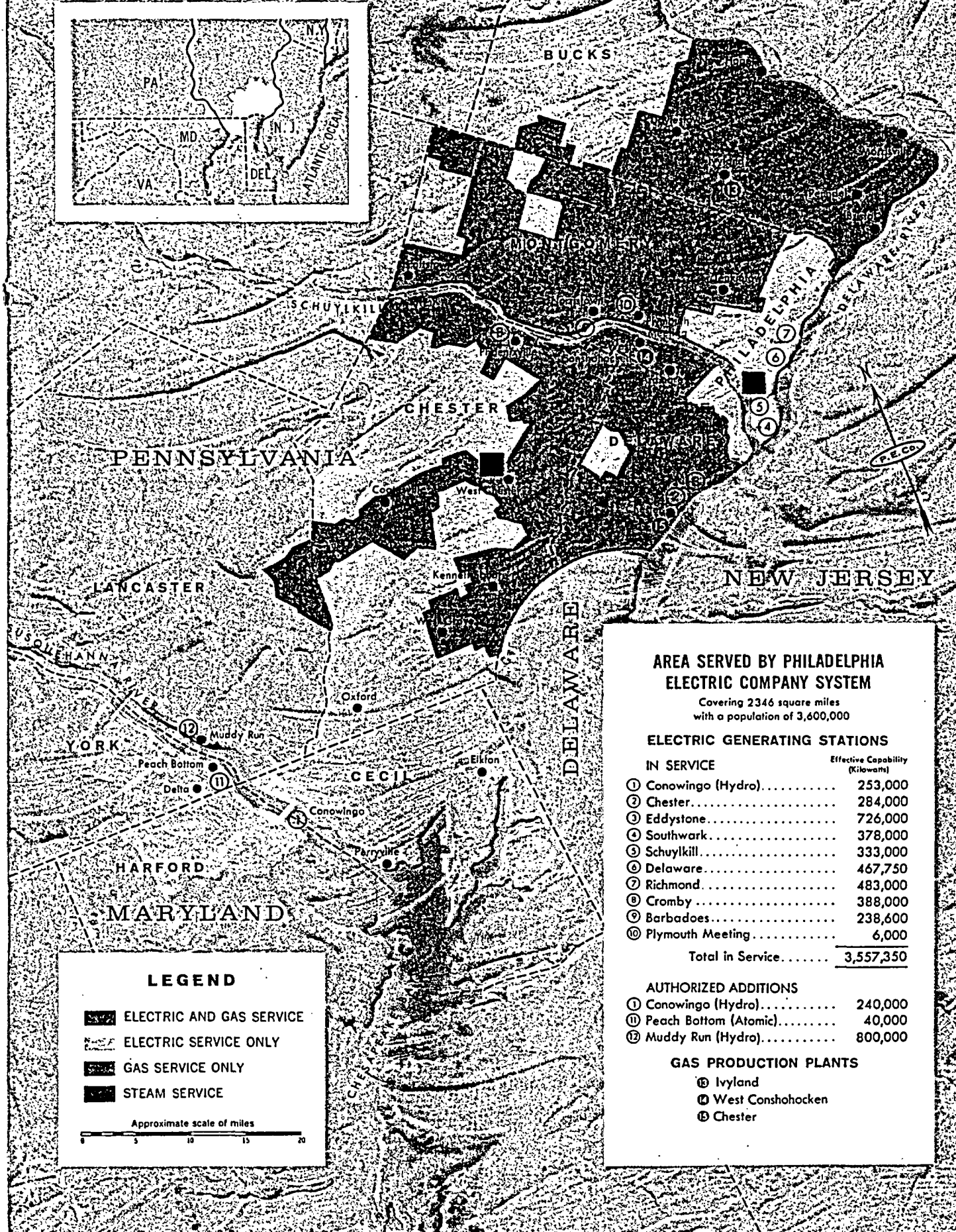
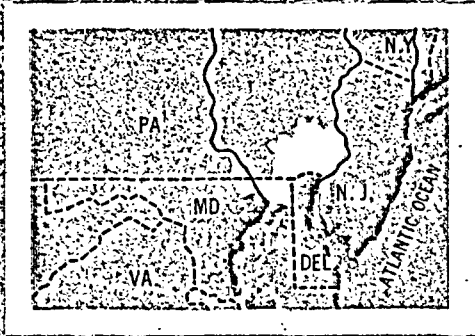
The annual meeting of the stockholders of the Company will be held on April 8 at twelve o'clock noon at the office of the Company, Edison Building, Ninth and Sansom Streets, Philadelphia.

Holders of the Common Stock of record at the close of business on February 28 are entitled to vote at this meeting. Notice of the meeting, proxy statement, and form of proxy are being sent with this report to the holders of Common Stock. Prompt return of the proxies will be appreciated.



**REVOLUTIONARY WAR MEMORIAL IN WASHINGTON SQUARE,  
ONE OF MANY SHRINES IN HISTORIC PHILADELPHIA**

Philadelphia Electric Service Area Shown in White



**AREA SERVED BY PHILADELPHIA ELECTRIC COMPANY SYSTEM**

Covering 2346 square miles with a population of 3,600,000

**ELECTRIC GENERATING STATIONS**

IN SERVICE	Effective Capability (Kilowatts)
① Conowingo (Hydro).....	253,000
② Chester.....	284,000
③ Eddystone.....	726,000
④ Southwark.....	378,000
⑤ Schuylkill.....	333,000
⑥ Delaware.....	467,750
⑦ Richmond.....	483,000
⑧ Cromby.....	388,000
⑨ Barbadoes.....	238,600
⑩ Plymouth Meeting.....	6,000
<b>Total in Service.....</b>	<b>3,557,350</b>

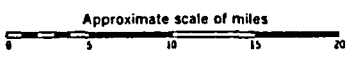
**AUTHORIZED ADDITIONS**

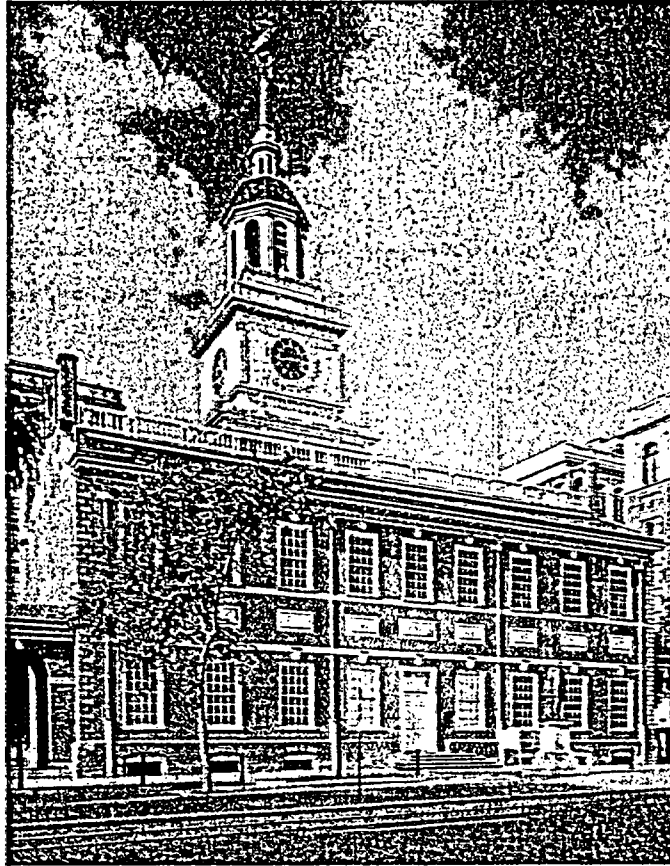
① Conowingo (Hydro).....	240,000
⑪ Peach Bottom (Atomic).....	40,000
⑫ Muddy Run (Hydro).....	800,000

- GAS PRODUCTION PLANTS**
- Ⓜ Ivyland
  - Ⓝ West Conshohocken
  - Ⓞ Chester

**LEGEND**

- ELECTRIC AND GAS SERVICE
- ELECTRIC SERVICE ONLY
- GAS SERVICE ONLY
- STEAM SERVICE

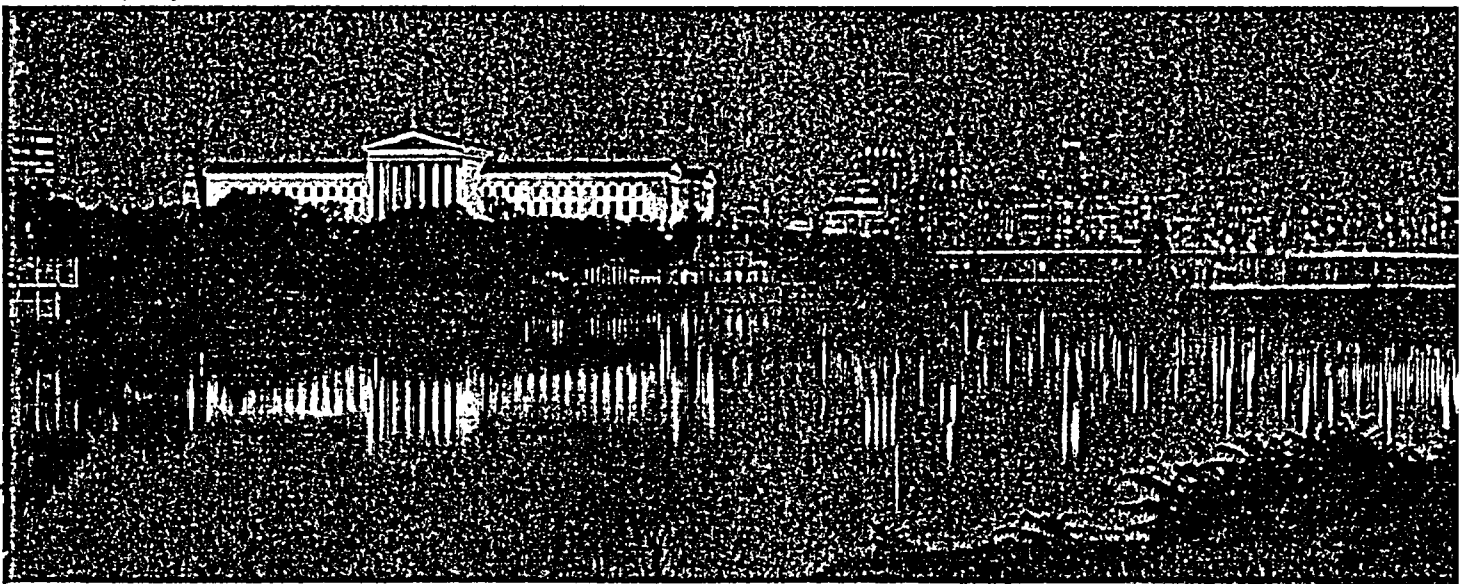




INDEPENDENCE HALL



PHILADELPHIA  
ELECTRIC  
COMPANY



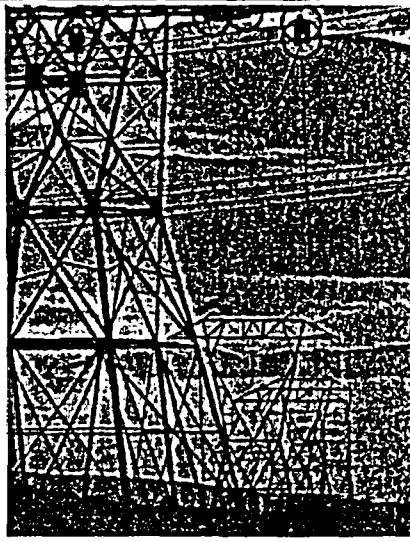
PHILADELPHIA MUSEUM OF ART AND CITY SKYLINE REFLECTED IN THE WATERS OF THE SCHUYLKILL

## ANNUAL REPORT 1963

### CONTENTS

	PAGE
Directors and Officers .....	2
Letter to Stockholders .....	3
Highlights .....	4
Condensed Statement of Income .....	5
Revenue Increases .....	6
Sales Promotion .....	7
Operating Expenses .....	9
Load Growth Continues .....	10
Operating Efficiency .....	10
Gas Operations .....	13
Engineering and Research .....	14
Atomic Energy .....	15
Progressive Patterns in Greater Philadelphia .....	16
Construction .....	20
Stock Ownership .....	21
Public Relations .....	22
Management and Personnel .....	23
Financing .....	24
Financial Statements .....	25
Report of Accountants .....	28
Financial Statistics .....	31
Operating Statistics .....	32
Map of Area Served .....	33

**PHILADELPHIA ELECTRIC COMPANY**



## BOARD OF DIRECTORS

\*GUSTAVE G. AMSTERDAM ..... *President, Bankers Securities Corporation*  
GEORGE H. BROWN, JR. .... *President, Girard Trust Corn Exchange Bank*  
\*JOHN A. DIEMAND ... *Chairman of the Board, Insurance Company of North America*  
WALTER D. FULLER ..... *Director, The Curtis Publishing Company*  
ROBERT F. GILKESON ..... *Executive Vice-President of the Company*  
\*WILLIAM G. HAMILTON, JR. .... *President, American Meter Company*  
VINCENT P. McDEVITT ..... *Vice-President and General Counsel of the Company*  
\*H. NEDWILL RAMSEY ..... *President of the Company*  
\*ROY G. RINCLIFFE ..... *Chairman of the Board of the Company*  
PHILIP T. SHARPLES ..... *Chairman of the Board, The Sharples Oil Corporation*  
G. STOCKTON STRAWBRIDGE *President and General Manager, Strawbridge & Clothier*

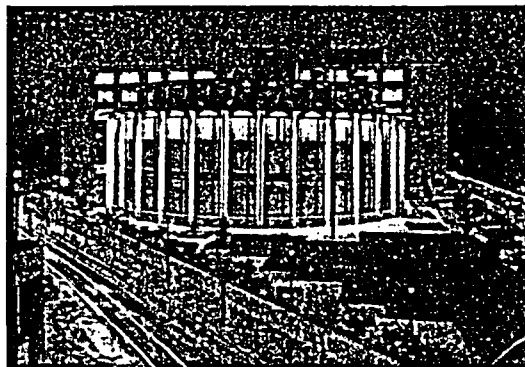
*\*Member of Executive Committee, of which Mr. Rincliffe is chairman.*

## OFFICERS

ROY G. RINCLIFFE ..... *Chairman of the Board*  
H. NEDWILL RAMSEY ..... *President*  
ROBERT F. GILKESON ..... *Executive Vice-President*  
GEORGE R. CONOVER ..... *Vice-President—Personnel and Public Relations*  
VINCENT P. McDEVITT ..... *Vice-President and General Counsel*  
ROBERT P. LIVERSIDGE ..... *Vice-President—Electric Operations*  
WILLIAM H. JONES ..... *Vice-President—Purchasing and Service Operations*  
MILTON I. ALLEN ..... *Vice-President—Sales*  
J. HENRY LONG ..... *Vice-President—Gas Operations*  
CHARLES W. WATSON ..... *Vice-President—General Administration*  
JAMES H. HARLOW ..... *Vice-President—Engineering and Research*  
ALLAN G. MITCHELL ..... *Vice-President—Finance and Accounting*  
VINCENT J. WALSH ..... *Secretary*  
GEORGE W. MILLER ..... *Treasurer*  
WILLIAM F. BERGAN ..... *Assistant Secretary*  
DAVID W. EVANS, JR. .... *Assistant Treasurer*  
J. WALLACE SCHULZE ..... *Assistant Treasurer*

GENERAL OFFICE: 1000 CHESTNUT STREET, PHILADELPHIA, PA. 19105

FISCAL AGENTS ARE SHOWN ON PAGE 30.



BUCKS COUNTY COURTHOUSE

March 2, 1964

## TO THE STOCKHOLDERS:

The year 1963 was a good one for your Company, with gains shared by stockholders, customers, and employees alike.

Revenue and earnings rose to new levels. The annual dividend rate for the Common Stock was increased to \$1.32 a share from the previous rate of \$1.20, beginning with the June payment. This was the seventh dividend increase since 1950.

