

Site of Niagara Mohawk's Atomic Power Plant

# 1963 annual report

- MAGARA MORAWK POWER CORPORATION



The Niagara Mohawk System serves a remarkable diversity of industry, ranging from research laboratories to huge production centers like these steel mills near Buffalo.



COVER — Nine Mile Point on Lake Ontario, near Oswego, showing approximate location of the Niagara Mohawk atomic power plant.



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President's Letter	•		•		•	•	•	•		•	•			3
1963 Data in Brief				•	•	•	•	•		•	•			4
Review of Operations			•		•	•			•	•	•			7
Earnings and Dividends			•	•		•	•				•			7
Electric and Gas Revenues						•	•	•	•		•	•	•	7
Antitrust Suits					•	•				•				8
Utility Plant Expansion								•	•			•		10
Construction Financing				•		•	•	•				•	•	10
Electric Construction			•			•	•	•			•			10
Niagara Power		•	•		•	•			•	•				11
25-Cycle Conversion			•			•								11
Natural Gas Extensions	•		•	•	•		•				•			11
Atomic Power	•				•		•	•	•		•		•	12
Research and New Techniques.	•							•						14
Area Growth	•			•	•		•				•			16
Sales Promotion	•	•	. '	•	•	•			•					18
Shareowners and Employees .	•	•	•	•	•		•	•						19
Annual Meeting	•	•			•	• .	•	•						19
Statistics						•					2'	7. 2	28.	30
System Maps and Service Areas													29.	31
Directors and Officers		•												32
Transfer Agents														32
Stock Listing	•	•		•										32
-														

### financial statements

Earnings	•	•	•	•	•	•	•			5
Source and Distribution of Revenues			•	•	•	•				9
Summary of Financial Operations .					•					9
Balance Sheets	•	•								20
Surplus	•						•			22
Notes										23
Mortgage Bonds	•						•	•	•	24
Preferred Stock			•			•	•	•		24
Utility Plant								•	•	25
Financial Ratios										26
<b>Opinion of Independent Accountants</b>							•	•		26



Another new business enterprise for Upstate New York is the MONY Plaza development at Syracuse, planned as national data processing center for Mutual of New York, Inc.

## to the shareowners



The year 1963 was a good one for Niagara Mohawk. I am pleased to report new high levels for electric and gas sales and further increases in revenues and net income. Earnings per share of common stock were \$2.78, compared with \$2.61 for 1962.

These favorable results, and our decision to build one of the largest atomic power plants in the world, were highlights of the company's progress in 1963.

During the year, Niagara Mohawk moved forward in many other respects, as indicated in this report. New customers and greater use of our services, along with increased operating economies, more than offset higher costs of doing business.

Our load growth is reducing steadily the power surplus created by the New York State Power Authority's generating projects on the Niagara and St. Lawrence rivers. To meet the growing demands for electric power, we are scheduling our atomic plant for operation in 1968. The decision to build a large-scale atomic plant begins a new era in the company's operations. We expect that over the life of the plant it will produce power at a lower cost than a modern coal-fired plant at the site. We are especially proud that our own engineering department is designing the plant and directing its construction.

No long-term financing was required last year, nor is any anticipated before late 1964 or early 1965, when construction expenditures will increase as our atomic power project moves ahead.

The ever-increasing use of electricity and natural gas, stimulated by intensive sales promotion efforts, and further advances in operating efficiency project a favorable outlook for our future growth.

We express our appreciation to Niagara Mohawk employees for their consistently fine record of service and to shareowners for their interest and confidence. If you have any questions about the company at any time, please write to me.

Earle J. Machold President

February 3, 1964



EARNINGS — \$2.78 per common share vs. \$2.61 in 1962, an increase of 6.5%.

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DIVIDENDS — \$2.00 per share vs. \$1.85 in 1962, on 13,680,340 shares of common stock in both years.

ELECTRIC REVENUES — \$269,706,000, a 4.8% increase over 1962.

ELECTRIC SALES — Kilowatt-hour sales of 20.8 billion, 3.6% more than in 1962.

GAS REVENUES — \$81,987,000, an increase of 3.3% over the previous year.

GAS SALES — Nearly 72.8 billion cubic feet, 6.1% higher than in 1962.

CUSTOMERS — 1,123,000 electric customers at the year end, an increase of 7,000 in 1963; 376,000 gas customers, an increase of 5,000. PAYROLL AND EMPLOYEE BENEFITS — \$64,476,000 charged to operating costs, compared with \$62,138,000 a year ago.

TAXES — \$66,095,000, a \$4,277,000 increase over 1962.

OTHER MAJOR COST ITEMS — Coal, up 18.9%; electricity purchased, up 8.2%; gas purchased, up 0.3%.

CONSTRUCTION ADDITIONS — Gross additions of \$54,404,000 to electric and gas properties.

UTILITY PLANT — Gross utility plant of \$1,366,322,000 at the end of 1963; net utility plant of \$1,077,425,000.