New electric rates were placed in effect in October to pass on to customers annual savings of \$3.1 million stemming from economies and efficiencies achieved in the production and distribution of electricity, and \$4.4 million resulting from the use of unit coal trains operating directly between coal mines and Company power plants. Combined savings to customers will total \$7.5 million annually.

In August, employees benefited from a 3.5 per cent general wage increase. Improvements were also made in the pension plan. That employees and annuitants believe P. E. is a sound investment, as well as a good employer, was demonstrated by their subscription, in October, to 260,884 shares of Common Stock under the employee stock purchase plan authorized by the stockholders.

Your Company is moving ahead to utilize every opportunity to strengthen and improve its position as a reliable supplier of energy. Use of electricity, gas, and steam is steadily expanding in Greater Philadelphia. This report tells of the progress of Company operations, and of our forward-looking plans to meet the growing service needs of customers fully and economically in the future.

*Chairman of the Board*

*President*



## UNIT 2

### HIGHLIGHTS

**Earnings for Common Stock** increased to \$1.69 a share, compared with \$1.61 in 1962.

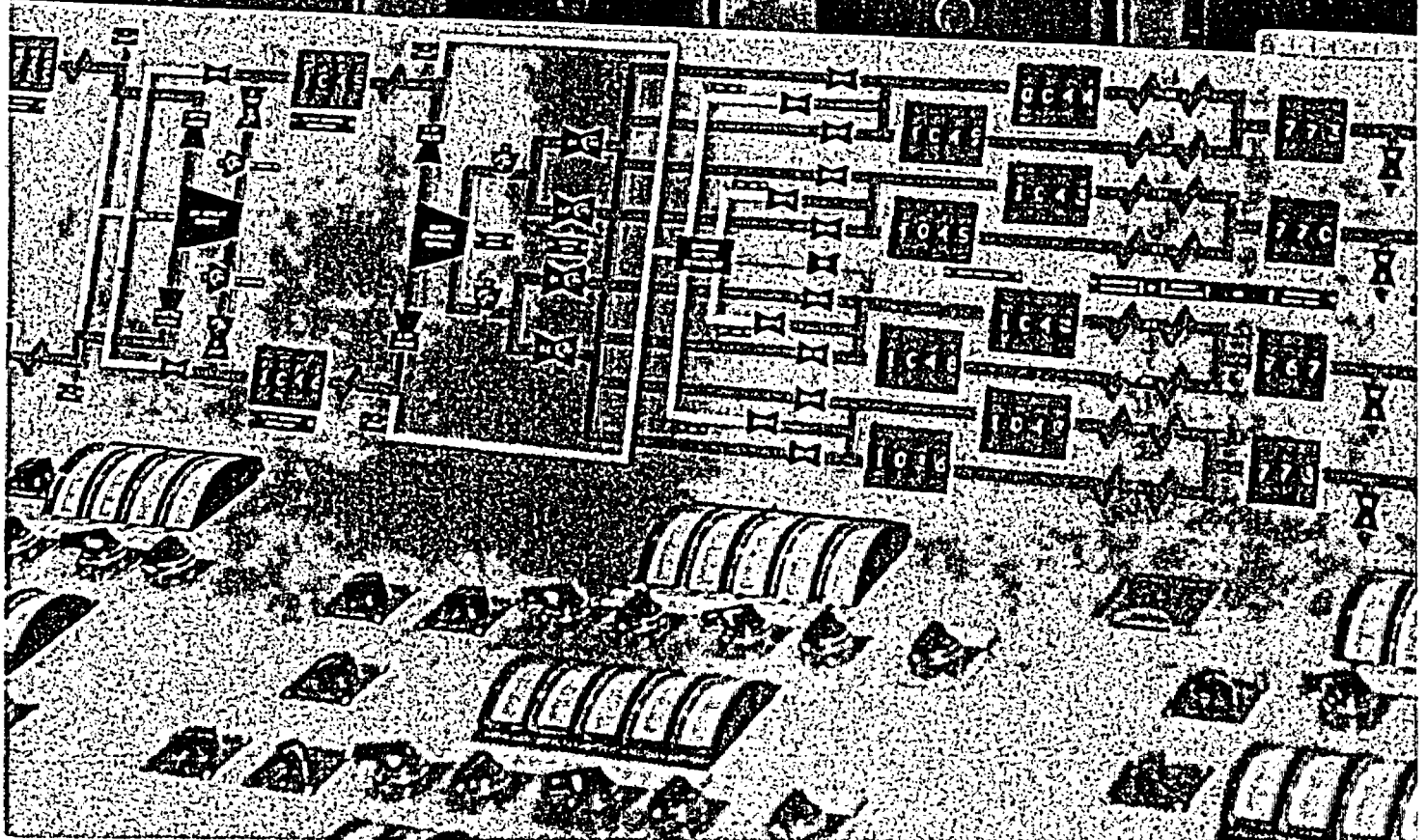
**Dividends on Common Stock** were increased to \$1.32 a share, on an annual basis, beginning with the second quarter.

**Revenue** rose 4 per cent to a record \$314,431,000, as a result of improved business conditions and the addition of new customers.

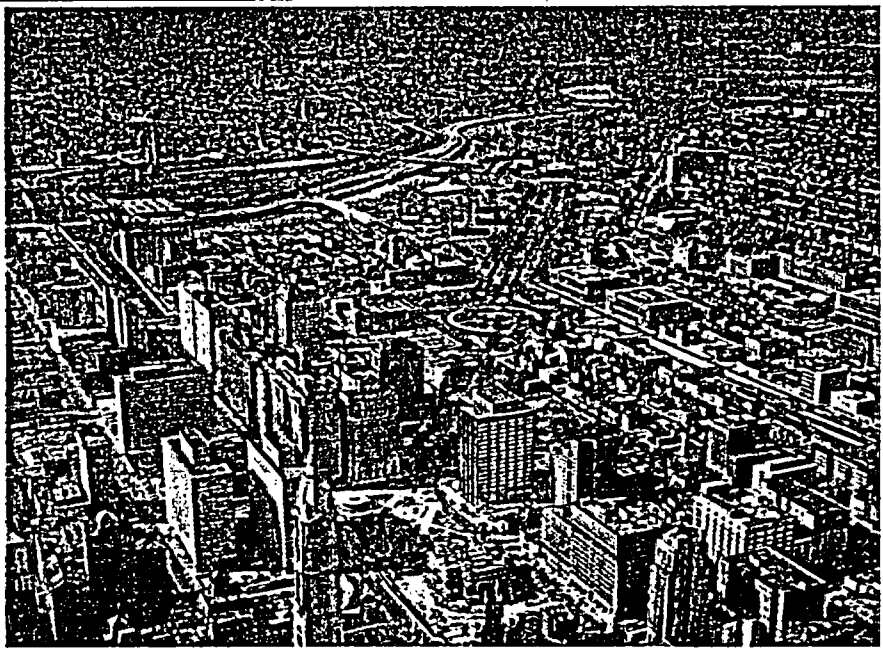
**Operating expenses** increased 4 per cent to \$244,094,000, principally because of a larger volume of business.

**Reduced electric service rates** benefited more than 70 per cent of suburban residential customers.

**The Peach Bottom atomic information center** attracted thousands of visitors following its opening to the public in July.







IN PHILADELPHIA, A NEW CITY IS RISING TO BLEND WITH THE OLD

## THE YEAR AT A GLANCE

	<u>1963</u>	<u>1962*</u>	<u>Increase</u>	<u>Per Cent Increase</u>
<b>REVENUE</b>				
Operating Revenue.....	\$314,431,316	\$303,221,115	\$11,210,201	3.7
Other Income.....	<u>725,870</u>	<u>469,831</u>	<u>256,039</u>	<u>54.5</u>
	315,157,186	303,690,946	11,466,240	3.8
<b>OPERATING EXPENSES</b> including Maintenance, Depreciation, and Taxes...				
	<u>244,094,023</u>	<u>235,538,983</u>	<u>8,555,040</u>	<u>3.6</u>
<b>GROSS INCOME</b> .....	71,063,163	68,151,963	2,911,200	4.3
<b>INCOME DEDUCTIONS</b> —interest on bonds and other charges against income, less a credit for interest charged to construction.....				
	<u>20,825,296</u>	<u>20,571,288</u>	<u>254,008</u>	<u>1.2</u>
<b>NET INCOME</b> .....	50,237,867	47,580,675	2,657,192	5.6
<b>DIVIDENDS ON PREFERRED STOCKS</b> ...	<u>3,695,774</u>	<u>3,695,774</u>	—	—
<b>EARNINGS AVAILABLE FOR COMMON STOCK</b> .....				
	46,542,093	43,884,901	2,657,192	6.1
<b>DIVIDENDS ON COMMON STOCK</b> .....	<u>35,237,878</u>	<u>32,699,336</u>	<u>2,538,542</u>	<u>7.8</u>
<b>EARNINGS RETAINED FOR USE IN THE BUSINESS</b> .....				
	<u>\$ 11,304,215</u>	<u>\$ 11,185,565</u>	<u>\$ 118,650</u>	<u>1.1</u>
<b>SHARES OF COMMON STOCK</b>				
OUTSTANDING—December 31.....	27,510,331	27,249,447	260,884	1.0
<b>EARNINGS PER SHARE</b> —December 31.	\$1.69	\$1.61	\$0.08	5.0
<b>DIVIDENDS PAID PER SHARE</b> .....	\$1.29	\$1.20	\$0.09	7.5

\*Restated to conform with 1963 classification of revenue and expense, with no effect on income.

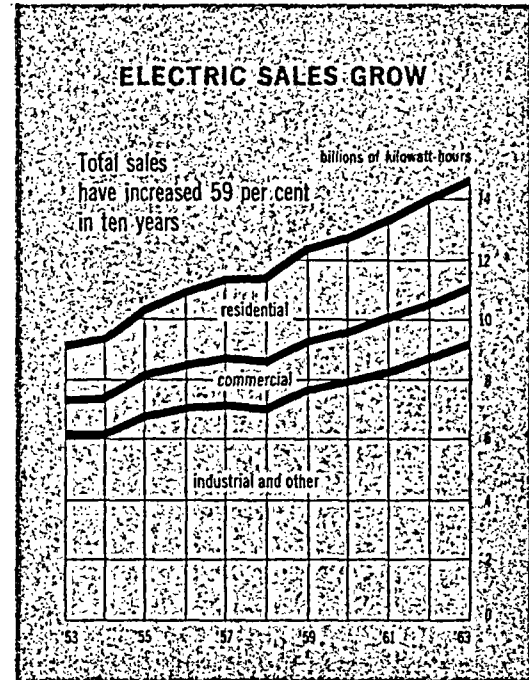


HIGH-RISE LIVING IS ATTRACTIVE

## REVENUE INCREASES

The addition of new customers and generally favorable business conditions throughout 1963 contributed to a 4 per cent increase in total revenue from sales of electricity, gas, and steam, which rose \$11,210,000 to \$314,431,000.

Electric revenue increased \$7,662,000. Although gain in revenue was depressed for the second consecutive year by unusually cool summer weather, which limited the use of air cooling equipment, average annual home use of electricity increased to a new high of 3815 kilowatt-hours. The availability of some 160 different home appliances now on the market, together with a rise in the rate of family formation, has helped to expand the use of electricity in the home. This has been particu-

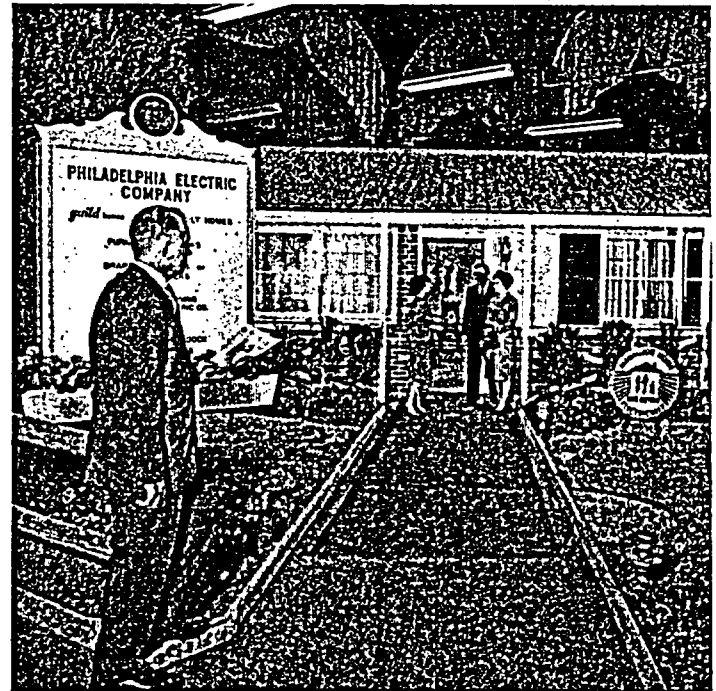
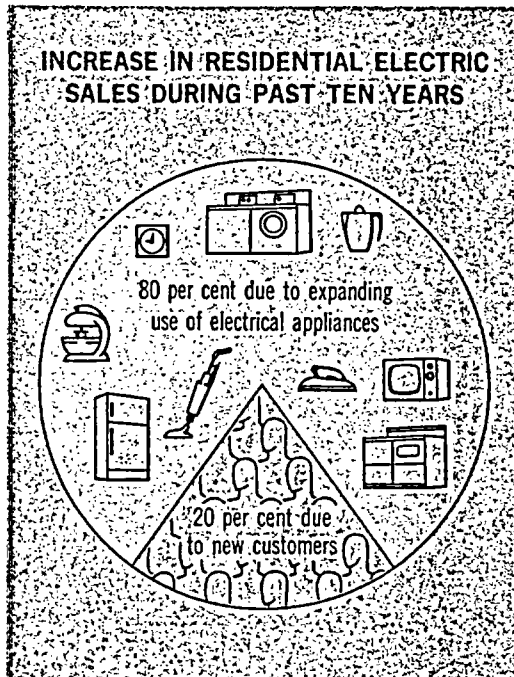


larly true in the suburban areas surrounding Philadelphia where average annual home use of electricity rose to 5078 kilowatt-hours.

Revenue from large commercial and industrial power customers increased 4 per cent as a result of higher production levels, expanded manufacturing facilities, and greater demands by government agencies, apartment houses, schools, and shopping centers.

Gas revenue increased \$3,181,000. The addition of new customers was principally responsible for this 6 per cent gain.

Steam revenue rose 5 per cent. In the past two years, eleven major customers have been added to the Company's mains, including several large apartment buildings using steam for air conditioning, as well as for space heating.



ALL-ELECTRIC MEDALLION HOME EXHIBIT

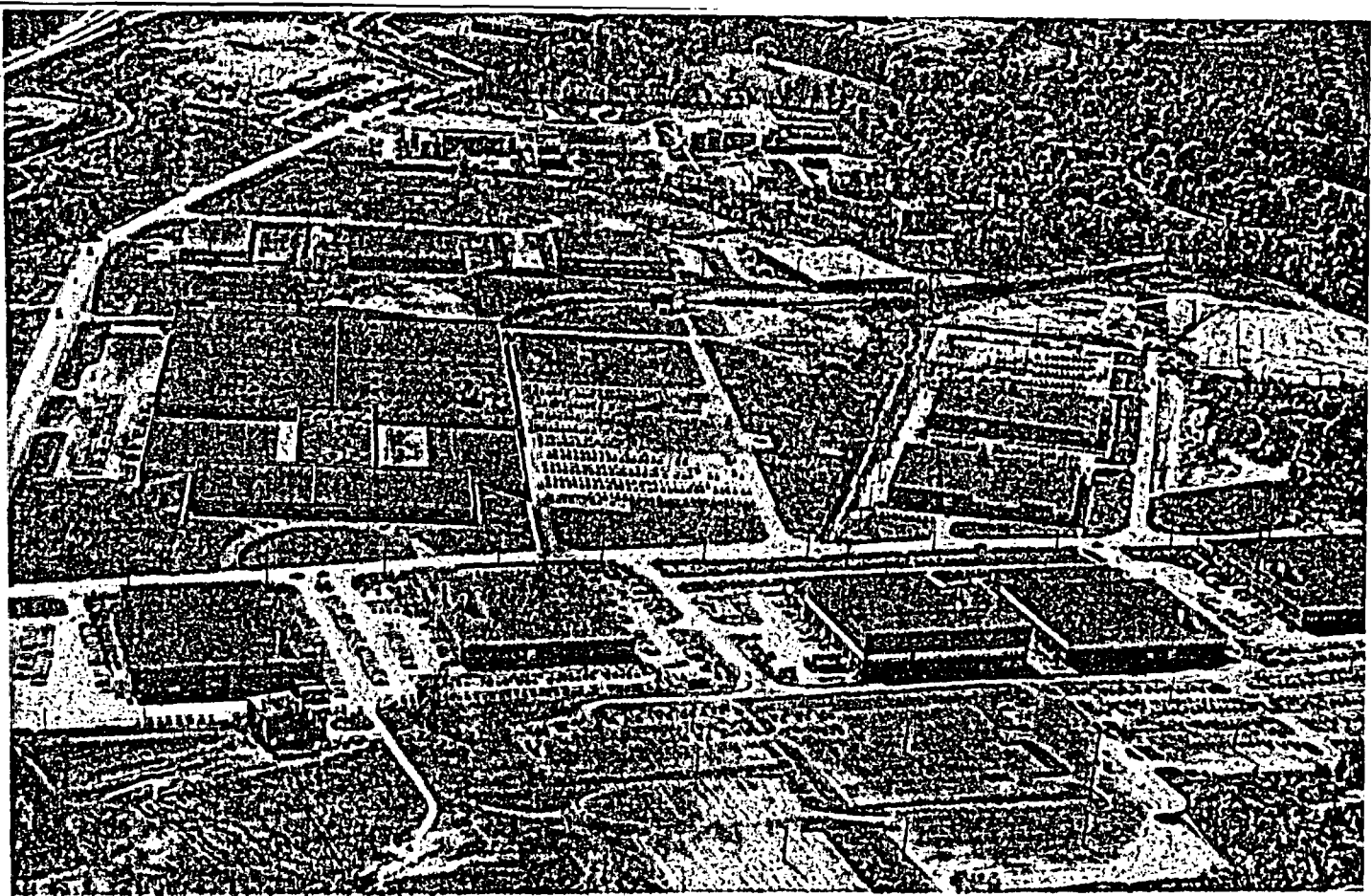
## SALES PROMOTION

During the year, substantial amounts of new business stemmed directly from vigorous promotion of the Company's services—electricity and steam in center-city Philadelphia; electricity and gas in the four-county suburban area.

Medallion Home and Total Energy Concept programs, designed to induce builders to install appliances and heating systems utilizing energy supplied by the Company, were effectively used to obtain larger shares of the new home and apartment energy markets. Like other large metropolitan areas, Greater Philadelphia has experienced a sharp increase in apartment construction during the past several years. A number of major all-electric apartment complexes are presently in opera-

tion. Other developments, which will use electricity exclusively, are under construction, including one that will involve an ultimate capital investment approaching \$100 million. When completed, it will comprise five apartment houses, office and research buildings, a hotel-motel, country club and golf course, and a large shopping center. Nearby, another large development, having two 180-unit apartment houses and an office building, will use gas for space heating, water heating, cooking, and air conditioning.

Extensive construction is under way in Penn Center and the Society Hill section of Philadelphia. Several large center-city office buildings will soon become major users of electricity and steam. A recently completed high-rise



MODERN INDUSTRIAL PARK

PHILADELPHIA'S SOCIETY HILL REDEVELOPMENT AREA



motor inn uses steam for space heating, water heating, air conditioning, and cooking.

During 1963, more than 11,000 new electric street lights were installed on residential streets in Philadelphia. A comparable number are scheduled for installation in 1964. Flood-lighting of public buildings is keeping pace with civic improvement. Company engineers are assisting many communities and private businesses with the design of their outdoor lighting systems.

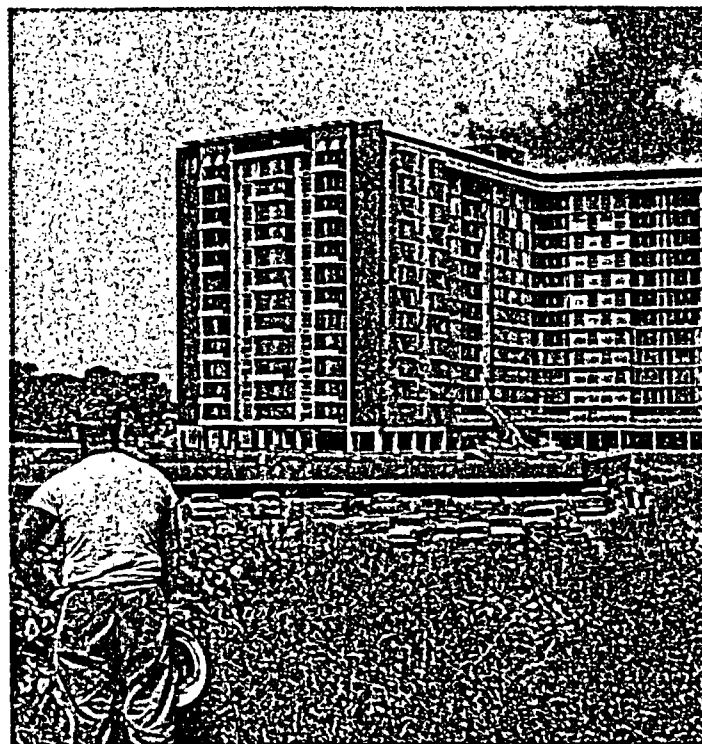
Through its area development department, the Company actively encourages and assists industries to find new plant locations in Greater Philadelphia. More than 500 plant sites, aggregating 27,000 acres of suitably zoned land, are presently available for sale or lease. Forty-one industrial parks and districts, covering 6600 acres, have been built, and a number of others are in the planning stage. The Company's capacity to supply ever-increasing amounts of electricity and gas for industrial process heating and other uses is an important factor in promoting industrial expansion.

### OPERATING EXPENSES

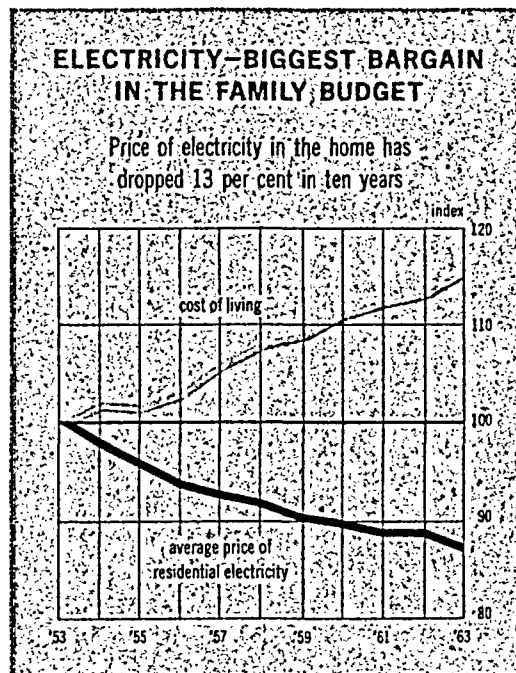
Total operating expenses, including provisions for depreciation and taxes, amounted to \$244,094,000. This represented an increase of 4 per cent over 1962 and corresponded with the larger volume of utility services provided.

Labor costs were higher, primarily because of a general increase in wage rates. Fuel costs rose as output of electricity, gas, and steam expanded, but substantial savings were realized from the use of unit coal trains.

The provision for depreciation decreased slightly. Taxes were 1 per cent lower, after giving effect to a 3 per cent investment tax credit of \$1,354,000. Under interim accounting prescribed by the Federal Power Commis-



SUBURBAN ALL-ELECTRIC APARTMENT UNIT NEARS COMPLETION



## OPERATING EXPENSES

	1963	1962	Increase or (Decrease)	Per Cent Increase or (Decrease)
Operating Labor	\$ 67,539,248	\$ 63,410,014	\$ 4,129,234	6.5
Fuel Used in All Operations, including Net Energy Interchanged and Natural Gas	72,189,806	70,280,218	1,909,588	2.7
Other Materials, Supplies, and Services	24,374,875	21,474,429	2,900,446	13.5
Total Operation and Maintenance Expense	164,103,929	155,164,661	8,939,268	5.8
Depreciation	33,623,869	33,683,616	(59,747)	(0.2)
Taxes	46,366,225	46,690,706	(324,481)	(0.7)
Total Operating Expenses	<u>\$244,094,023</u>	<u>\$235,538,983</u>	<u>\$ 8,555,040</u>	<u>3.6</u>

sion, a charge equal to this credit was made to income deductions. Under this treatment, net income is not affected by the investment tax credit, although its benefits are retained in the business to aid in financing new construction.

The Company's storm-proofing program, undertaken in 1958 to protect the electric system from severe storms, neared completion in 1963. Approximately \$26 million were invested in improvements during the past five years. The effectiveness of this program has resulted in the significant reduction of service interruptions and the minimizing of damage sustained in recent storms.

### LOAD GROWTH CONTINUES

Electric output rose to 15.7 billion kilowatt-hours, an increase of 5 per cent over 1962. Of the total output, 86 per cent was produced in steam generating stations, 6 per cent originated at the Conowingo hydro-electric plant, and the remaining 8 per cent came from power

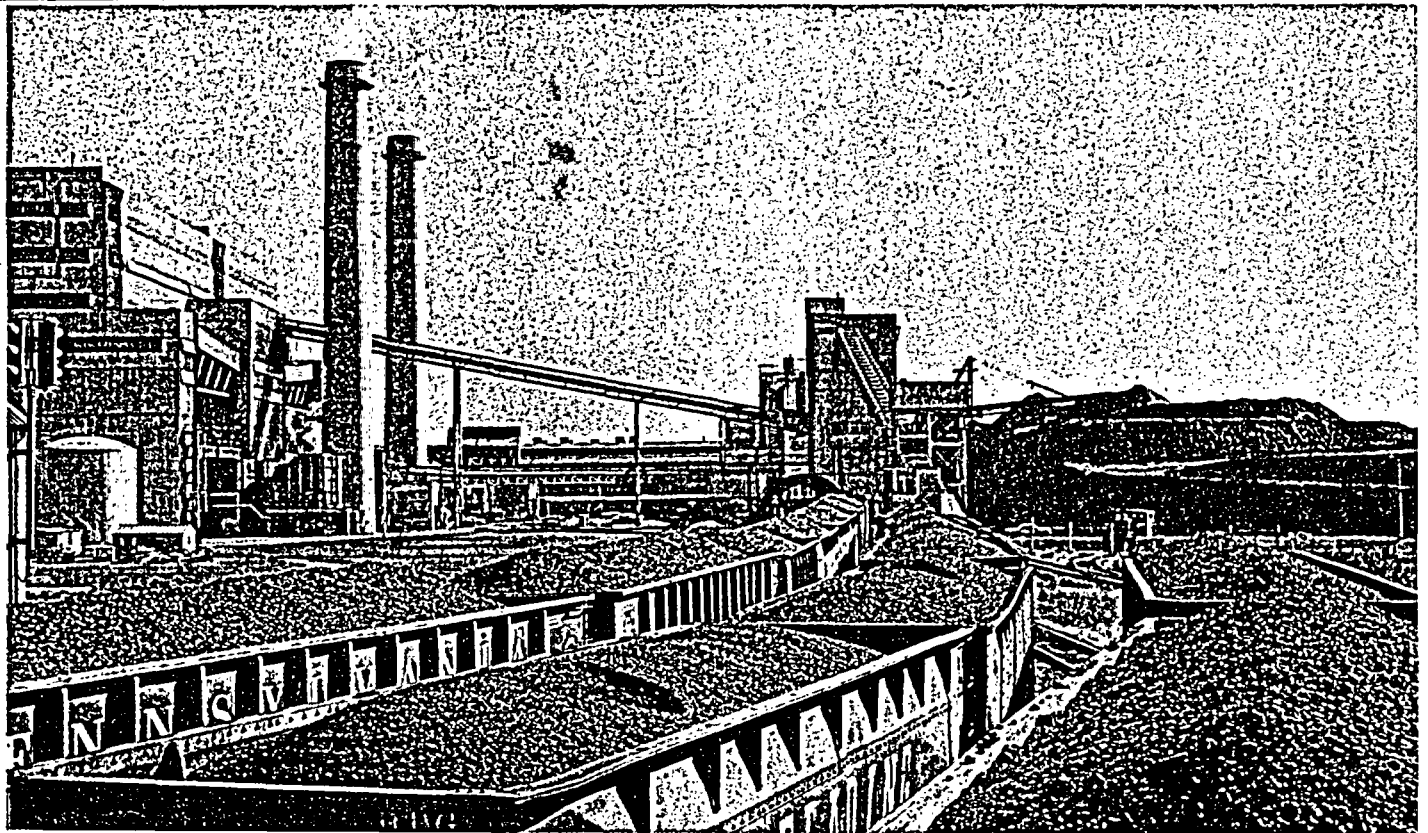
interchanges with other utilities and from internal combustion generating units. Conowingo hydro production was 27 per cent below normal because of prolonged drought in the Susquehanna River watershed.

On June 28, during a brief period of hot weather that caused heavy use of refrigeration and air cooling equipment, a record hourly peak demand of 3,049,000 kilowatts was established, which exceeded the 1962 high by 7 per cent.

### OPERATING EFFICIENCY

The Company constantly endeavors to increase the efficiency of its operations. Major construction projects under way were undertaken with operating economies in mind.

The bulk movement of coal by special trains directly from mines to P. E. power plants is materially reducing fuel costs. Quick loading and unloading of these trains, operated as