EMPLOYEES — 8,800 full time employees at the year end, about the same as a year ago.



# statement of consolidated earnings

NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

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	1963	1962	1961	1960	1959
Operating Revenues:					
Electric	\$269,706	\$257,388	\$237,654	\$229,784	\$221,282
Gas	81,987	79,345	76,316	69,577	64,041
Total	351,693	336,733	313,970	299,361	285,323
Operating Revenue Deductions:	1		-		
Operation	170,054	161,037	149,002	139,431	135,770
Maintenance	22,135	22,698	21,714	21,602	22,406
Depreciation	30,010	29,257	28,340	26,970	25,024
Charges equivalent to income tax reductions result- ing from conversion to natural gas and 60-cyclé power	—	_	_		922
Amount equivalent to reduction in federal income taxes resulting from:			,		5
Amortization under Necessity Certificates	(700)	(600)	(340)	· (200)	1,000
Amortization of water rights at Niagara Falls					
(Note 3)	—	1,600	2,500	1,900	3,000
Federal income taxes (Notes 1 and 2)	23,400	20,300	16,000	14,900	12,300
Canadian income taxes	1,330	1,270	1,130	1,170	263
New York State water charge	—	-	535	796	796
Other taxes	41,365	40,248	40,175	38,994	35,937
Total		275,810	259,056	245,563	237,418
Operating Income	64,099	60,923	54,914	53,798	47,905
Non-operating Income or (Loss)	206	(2)	72	(154)	(152)
Gross Income	64,305	60,921	54,986	53,644	47,753
income Deductions:	ď			~	ţ
Interest on long-term debt	20,225	19,727	19,845	18,919	17,683
Other interest charges	133	102	105	73	119
Interest charged to construction — (credit)	(441)	(1,117)	(1,297)	(1,264)	(2,045)
Miscellaneous	408	495	254	905 ´	554
Total	20,325	19,207	18,907	18,633	16,311
Net Income	43,980	41,714	36,079	35,011	31,442
Dividend Requirements on Preferred Stock	5,999	5,999	<u>5,999</u>	5,999	5,999
Balance Available for Common Stock	\$ 37,981	\$ 35,715	\$ 30,080	\$ 29,012	\$ 25,443
Earned per Share of Common Stock*	\$2.78	\$2.61	\$2.20	\$2.24	\$2.07

\*Based on shares outstanding at the end of the respective years.

See Notes to Financial Statements.

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Continuing expansion of Niagara Mohawk electric and gas facilities meets growing customer needs in Upstate New York.



## review of operations

#### **HIGHER EARNINGS**

The net income and earnings 'reached new high levels in 1963. The consolidated net income was \$43,980,000, an increase of \$2,266,000 over 1962.

Net earnings were \$2.78 per share of common stock, compared with \$2.61 for 1962, on the 13,680,340 shares outstanding in both years.

#### DIVIDENDS

In 1963 Niagara Mohawk paid dividends of \$2.00 per share of common stock. Payments of 50 cents per share were made on March 31, June 30, September 30 and December 20. Dividend payments in the previous year totaled \$1.85 per common share.

The company has estimated that, for federal income tax purposes, 23% of the 1963 dividends on the common stock was a return of capital. Therefore, only the remaining 77% is taxable as dividend income. The nontaxable portion of dividends, however, reduces the holder's cost basis for the shares on which the dividends were paid. The percentage is subject to possible adjustment on audit by the Internal Revenue Service.

Preferred stock dividends were paid on March 31, June 30, September 30 and December 31, 1963.

#### **INCREASED TOTAL REVENUES**

Total 1963 operating revenues were \$351,693,000, a gain of \$14,960,000 over 1962. Electric revenues accounted for about 77% and gas revenues for 23% of the total.

Revenue deductions included somewhat higher expenses for labor and taxes. Although the coal cost per ton was lower, total coal charges were higher because of the greater amount of steam-electric power generated.

Higher charges under the contract for power supplied by the New York State Power Authority accounted for a rise in the cost of purchased electricity.

#### **ELECTRIC SALES GROWTH**

Electric revenues were \$269,706,000, an increase of 4.8% over 1962. Electric sales rose to 20.8 billion kilowatt-hours, an increase of 700 million.

The 1963 electric revenues reflected increases in all major classes of service, which provided revenues in the following proportions:

residential	35%	municipal	7%
industrial	29%	other elec. systems	7%
commercial	20%	miscellaneous	2%

About 7,000 electric customers were added, raising the total to 1,123,000 at the end of the year. Of this number, about 995,000 are residential customers. Over 3,000 use electric house heating, 400 more than at the close of 1962.

The average annual use of electricity by residential customers reached 4,014 kilowatt-hours, an increase of 161. The 50,000 farms included in this classification used about 9,300 kilowatt-hours per customer in 1963, an increase of 400.

Residential customers paid an average of 2.39 cents per kilowatt-hour, compared with 2.41 cents in 1962. Their average electric bill for 1963 was \$96.08, about \$3.00 higher because of greater use.