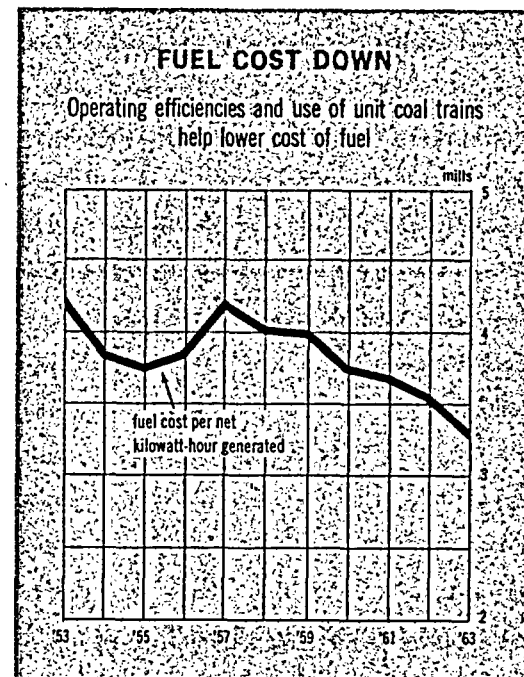


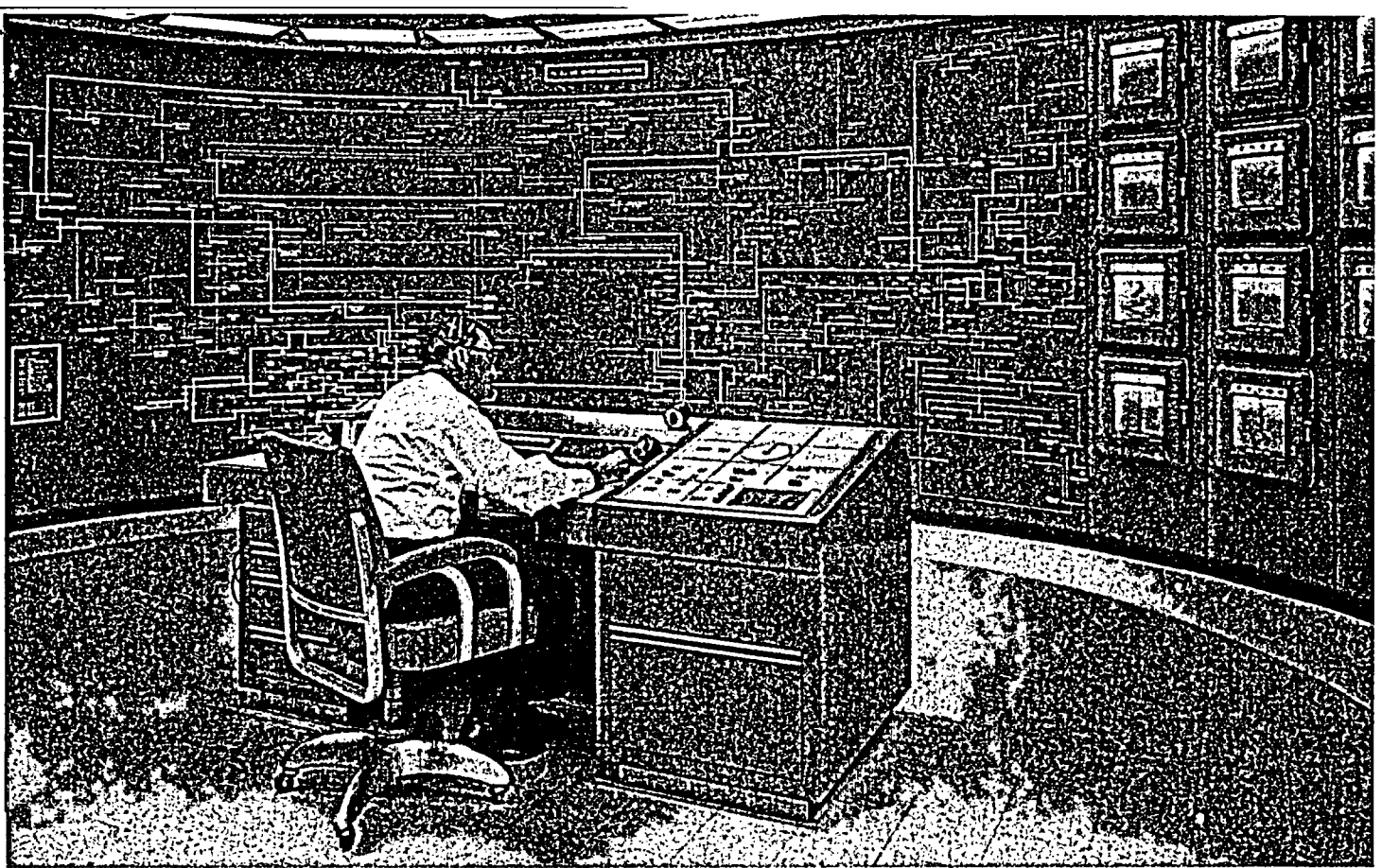
UNIT TRAIN COAL CARS AWAIT UNLOADING AT EDDYSTONE ELECTRIC GENERATING STATION

units of one hundred cars or more, make lower freight rates possible. Close scheduling is imperative, since the trains must be loaded within twenty-four hours at the mines and be unloaded at their destinations within a similar period. Starting in April, unit trains delivered 3,065,000 tons of coal to Company generating stations in 1963. This represented 72 per cent of the total coal delivered during the year.

Significant economies continue to be realized from Company membership in the Pennsylvania-New Jersey-Maryland Interconnection, which to-day is tied in with other power systems extending over most of the United States and portions of Canada. Power pooling permits member companies to share efficient generators and power lines, and to install large generating units that can be advantageously operated on a co-ordinated basis. Greater availability of reserve capacity gives added assurance of service continuity in time of scheduled maintenance or emergency.

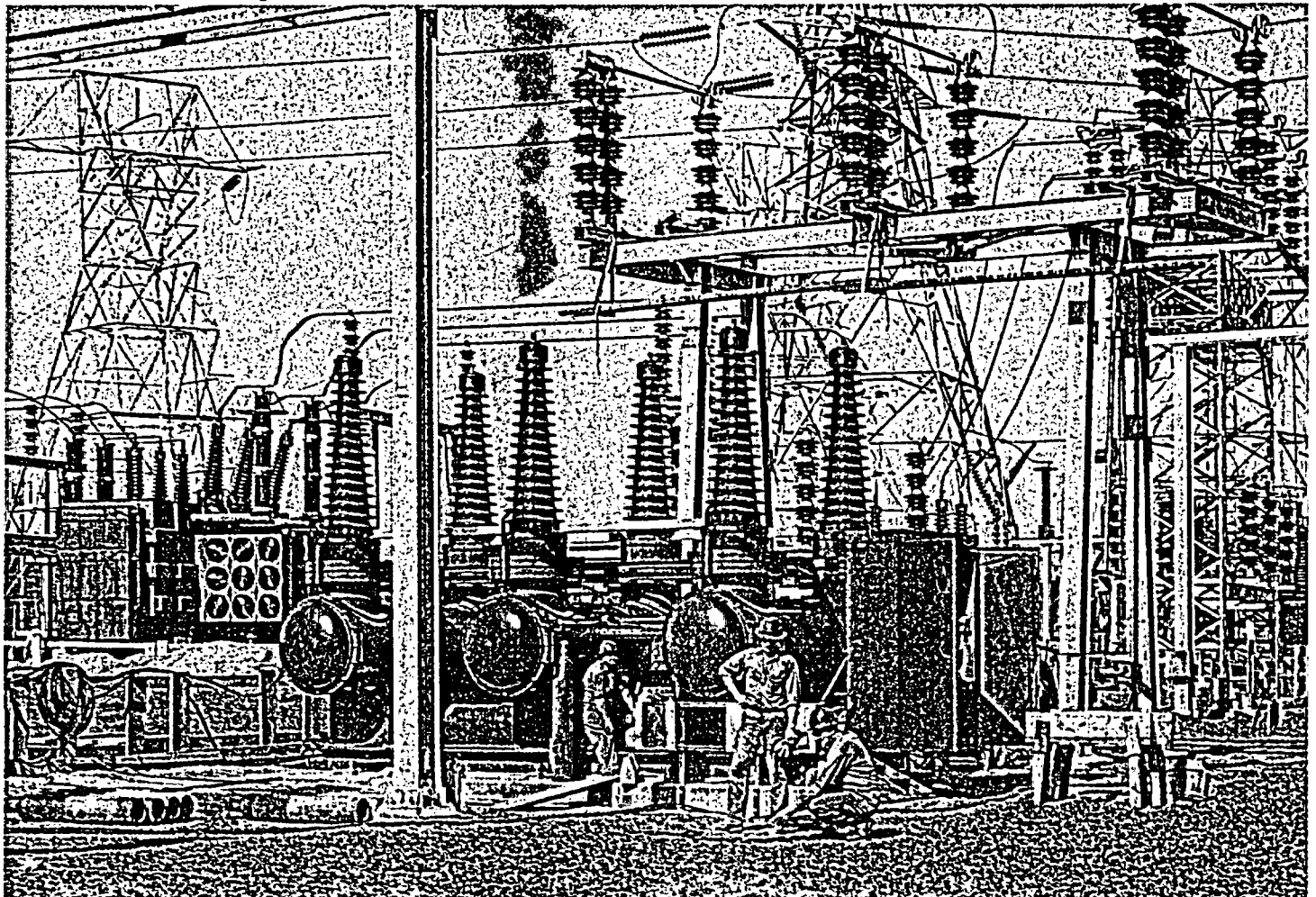
Members of the PJM Interconnection are participating with other investor-owned utilities in the Keystone Project. This \$350-million coordinated power plant and interconnection



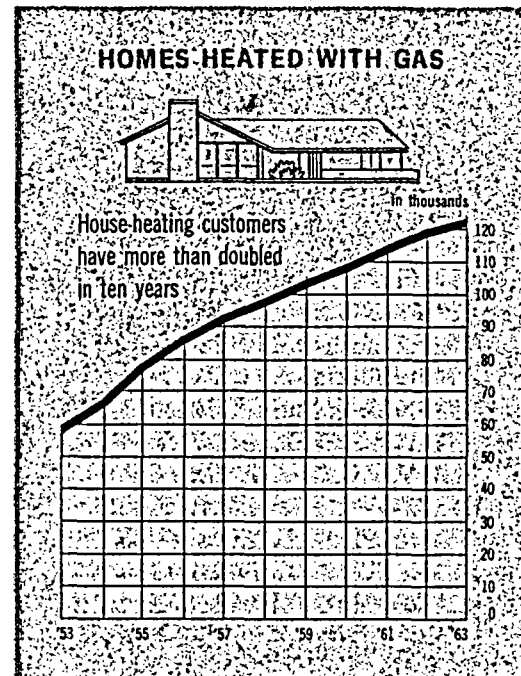
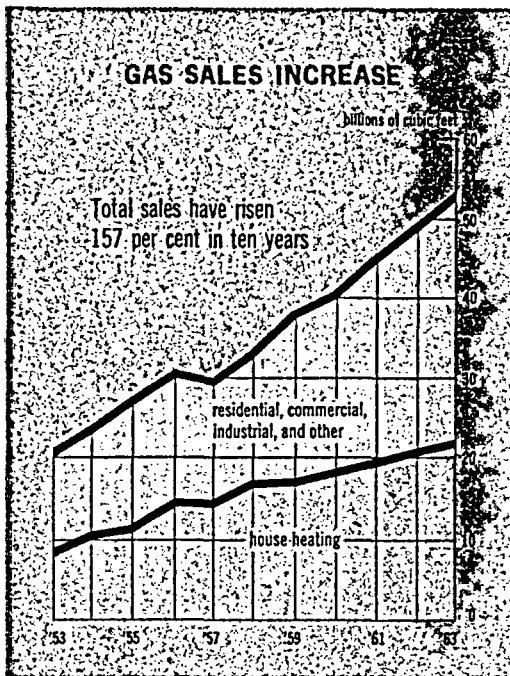


CONTROL CENTER OF PENNSYLVANIA-NEW JERSEY-MARYLAND INTERCONNECTION

NEW CIRCUIT BREAKER IS READIED FOR OPERATION AT PLYMOUTH MEETING SUBSTATION







expansion program calls for the construction of two mine-mouth electric generating stations and more than 600 miles of 500,000-volt transmission lines. P. E.'s total investment in this program will be an estimated \$100 million.

One of the stations—the Keystone generating station—will be built in coal fields near Johnstown, Pennsylvania. It will be owned jointly by Philadelphia Electric Company, Pennsylvania Power & Light Company, Jersey Central Power & Light Company, and Baltimore Gas and Electric Company. The plant will have a capacity of 1,800,000 kilowatts. The first 900,000-kilowatt generating unit is scheduled for completion in 1967, and the second in 1968.

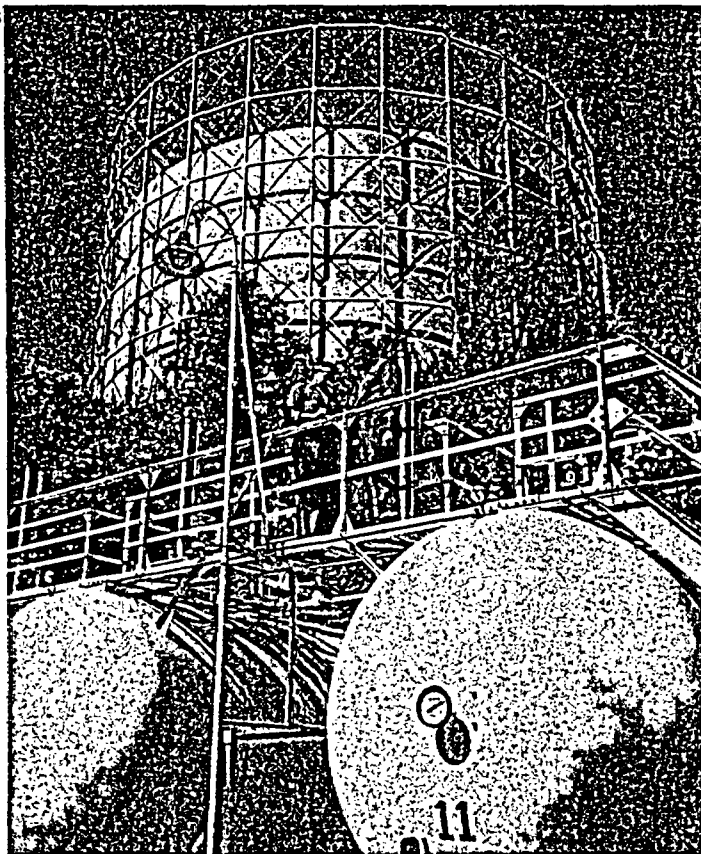
#### GAS OPERATIONS

Sales of gas increased 8 per cent to a record 53 billion cubic feet. This increase stemmed from mounting sendouts early in the year, during one of the coldest heating seasons on record, and the addition of more than 4400 house-heating customers. A new hourly peak

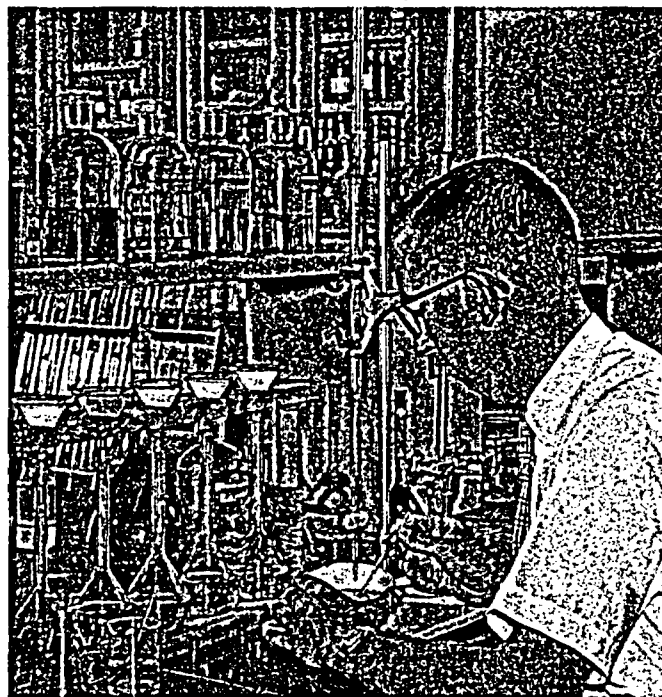
demand of 15,122,000 cubic feet was established on February 8, which exceeded the 1962 high by 9 per cent.

Ample supplies of natural gas are assured by long-term contracts with two major pipe line companies. Large quantities of liquid propane in nearby underground storage facilities are also available for peak load and emergency use. The Company plans to distribute straight natural gas to its 242,000 customers by the summer of 1964.

A nationally known firm of utility consultants was retained by the Company to make an impartial study of a proposal by a group of stockholders that P. E. "spin off" its gas department by distributing shares of a newly formed, independent gas company to holders of P. E. stock. The consultants' report, which confirmed the findings of previous studies made by the Company, concluded that such a move would not be economically justified and would not be in the best interests of stockholders, customers, or employees.



STORAGE TANKS AT WEST CONSHOHOCKEN GAS PLANT



RESEARCH TOUCHES MANY FIELDS

## ENGINEERING AND RESEARCH

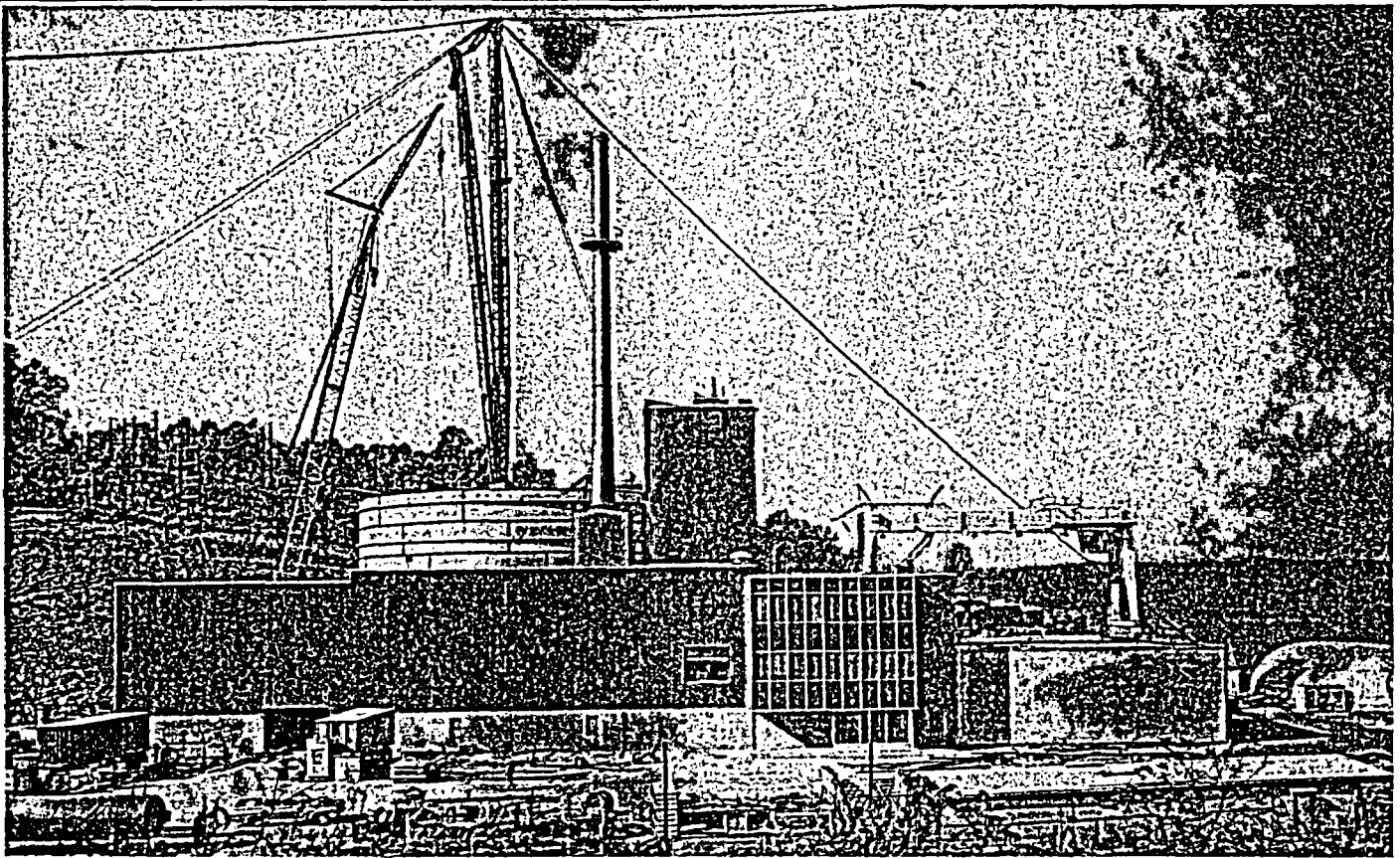
Preparing to-day to meet the needs of the future is the keynote of the Company's broad research and development program. Many projects under way are directed toward the attainment of improved efficiencies and lower costs, and the development of new techniques in supplying energy service to customers.

In the field of residential electric space heating, the Company has participated in the development of a heat storage unit that will store heat during off-peak periods when demand for electricity is low. Prototype models are being constructed to test the device, which gives promise of long-range economic benefits for both the Company and its customers.

In conjunction with other electric utilities and cable manufacturers, P. E. continues to play a leading role in the development of extra-high-voltage cable for bulk power transmis-

sion. Extensive research is also being conducted in the use of direct current transmission between alternating current systems. Encouraging progress has been made with the field testing of experimental gas air conditioning systems, the commercial adoption of which would build substantial summer gas loads.

The Company is increasing the capacity of the Conowingo hydro-electric plant by 240,000 kilowatts in 1964, and has filed applications for necessary regulatory approvals to expand further its hydro facilities on the Susquehanna River by building a pumped-storage, hydro-electric generating station with an ultimate capacity of 800,000 kilowatts. This plant, to be known as Muddy Run, will be located on the east bank of the Susquehanna River, twelve miles above Conowingo dam. The facility will provide economical capacity to meet peak loads, and will contribute to the interconnected electric system of which Philadelphia Electric is a part. The basic design of the



CONSTRUCTION PROGRESSES AT PEACH BOTTOM ATOMIC POWER STATION

\$71-million project has been completed. The first two 100,000-kilowatt generating units at Muddy Run are expected to be in service in 1966, and operation of the entire development is anticipated by 1970.

### ATOMIC ENERGY

Construction of the Peach Bottom atomic power station is progressing on schedule with testing and fuel loading expected to start in 1964. The advanced design of the station's helium-cooled reactor and nuclear supply system will make Peach Bottom the world's first commercial atomic plant to produce steam at modern high temperature and pressure.

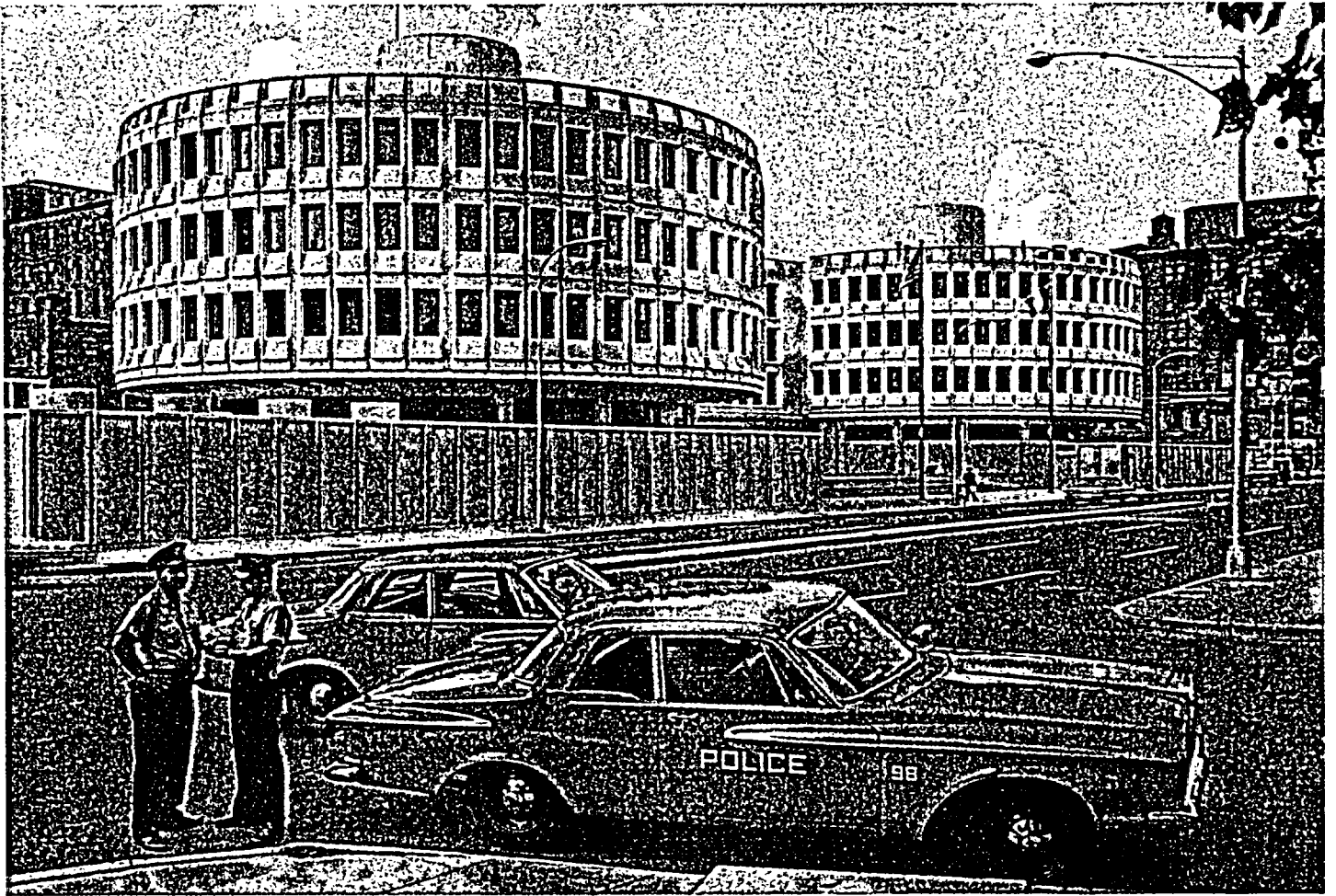
High Temperature Reactor Development Associates, Inc., a nonprofit organization composed of Philadelphia Electric and fifty-two other investor-owned utilities, is financing the development of the project, with assistance from the Atomic Energy Commission for re-

search and development of the nuclear reactor system. The plant will be owned and operated by Philadelphia Electric and have a capacity of 40,000 kilowatts. Its operation will provide technical data needed to build economical nuclear power plants of larger size.

Reactor operators are receiving realistic training at the station with the aid of an electronic simulator. This ingenious device duplicates situations which the operators may encounter in the course of the plant's operation. The simulator will help to reduce the time required to place the plant in commercial service when construction is completed.

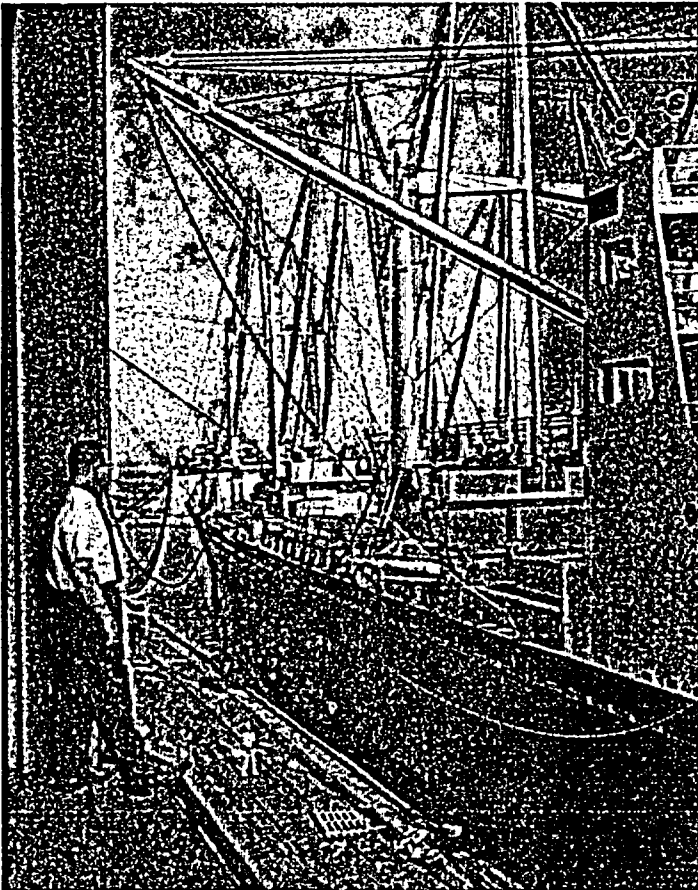
Since 1952, the Company has been actively engaged with other utilities in the design and construction of the Enrico Fermi atomic power plant at Lagoona Beach, Michigan. The plant's sodium-cooled, fast breeder reactor went into initial operation in August 1963.

PROGRESSIVE PATTERNS . . . CONTINUED

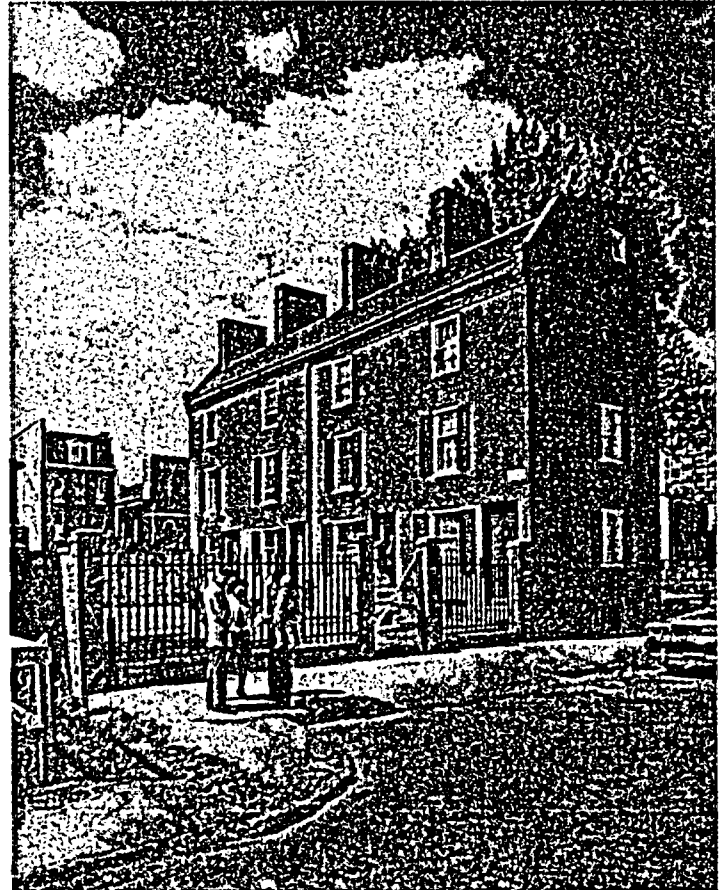


POLICE ADMINISTRATION HEADQUARTERS

PORT TRAFFIC INCREASES

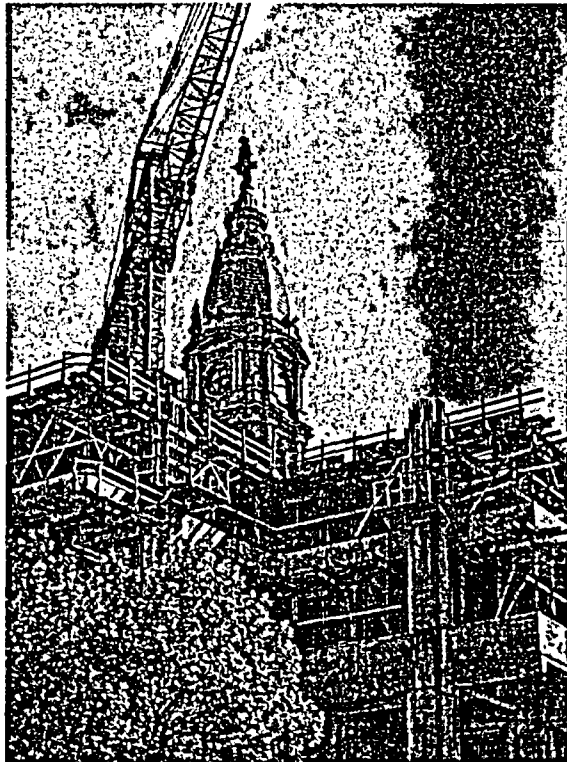


RESTORED CITY RESIDENCES





# PROGRESSIVE PATTERNS IN GREATER PHILADELPHIA



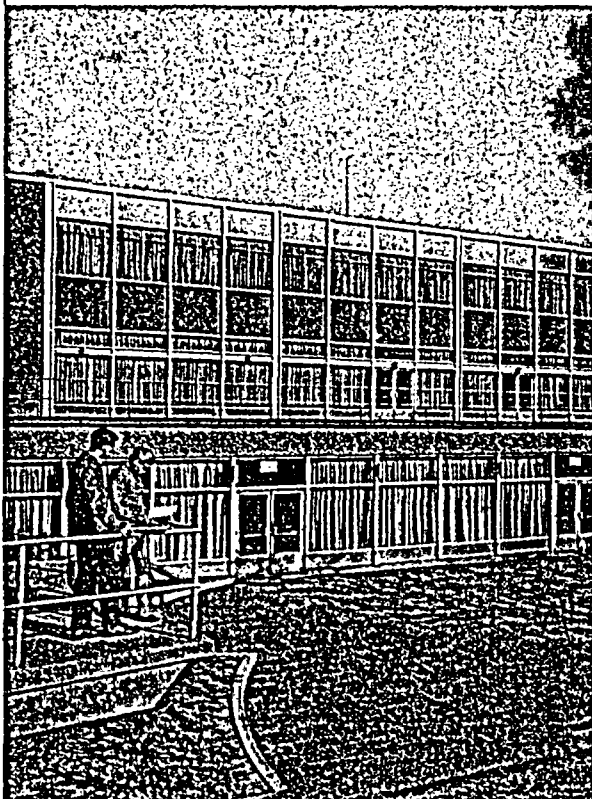
MUNICIPAL CONSTRUCTION ADVANCES

Growth and progress are evident on every side in Greater Philadelphia. Moving ahead . . . with new homes and apartments, new schools and churches, new cultural and recreational facilities . . . this area excels in many things essential for modern living.

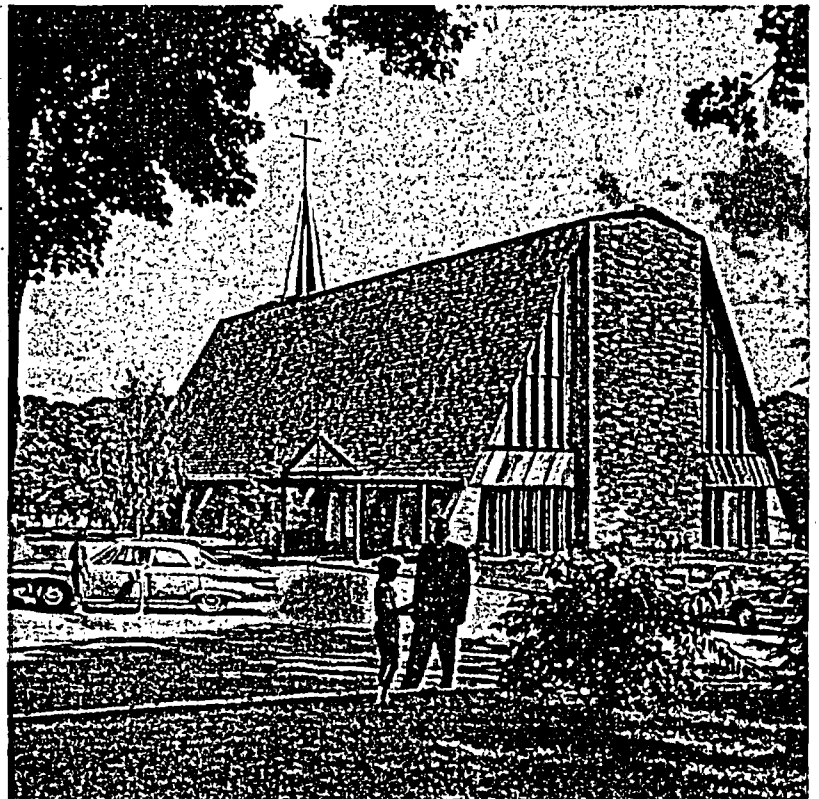
Industry prospers in Greater Philadelphia, too. Here, where diversification spells stability, business enterprise finds a favorable climate in which to grow. Raw materials, rich markets, and skilled workers are all within easy reach . . . as are a vast transportation network, the nation's fastest growing port, and plenty of electric power for every need.

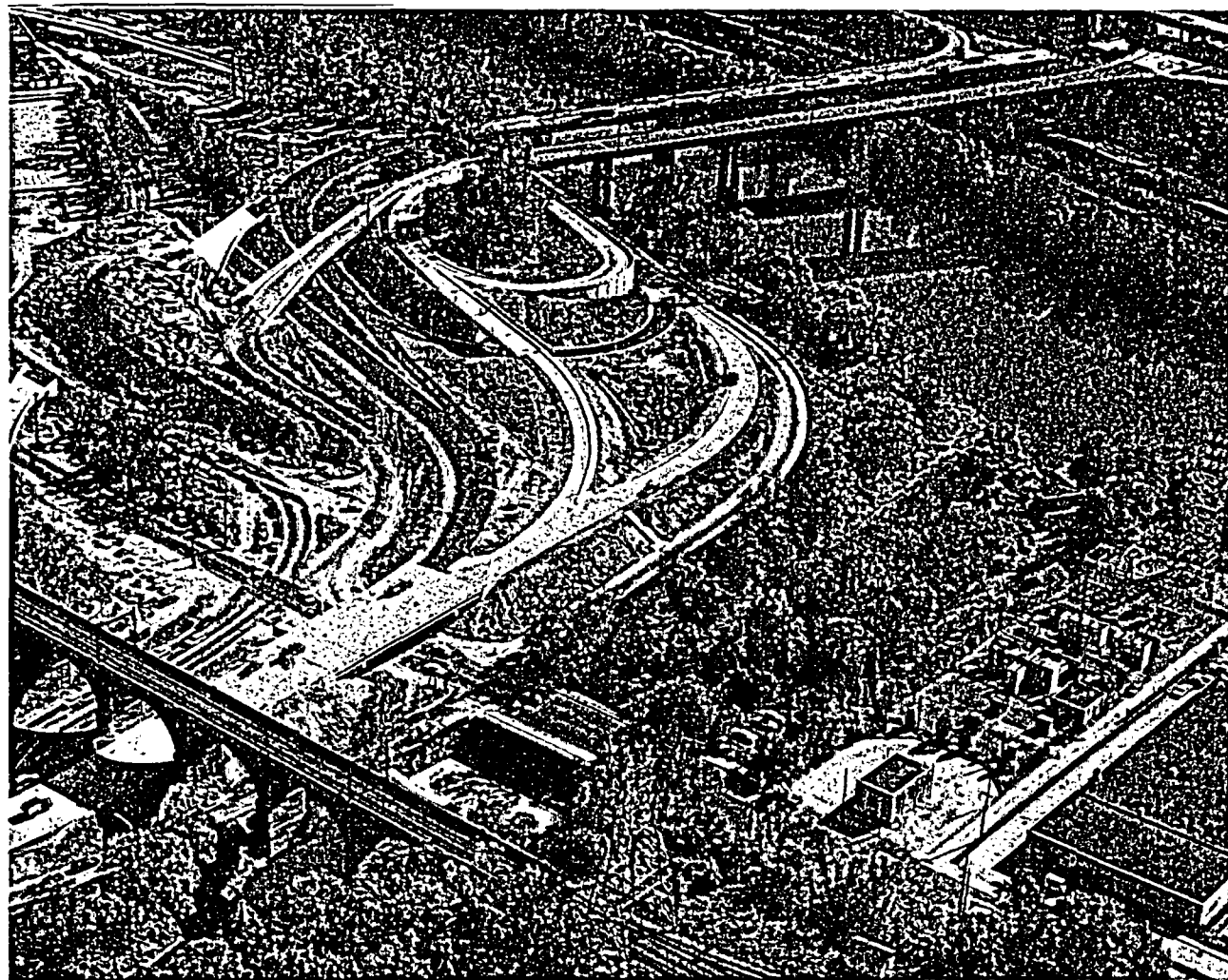
Philadelphia Electric is proud to serve this great area and to promote its development.

COLLEGES EXPAND



CHURCHES GROW





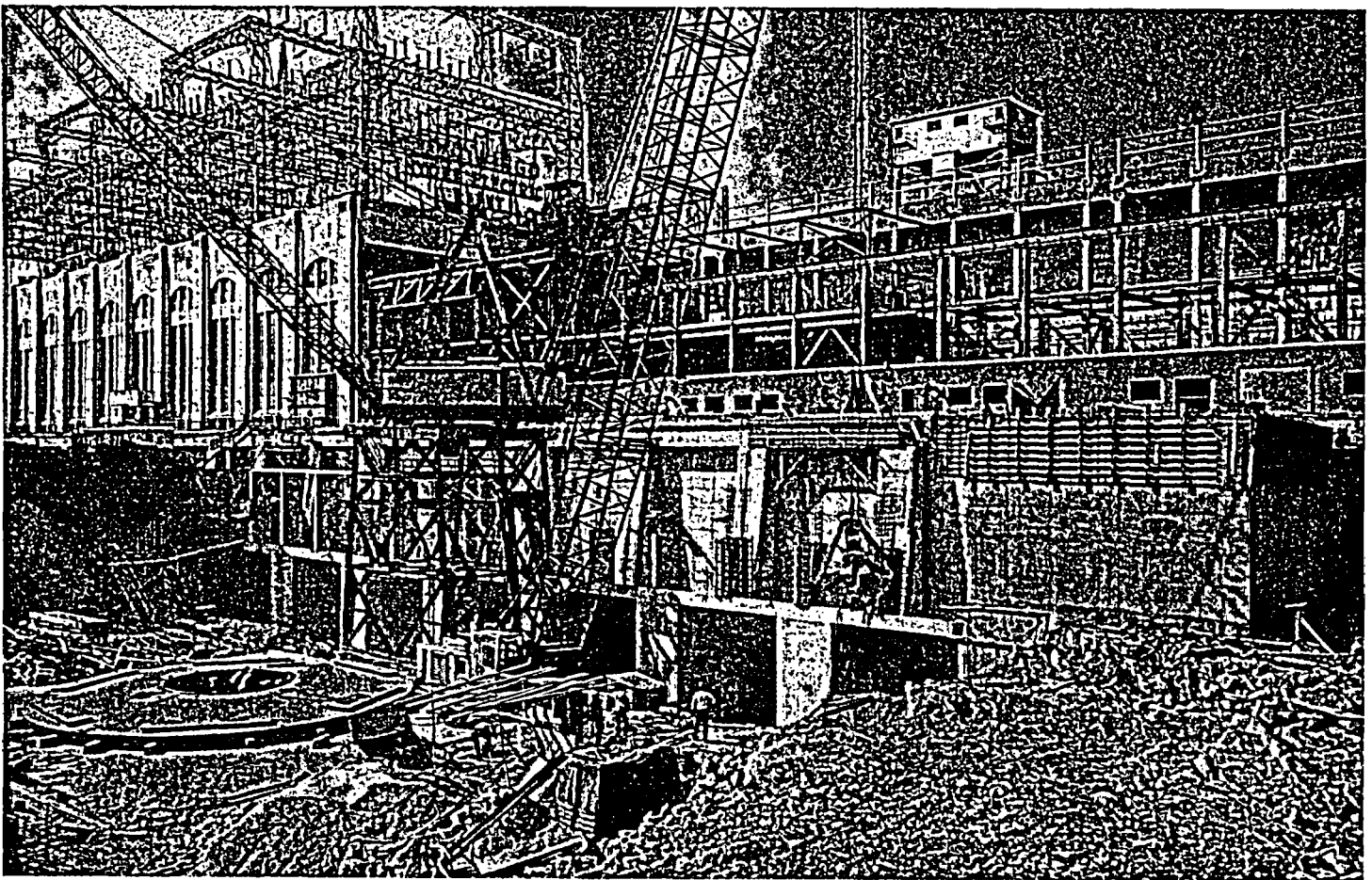
NEW INTERCHANGE SPEEDS HIGHWAY TRAVEL

MENT TOWERS RISE IN A HISTORIC SETTING



PENN CENTER CONSTRUCTION CONTINUES





ADDITIONAL TURBINE-GENERATORS WILL NEARLY DOUBLE CAPACITY OF CONOWINGO HYDRO-ELECTRIC PLANT

## CONSTRUCTION

The Company invested \$74,475,000 to expand its electric, gas, and steam systems in 1963, and \$373,263,000 in the past five years. To meet growing service requirements in Greater Philadelphia over the next five years, additional outlays of approximately \$597,145,000 are planned.

A major portion of the \$63,692,000 invested in the electric system in 1963 was for new substations and expansion of existing facilities. A number of aerial supply lines were relocated underground to accommodate increasing loads in congested commercial areas. In certain instances, aerial to underground changeovers were co-ordinated with the redevelopment and expansion of older business districts.

Initial outlays were made for the proposed Muddy Run pumped-storage, hydro-electric

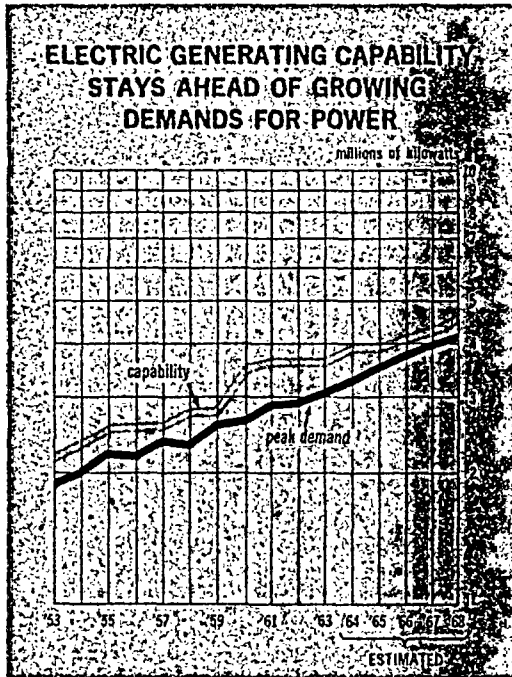
plant, and for the Company's share in the construction of the Keystone mine-mouth generating station and associated transmission lines. Other electric expenditures were related to the construction of the Peach Bottom atomic power station and the expansion of the Conowingo hydro-electric plant.

Gas system outlays of \$7,901,000 covered additional facilities to serve new customers, and modern production and distribution equipment to improve operations.

Steam construction, amounting to \$547,000, included mains to supply new customers in downtown Philadelphia.

Expenditures for additional service buildings and equipment for general use totaled \$2,335,000.





WIDE USE IS MADE OF ELECTRONIC DATA PROCESSING

## STOCK OWNERSHIP

The Company's Common and Preferred Stocks are held by 108,321 shareholders residing throughout the United States and in many foreign countries. Ninety per cent of the 100,777 holders of Common Stock are individuals, as shown in the accompanying table. Almost half of these live in the Company's service area and are, therefore, P. E. customers as well. Aside from some large trust companies and insurance companies, representing the interests of many thousands of people, no shareholder of record owns as much as 1 per cent of the Common Stock.

Largely as a result of stock offerings made under employee stock purchase plans, 64 per cent of all Company employees are now stockholders.

## STOCKHOLDERS

Common Stockholders	Number	Shares	Average Holding
Women.....	45,863	7,158,796	156
Men.....	24,550	4,134,217	168
Joint Accounts.....	20,254	2,468,094	122
<b>Total Individual Owners..</b>	<b>90,667</b>	<b>13,761,107</b>	<b>152</b>
Trust Funds, Trustees, and Estates.....	8,026	10,873,810	1,355
Corporations, Partnerships, and Insurance Companies..	1,180	2,419,719	2,051
Charitable Institutions, Hospitals, Churches, etc... ..	904	455,695	504
<b>Total Institutions and Funds.....</b>	<b>10,110</b>	<b>13,749,224</b>	<b>1,360</b>
<b>Total Common Stockholders.....</b>	<b>100,777</b>	<b>27,510,331</b>	<b>273</b>
<b>Preferred Stockholders</b>	<b>7,544</b>	<b>874,720</b>	<b>116</b>
<b>Total Stockholders</b>	<b>108,321</b>		



PEACH BOTTOM ATOMIC INFORMATION CENTER IS ATTRACTING THOUSANDS OF VISITORS

*And all within  
60 miles  
of Philadelphia*

Greater Philadelphia is a great place for getting work done, because it's a great place for relaxing and living. Surrounded by unusually fine residential and recreational areas, it attracts and keeps a steady, reliable work force with one of the highest percentages of home ownership in the nation. When you have workers like these, as well as a beauty-oriented economy, an extensive transportation network, ready access to a huge market and raw materials, and abundant, fairly priced electric power, you have the perfect place for locating a plant—Greater Philadelphia.

**PHILADELPHIA ELECTRIC COMPANY**

NATIONAL ADVERTISEMENTS  
PROMOTE P. E. SERVICE AREA

## PUBLIC RELATIONS

Over the years, the Company's reputation as a supplier of dependable utility services at reasonable rates has been firmly established. Its support of civic projects furthering community growth and progress is traditional.

Good service, plus a well-informed public, are essential elements of good utility public relations. Advertisements in local newspapers and magazines highlight operating improvements and emphasize the importance of the Company's services in everyday life. A distinctive advertising program in widely read national publications promotes the Port of Philadelphia and stresses the advantages of Greater Philadelphia as an ideal location for industry and a desirable place to live and work.

To broaden public understanding of nuclear energy and the role atomic power plays in the generation of electricity, the Company opened

an attractive information center in July at the site of the Peach Bottom atomic power station. Automated exhibits at the center dramatize for thousands of visitors the usefulness of atomic science as a means of providing for man's continued progress and well-being.

In the interest of stockholders, the Company joins other investor-owned utilities in firmly opposing federal encroachment in the power business. Not only does the extension of public power threaten the investment of millions of the nation's investors, it constitutes an unnecessary expenditure of tax money that could be put to more appropriate use.

The investor-owned electric utility industry has consistently demonstrated its ability to meet all of the nation's power requirements. Its vast expansion program assures the continuance of an abundant and economical supply of power in the future.

#### **MANAGEMENT AND PERSONNEL**

At a regular meeting of the board of directors on May 27, William G. Hamilton, Jr., president of American Meter Company, was elected a director.

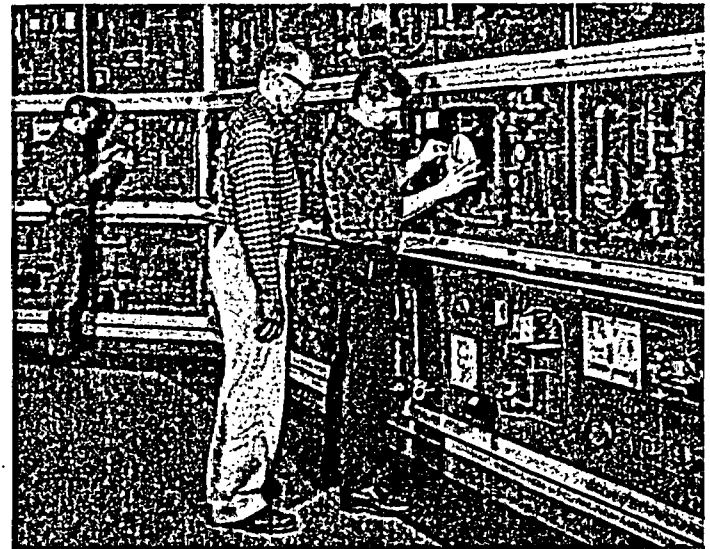
Two distinguished members of the board died: Charles E. Brinley on July 7, and Harold S. Schutt on August 5. Mr. Brinley had been a director since 1938 and Mr. Schutt since 1941. Both were members of the executive committee, of which Mr. Schutt was chairman. Their wise counsel and experience contributed much to the progress of the Company.

On September 9, Roy G. Rincliffe, chairman of the board, was appointed chairman of the executive committee, and Gustave G. Amsterdam and William G. Hamilton, Jr., became members of this committee.

On December 23, at a regular meeting of the board, George H. Brown, Jr., president of



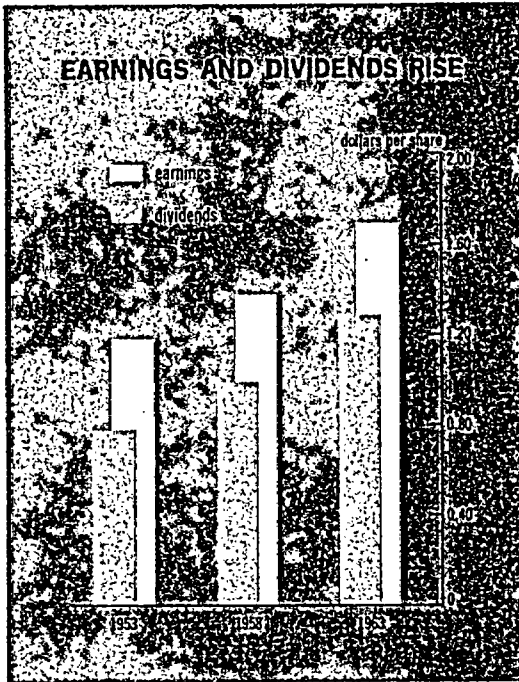
**CUSTOMER SATISFACTION IS IMPORTANT**



**TRAINING PROGRAMS DEVELOP EMPLOYEE SKILLS**

Girard Trust Corn Exchange Bank, was elected a director. At the same time, the board accepted with regret the resignation of Albert A. Garthwaite, whose valued service as a director spanned a period of eighteen years.

Successful operation of the Company rests in large measure on the loyalty and skill of its employees. Over the years, they have established Philadelphia Electric in the minds of the public as a highly efficient service organization of fine morale. Progressive personnel policies have helped to create a working environment conducive to good performance and long service.



## FINANCING

A major portion of the funds needed for construction in 1963 was generated internally by depreciation and retained earnings. The remainder was provided by bank loans and the sale of 260,884 shares of Common Stock to employees and annuitants under the 1963 Employee Stock Purchase Plan.

More than half of the cash required for construction in 1964 will be provided from internal sources. The sale of bonds will supply the remainder. During the next five years, internal sources will furnish about 45 per cent of construction cash requirements. Financing will be accomplished initially by bank loans, which will later be converted to permanent financing as conditions warrant. An offering of Common Stock is contemplated about 1965.



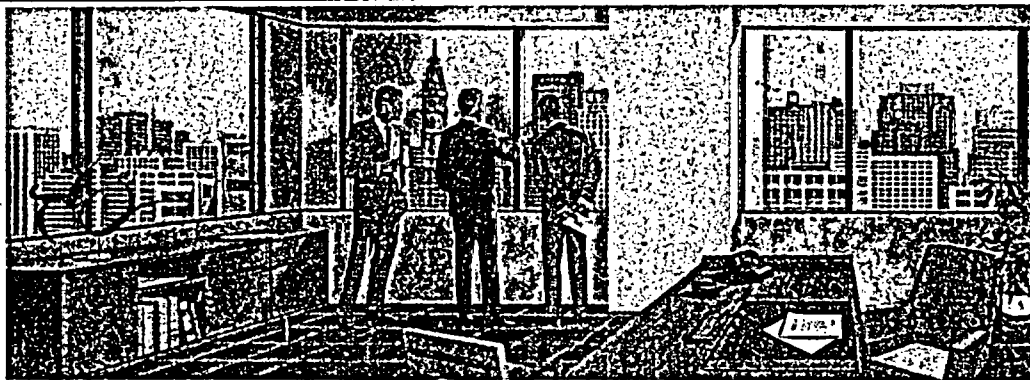
## PHILADELPHIA ELECTRIC'S REVENUE DOLLAR

### WHERE IT CAME FROM

Electric.....	80¢
Gas.....	17¢
Steam and other income...	3¢

### WHERE IT WENT

Operating labor.....	21¢
Fuel.....	23¢
Other materials, supplies, and services..	8¢
Depreciation of plant and equipment....	10¢
Federal, state, and local taxes.....	15¢
Interest on bonds, preferred stock dividends, and other fixed charges..	8¢
Common stock dividends.....	11¢
Retained earnings.....	4¢



**PHILADELPHIA ELECTRIC COMPANY and Subsidiary Companies**

**CONSOLIDATED STATEMENT OF INCOME**

For the Year Ended December 31

<b>OPERATING REVENUE</b>	<u>1963</u>	<u>1962*</u>
Electric.....	\$252,195,955	\$244,534,371
Gas.....	54,441,996	51,261,399
Steam.....	7,793,365	7,425,345
<b>Total Operating Revenue.....</b>	<u>314,431,316</u>	<u>303,221,115</u>
 <b>OPERATING EXPENSES</b>		
Operation.....	136,516,466	129,511,076
Maintenance.....	27,587,463	25,653,585
<b>Total Operation and Maintenance.....</b>	<u>164,103,929</u>	<u>155,164,661</u>
Provision for Depreciation.....	<u>33,623,869</u>	<u>33,683,616</u>
Provision for Taxes		
Federal Income.....	33,572,843	34,083,571
State Income.....	3,915,113	3,910,825
Income Taxes Deferred in Prior Years.....	(817,774)	(817,774)
Other than Income.....	9,696,043	9,514,084
<b>Total Provision for Taxes.....</b>	<u>46,366,225</u>	<u>46,690,706</u>
<b>Total Operating Expenses.....</b>	<u>244,094,023</u>	<u>235,538,983</u>
 <b>OPERATING INCOME.....</b>	 70,337,293	 67,682,132
 <b>OTHER INCOME.....</b>	 725,870	 469,831
 <b>GROSS INCOME.....</b>	 <u>71,063,163</u>	 <u>68,151,963</u>
 <b>INCOME DEDUCTIONS</b>		
Interest on Long-Term Debt.....	19,352,755	19,429,325
Interest on Bank Loans.....	812,413	126,650
Charge Equal to Investment Tax Credit.....	1,353,700	1,029,700
Other Deductions.....	842,692	701,336
Interest Charged to Construction.....	(1,536,264)	(715,723)
<b>Total Income Deductions.....</b>	<u>20,825,296</u>	<u>20,571,288</u>
 <b>NET INCOME.....</b>	 <u>\$ 50,237,867</u>	 <u>\$ 47,580,675</u>

\*Restated to conform with 1963 classification of revenue and expense, with no effect on Income.

The accompanying Notes and Schedules to Financial Statements are an integral part of this statement.



**PHILADELPHIA ELECTRIC COMPANY  
and Subsidiary Companies**

**ASSETS AND OTHER DEBITS**

	<u>December 31</u>	
	<u>1963</u>	<u>1962</u>
<b>UTILITY PLANT</b>		
Plant, at original cost		
Electric.....	\$1,226,837,337	\$1,169,991,913
Gas.....	150,288,254	144,556,489
Steam.....	26,891,820	26,398,177
Common, used in all services.....	41,858,843	42,377,542
	<u>1,445,876,254</u>	<u>1,383,324,121</u>
Less: Accumulated Provision for Depreciation.....	355,178,253	333,262,685
	<u>1,090,698,001</u>	<u>1,050,061,436</u>
<b>INVESTMENTS</b>		
Nonutility Property.....	1,131,108	1,361,397
Other Investments, at cost.....	959,661	831,826
	<u>2,090,769</u>	<u>2,193,223</u>
<b>CURRENT ASSETS</b>		
Cash.....	12,238,807	11,193,445
Special Deposits.....	4,662,001	4,043,986
Accounts Receivable		
Customers, for Utility Service.....	18,918,044	20,145,947
Merchandising and Jobbing.....	5,652,893	5,916,737
Other.....	355,089	789,326
Accumulated Provision for Uncollectible Accounts.....	(132,796)	(243,761)
Materials and Supplies, at average cost		
Operating and Construction.....	12,301,518	11,297,900
Fuel.....	7,977,237	10,378,962
Merchandise for Sale.....	946,098	914,318
Prepayments.....	1,368,214	1,964,631
	<u>64,287,105</u>	<u>66,401,491</u>
<b>DEFERRED DEBITS</b>		
Unamortized Debt Discount and Expense.....	2,387,943	2,535,972
Cost of Conversion of Gas Appliances.....	484,800	606,000
(Being amortized over a period ending in 1967)		
Other.....	2,366,705	1,529,324
	<u>5,239,448</u>	<u>4,671,296</u>
<b>TOTAL ASSETS AND OTHER DEBITS.....</b>	<u><u>\$1,162,315,323</u></u>	<u><u>\$1,123,327,446</u></u>

The Accompanying Notes and Schedules to Financial Statements

# CONSOLIDATED BALANCE SHEET



## LIABILITIES AND OTHER CREDITS

	December 31	
	<u>1963</u>	<u>1962</u>
<b>CAPITALIZATION</b>		
Stockholders' Equity—See Schedule, page 29		
Preferred Stock (\$100 par) cumulative, including premium of \$1,213,910.....	\$ 88,685,910	\$ 88,685,910
Common Stock (no par).....	256,258,278	248,275,227
Earnings Retained for Use in the Business.....	156,532,598	145,228,383
	<u>501,476,786</u>	<u>482,189,520</u>
Long-Term Debt—See Schedule, page 29.....	542,421,000	544,669,000
	<u>1,043,897,786</u>	<u>1,026,858,520</u>
<b>CURRENT LIABILITIES</b>		
Long-Term Debt, due within one year.....	1,152,000	1,998,000
Bank Loans.....	38,250,000	14,900,000
Accounts Payable.....	12,043,952	12,011,389
Customers' Deposits.....	2,119,512	2,121,824
Taxes Accrued		
Federal Income.....	16,461,249	18,465,009
Other.....	3,282,463	3,396,664
Interest Accrued.....	4,688,649	4,645,899
Dividends Declared.....	3,121,648	2,997,798
Tax Collections Payable.....	2,984,266	2,522,205
Other.....	199,429	203,259
	<u>84,303,168</u>	<u>63,262,047</u>
<b>DEFERRED CREDITS</b>		
Unamortized Premium on Debt.....	334,151	381,294
Deferred Amount Equal to Investment Tax Credit...	2,383,400	1,029,700
Other.....	766,539	884,705
	<u>3,484,090</u>	<u>2,295,699</u>
OPERATING RESERVES.....	2,756,294	2,573,419
CONTRIBUTIONS IN AID OF CONSTRUCTION.....	9,074,960	8,720,962
ACCUMULATED DEFERRED INCOME TAXES.....	18,799,025	19,616,799
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	<b><u>\$1,162,315,323</u></b>	<b><u>\$1,123,327,446</u></b>

are an integral part of this statement.

## CONSOLIDATED STATEMENT OF EARNINGS RETAINED FOR USE IN THE BUSINESS

	For the Year Ended December 31	
	1963	1962
BALANCE, JANUARY 1.....	\$145,228,383	\$134,042,818
ADD—Net Income.....	50,237,867	47,580,675
	195,466,250	181,623,493
<b>DEDUCT</b>		
Cash Dividends Declared		
\$4.68 per share on 4.68% Preferred Stock.....	702,000	702,000
\$4.40 per share on 4.4% Preferred Stock.....	1,208,768	1,208,768
\$4.30 per share on 4.3% Preferred Stock.....	645,006	645,006
\$3.80 per share on 3.8% Preferred Stock.....	1,140,000	1,140,000
\$1.29 per share in 1963 and \$1.20 per share in 1962 on Common Stock.....	35,237,878	32,699,336
	38,933,652	36,395,110
BALANCE, DECEMBER 31.....	\$156,532,598	\$145,228,383

The accompanying Notes and Schedules to Financial Statements are an integral part of this statement.

**LYBRAND, ROSS BROS. & MONTGOMERY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors,  
Philadelphia Electric Company,  
Philadelphia, Pennsylvania:

We have examined the consolidated balance sheet of Philadelphia Electric Company and subsidiary companies as of December 31, 1963, and the related statements of income and earnings retained for use in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the companies for the year 1962.

In our opinion, the accompanying consolidated balance sheet and statements of income and earnings retained for use in the business present fairly the financial position of Philadelphia Electric Company and subsidiary companies at December 31, 1963 and 1962, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

**LYBRAND, ROSS BROS. & MONTGOMERY**  
Philadelphia, Pennsylvania  
February 3, 1964



## SCHEDULE OF STOCKHOLDERS' EQUITY December 31, 1963

	Number of Shares		Amount
	Authorized	Outstanding	
<b>PHILADELPHIA ELECTRIC COMPANY</b>			
Preferred Stock—\$100 par, Cumulative			
4.68% Series.....	150,000	150,000	\$ 15,000,000
4.4% Series.....	500,000	274,720	27,472,000
4.3% Series.....	150,000	150,000	15,000,000
3.8% Series.....	300,000	300,000	30,000,000
Unclassified.....	400,000	—	—
Premium on Preferred Stock.....	—	—	1,213,910
Total Preferred Stock.....	1,500,000	874,720	88,685,910
Common Stock—no par.....	40,000,000	27,510,331*	256,258,278
Earnings Retained for Use in the Business....			156,532,598
Total Stockholders' Equity.....			\$501,476,786

\*Includes 260,884 shares issued in 1963.

## SCHEDULE OF LONG-TERM DEBT December 31, 1963

<b>PHILADELPHIA ELECTRIC COMPANY</b>		
First and Refunding Mortgage Bonds		
2¾% Series due 1967.....		\$ 65,000,000
2¾% Series due 1971.....		20,000,000
2¾% Series due 1974.....		65,000,000
2⅞% Series due 1978.....		25,000,000
2¾% Series due 1981.....		30,000,000
3¼% Series due 1982.....		35,000,000
3⅞% Series due 1983.....		20,000,000
3⅞% Series due 1985.....		50,000,000
4⅞% Series due 1986.....		50,000,000
4⅞% Series due 1987.....		40,000,000
3¾% Series due 1988.....		40,000,000
5% Series due 1989.....		50,000,000
		490,000,000
Sinking Fund Debentures		
4.85% Series due 1986.....		37,600,000
(Excludes \$800,000 due within one year, shown under current liabilities)		
Total Philadelphia Electric Company.....		527,600,000
<b>PHILADELPHIA ELECTRIC POWER COMPANY—A SUBSIDIARY</b>		
First Mortgage Bonds, 2⅞% Series due 1975.....		14,821,000
(Excludes \$352,000 due within one year, shown under current liabilities)		
Total Long-Term Debt.....		\$542,421,000

## NOTES TO FINANCIAL STATEMENTS

### 1. DEPRECIATION

Prior to 1961, the usual straight-line provision for depreciation was increased by amounts equal to the annual tax reductions resulting from the use of liberalized depreciation for tax purposes. This supplemental depreciation provision was discontinued at the beginning of 1961, when it became apparent that it would not be allowed as expense in the determination of rates. Liberalized depreciation is being continued for tax purposes, and the resulting tax reductions for 1963 and 1962 are reflected in income in the amounts of \$6,251,798 and \$6,438,013, respectively.

It has been determined that the Accumulated Provision for Depreciation is entirely adequate, without the supplemental amounts accumulated through 1960 aggregating \$17,266,477. Accordingly, the book provision for depreciation is being reduced by \$90,000 per month, commencing October 1, 1962, in order to eliminate such excess accumulation in approximately 15 years. The reduction amounted to \$1,080,000 in 1963 and \$270,000 in 1962.

### 2. INVESTMENT TAX CREDIT

Federal income tax expense reflects a reduction of \$1,353,700 in 1963 and \$1,029,700 in 1962, repre-

senting the investment tax credit arising from new plant investment, as prescribed by the Revenue Act of 1962. However, none of this credit is reflected in net income, since it is offset by equal charges in Income Deductions which are accumulated as Deferred Credits, in accordance with accounting orders issued by the Federal Power Commission and the Pennsylvania Public Utility Commission.

In the opinion of the Company, if the benefits of the investment credit are to be spread over the service life of the additions, the special charge prescribed by the Commissions should be included in operating expense as an allowable deduction for rate-making purposes, rather than in Income Deductions.

### 3. DEFERRED INCOME TAXES

Approximately \$50,000,000 of construction costs on facilities covered by certificates of necessity were amortized, for income tax purposes only, over periods of sixty months which ended in 1960. Amounts equivalent to the resulting deferred income taxes were charged to income and credited to Accumulated Deferred Income Taxes during the amortization period. The accumulated amount is now being credited to income over the estimated remaining service life of the facilities.

## FISCAL AGENTS FOR STOCKS AND BONDS

### PHILADELPHIA ELECTRIC COMPANY

#### Preferred and Common Stocks

#### Registrars

GIRARD TRUST CORP. EXCHANGE BANK  
Broad & Chestnut Streets, Philadelphia, Pa. 19101  
CHEMICAL BANK, NEW YORK TRUST CO.  
20 Pine Street, New York, N.Y. 10015

#### Transfer Agents

PHILADELPHIA ELECTRIC COMPANY  
900 Sansom Street, Philadelphia, Pa. 19105  
MORGAN GUARANTY TRUST CO. of N.Y.  
30 West Broadway, New York, N.Y. 10015

#### PHILADELPHIA ELECTRIC COMPANY—First and Refunding Mortgage Bonds PHILADELPHIA ELECTRIC POWER COMPANY (A Subsidiary)—First Mortgage Bonds

#### Trustee

FIDELITY-PHILADELPHIA TRUST COMPANY  
Broad & Walnut Streets, Philadelphia, Pa. 19109

#### New York Agent

MORGAN GUARANTY TRUST CO. of N.Y.  
23 Wall Street, New York, N.Y. 10008

#### PHILADELPHIA ELECTRIC COMPANY—Sinking Fund Debentures

#### Trustee

THE PHILADELPHIA NATIONAL BANK  
Broad & Chestnut Streets, Philadelphia, Pa. 19101

#### New York Agent

IRVING TRUST COMPANY  
One Wall Street, New York, N.Y. 10015

All Philadelphia Electric Company securities, except the Sinking Fund Debentures, which were sold privately to institutional investors, are listed on the Philadelphia-Baltimore-Washington Stock Exchange and the New York Stock Exchange. Philadelphia Electric Power Company bonds are listed on the Philadelphia-Baltimore-Washington Stock Exchange.

## FINANCIAL STATISTICS



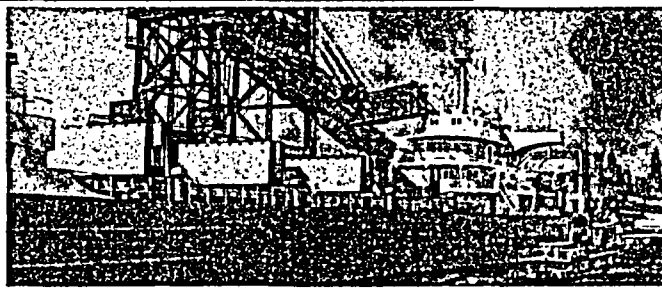
### SUMMARY OF EARNINGS (MILLIONS OF DOLLARS)

	1963	1962	1961	1960	1959	1958	1953
Operating Revenue (for details see page 32).....	\$314.4	\$303.2	\$292.3	\$276.0	\$266.6	\$249.4	\$187.4
Operating Expenses							
Labor.....	67.5	63.4	60.5	57.4	53.1	51.5	38.6
Fuel.....	72.2	70.3	67.3	64.4	63.9	57.9	45.1
Other Materials, Supplies, and Services..	24.4	21.4	21.1	18.9	19.9	17.6	12.2
Total Operating and Maintenance....	164.1	155.1	148.9	140.7	136.9	127.0	95.9
Depreciation and Amortization.....	33.6	33.7	33.0	34.9	30.8	31.0	18.8
Taxes, including provision for Deferred Taxes	46.4	46.7	45.2	43.9	46.7	43.4	36.2
Total Operating Expenses.....	244.1	235.5	227.1	219.5	214.4	201.4	150.9
Operating Income.....	70.3	67.7	65.2	56.5	52.2	48.0	36.5
Other Income.....	0.7	0.5	0.3	0.4	0.5	0.1	0.2
Gross Income.....	71.0	68.2	65.5	56.9	52.7	48.1	36.7
Income Deductions							
Long-Term Debt Charges.....	19.5	19.6	18.0	17.7	15.7	12.6	8.4
Interest on Bank Loans.....	0.8	0.1	0.8	0.2	0.2	0.7	0.2
Charge Equal to Investment Tax Credit...	1.3	1.0	—	—	—	—	—
Other.....	0.7	0.6	0.8	0.6	0.4	0.4	0.5
Interest Charged to Construction.....	(1.5)	(0.7)	(0.7)	(3.9)	(6.5)	(4.8)	(2.2)
Total Income Deductions.....	20.8	20.6	18.9	14.6	9.8	8.9	6.9
Net Income.....	50.2	47.6	46.6	42.3	42.9	39.2	29.8
Dividends on Preferred and \$1 Dividend Preference Common Stocks.....	3.7	3.7	3.8	3.9	3.9	3.9	4.2
Earnings for Common Stock.....	\$ 46.5	\$43.9	\$42.8	\$38.4	\$39.0	\$35.3	\$25.6
Earnings per Share (dollars).....	\$ 1.69	\$1.61	\$1.57	\$1.42*	\$1.45*	\$1.38*	\$1.18*

### SUMMARY OF FINANCIAL CONDITION—DECEMBER 31 (MILLIONS OF DOLLARS)

Assets and Other Debits							
Utility Plant, at Original Cost.....	\$1,445.9	\$1,383.3	\$1,333.8	\$1,289.8	\$1,224.9	\$1,125.5	\$748.9
Less: Accumulated Provision for Depreciation..	355.2	333.2	309.2	287.7	263.0	242.7	146.5
Total.....	1,090.7	1,050.1	1,024.6	1,002.1	961.9	882.8	602.4
Plant Acquisition Adjustments.....	—	—	—	—	—	1.5	5.1
Other Property and Investments.....	2.1	2.2	2.4	2.4	3.1	2.7	5.1
Current and Accrued Assets							
Cash.....	12.3	11.2	13.2	16.6	17.7	19.5	27.1
Accounts Receivable.....	24.8	26.6	25.2	23.0	20.6	19.5	13.2
Materials and Supplies.....	21.2	22.6	21.9	21.3	23.0	20.2	19.4
Other.....	6.0	6.0	5.2	5.4	14.5	7.3	19.0
Deferred Debits.....	5.2	4.6	4.0	4.0	4.2	4.7	3.6
Total Assets and Other Debits.....	\$1,162.3	\$1,123.3	\$1,096.5	\$1,074.8	\$1,045.0	\$958.2	\$694.9
Liabilities and Other Credits							
Preferred Stock, Including Premium.....	\$88.7	\$88.7	\$88.7	\$88.7	\$88.7	\$88.7	\$88.7
Common Stock.....	256.3	248.3	248.3	248.3	245.5	216.4	160.0
Earnings Retained for Use in the Business...	156.5	145.2	134.0	123.3	115.1	106.6	65.2
Total Stockholders' Equity.....	501.5	482.2	471.0	460.3	449.3	411.7	313.9
Long-Term Debt.....	542.4	544.7	546.9	509.2	510.6	464.4	322.4
Current and Accrued Liabilities							
Bank Loans.....	38.3	14.9	1.0	24.0	—	—	—
Taxes Accrued.....	19.7	21.9	20.5	22.5	23.5	23.3	36.1
Other.....	26.3	26.4	25.2	26.5	29.8	28.8	13.4
Deferred Credits.....	3.5	2.3	1.0	0.9	1.1	1.2	2.0
Operating Reserves.....	2.7	2.6	2.4	2.2	2.0	1.9	1.4
Contributions in Aid of Construction.....	9.1	8.7	8.1	7.9	7.4	7.1	4.7
Accumulated Deferred Income Taxes.....	18.8	19.6	20.4	21.3	21.3	19.8	1.0
Total Liabilities and Other Credits.....	\$1,162.3	\$1,123.3	\$1,096.5	\$1,074.8	\$1,045.0	\$958.2	\$694.9

\*Restated to reflect two-for-one stock split in 1961.



## OPERATING STATISTICS

	1963	1962	1961	1960	1959	1958	1953
<b>ELECTRIC OPERATIONS</b>							
<b>Electric Supply (millions of kilowatt-hours)</b>							
<b>Generated in System Plants</b>							
Steam.....	13,511	13,614	13,140	12,196	11,426	10,949	8,027
Hydro—Conowingo.....	945	1,120	1,104	1,327	1,320	1,382	1,317
Internal Combustion.....	3	2	4	2	2	—	—
Purchased and Net Interchange.....	1,202	201	79	98	501	(97)	614
<b>Total Generated and Purchased..</b>	<b>15,661</b>	<b>14,937</b>	<b>14,327</b>	<b>13,623</b>	<b>13,249</b>	<b>12,234</b>	<b>9,958</b>
Losses and Company Use.....	1,014	1,035	995	957	985	968	760
<b>Total Electric Sales.....</b>	<b>14,647</b>	<b>13,902</b>	<b>13,332</b>	<b>12,666</b>	<b>12,264</b>	<b>11,266</b>	<b>9,198</b>
<b>Electric Sales (millions of kilowatt-hours)</b>							
Residential.....	3,613	3,405	3,298	3,057	2,965	2,732	1,795
Small Commercial and Industrial.....	1,823	1,781	1,752	1,684	1,670	1,542	1,260
Large Commercial and Industrial.....	8,143	7,635	7,235	6,882	6,565	5,922	4,903
Railroads and Railways.....	809	829	811	815	836	854	1,092
Public Authorities and Highway Lighting	204	202	191	180	169	158	115
Other Electric Co.'s and Interdepartmental	55	50	45	48	59	58	33
<b>Total Electric Sales.....</b>	<b>14,647</b>	<b>13,902</b>	<b>13,332</b>	<b>12,666</b>	<b>12,264</b>	<b>11,266</b>	<b>9,198</b>
<b>Number of Customers, Dec. 31 (thousands)</b>							
Residential.....	954	940	926	913	900	887	792
Small Commercial and Industrial.....	151	152	153	154	155	154	153
Large Commercial and Industrial.....	4	4	4	4	3	3	3
All Other.....	2	2	2	2	2	2	1
<b>Total Electric Customers.....</b>	<b>1,111</b>	<b>1,098</b>	<b>1,085</b>	<b>1,073</b>	<b>1,060</b>	<b>1,046</b>	<b>949</b>
<b>Operating Revenue (millions of dollars)</b>							
Residential.....	\$89.5	\$85.3	\$82.9	\$77.9	\$75.8	\$71.0	\$50.9
Small Commercial and Industrial.....	49.2	48.8	48.0	46.4	46.0	43.4	35.6
Large Commercial and Industrial.....	94.5	91.1	86.8	82.2	79.1	72.6	55.9
Railroads and Railways.....	9.2	9.5	9.1	9.2	9.3	8.7	10.4
Public Authorities and Highway Lighting	6.4	6.5	6.3	6.0	5.7	5.3	4.3
Other Electric Co.'s and Interdepartmental	0.6	0.6	0.5	0.6	0.7	0.7	0.3
Miscellaneous Electric Revenue.....	2.8	2.7	2.8	2.1	1.9	1.9	1.6
<b>Total Electric Revenue.....</b>	<b>\$252.2</b>	<b>\$244.5</b>	<b>\$236.4</b>	<b>\$224.4</b>	<b>\$218.5</b>	<b>\$203.6</b>	<b>\$159.0</b>
<b>Residential Sales</b>							
Average Use per Customer (kilowatt-hours)	3,815	3,649	3,590	3,373	3,320	3,102	2,298
Average Revenue per Kilowatt-hour...	2.48c	2.51c	2.51c	2.55c	2.56c	2.60c	2.84c
<b>Electric Peak Load</b>							
Hourly Demand (thousands of kilowatts)	3,049	2,858	2,826	2,628	2,543	2,306	1,848
Electric Generating Capability (thousand kw.)	3,557	3,557	3,557	3,439	2,716	2,712	2,136
Average Cost of Fuel per Ton.....	\$8.58	\$9.48	\$9.61	\$9.55	\$9.77	\$9.87	\$9.05
Btu per Net Kilowatt-hour Generated..	10,428	10,149	10,311	10,575	11,074	10,995	12,431
<b>GAS OPERATIONS</b>							
Sales (millions of cubic feet—900 Btu basis)	52,610	48,840	45,074	40,276	38,098	33,116	20,463
Number of Customers, Dec. 31 (thousands)	242	239	234	230	226	221	191
Total Gas Revenue (millions of dollars)...	\$54.4	\$51.3	\$48.6	\$44.9	\$41.7	\$39.6	\$24.5
<b>STEAM OPERATIONS</b>							
Sales (millions of pounds).....	6,136	5,987	5,708	5,323	4,969	4,712	2,882
Number of Customers, Dec. 31 (thousands)	1	1	1	1	1	1	1
Total Steam Revenue (millions of dollars)..	\$7.8	\$7.4	\$7.3	\$6.6	\$6.3	\$6.2	\$3.8

**EMPIRE MANILA FOLDER**

TO REORDER, SPECIFY **D306<sup>2</sup>/5**



**YAWMAN & ERBE**

DIVISION STERLING PRECISION CORPORATION, ROCHESTER 3, N. Y.

MADE IN U.S.A.