#### **RECORD NATURAL GAS SALES**

Gas revenues rose to \$81,987,000, a 3.3% increase over 1962. Gas sales were nearly 72.8 billion cubic feet, continuing the substantial upward trend of recent years.

The increases applied to all classes of natural gas service. The proportions of 1963 gas revenues provided by the major service classifications were as follows:

residential	70%	municipal	3%
commercial	15%	other gas systems	1%
industrial	10%	miscellaneous	1%

7



This terminal of a state-wide microwave network for improved communications and power control is near Albany.

About 5,000 gas customers were added in 1963. The total reached 376,000 at the year end. Of this number, 248,000 are gas heating customers, about 8,000 more than in the previous year.

Niagara Mohawk residential customers paid an average of \$1.24 per thousand cubic feet of gas, compared with \$1.27 in 1962. Their average gas bill for the year was \$167.70, about \$1.00 higher because of increased use.

#### **REVISED BILLING SYSTEM**

A more uniform system of billings to customers became effective in April 1963, following review by the New York Public Service Commission. The new procedure, made possible by electronic data processing, increased annual revenues by slightly over a million dollars.

#### **PROGRESS IN ANTITRUST SUITS**

'Niagara Mohawk, together with a number of other utility companies, settled its antitrust damage claims against the General Electric Company in December. Niagara Mohawk received about \$2,300,000 (applied in reduction of investment in utility plant), plus allowance for legal expenses. This was termed fair and reasonable by the United States District Court judge upon settlement.

The company's claims for damages against certain other electrical equipment manufacturers are still pending.

### source and distribution of 1963 revenues (in thousands of dollars)

Revenues.	1963	% of Total Revenues	Increase (or Decrease) Over 1962
Electric	\$269,706 81,987	76.7 23.3	\$12,318 2,642
Total	\$351,693	100.0	\$14,960
Costs: ·			
Wages, salaries and employee benefits	\$ 64,476	18.3	\$ 2,338
Coal for production of electricity	28,804	8.2	4,582
Electricity purchased	39,614	11.3	2,986
Gas purchased for resale	39,115	11.1	127
Other costs of operations	19,974	5.7	(1,787)
Depreciation	30,010	8.5	753
Amount equivalent to reduction in federal income taxes resulting from:	ĥ	-	
Amortization under Necessity Certificates	(700)	(0.2)	(100)
Toyoe	66.005	10.0	· (1,000)
Idits	20,035	10.0 E 0	4,2//
	307,713	87.5	12,694
Dividends to Shareowners:	r -		
Preferred	5,999	1.7	—
Common	27,361	7.8	2,052
Retained in the Business	10.620	3.0	214
Total	\$351,693	100.0	\$14,960

### SUMMARY OF FINANCIAL OPERAtions, 1959-1963 (in thousands of dollars)

	1000	1 1000	1001	4000	1050	
Source of Funds:	1903	1902	1201	1960	1909	iotai
Net income	\$43,980	\$41,714	\$ 36,079	\$ 35,011	\$ 31,442	\$188,226
Depreciation	30,010	29,257	28,340	26,970	25,024	139,601
Portion of charges (a)	_	_	_		922	922
Charge equal to income tax reduction (b)	(700)	1,000	2,160	1,700	4,000	8,160
Sale of common stock	· _		31,344		_	31,344
Sale of mortgage bonds (c)		_	40,000	50,000	. —	90,000
Notes payable to banks (c)	8,000 -	9,000	(35,000)	(10,475)	43,705	15,230
Reduction in other working capital (c) .	3,345	10,539	(292)	5,103	17,139	35,834
Sale of Niagara and St. Lawrence lands	_	_	4,750			4,750
Settlement of antitrust suit	2,304	_	_	·		2,304
Miscellaneous (net) (c)	825	817	1,635	1,166	180	4,623
Total	\$87,764	\$92,327	\$109,016	\$109,475	\$122,412	\$520,994
Disposition of Funds:						1
Construction additions and		,				
properties acquired	\$54,404	\$61,019	\$ 79,337	\$ 80,703	\$ 94,828	\$370,291
Dividends	33,360	31,308	29,679	28,772	27,584	150,703
Total	\$87,764	\$92,327	\$109,016	\$109,475	\$122,412	\$520,994
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Notes: (a) Portion of loss on retirements of gas manufacturing plants and portion of cost of converting 25 to 60 cycle (Canada) --- equivalent to reduction in federal or Canadian income taxes.

(b) Amount equivalent to reduction in federal income taxes resulting from amortization under Necessity Certificates and amortization of water rights at Niagara Falls. (c) Restated for comparative purposes.

utility plant expansion



A section of the Niagara Mohawk control center near Syracuse-a key point in operating the northeastern power pool.

#### **ADDITIONS TO PROPERTIES**

NIAGARA

The gross utility plant increased to \$1,366,322,000 in 1963. Gross additions to electric and gas properties during the year were \$54,404,000.

#### CURRENT AND FUTURE FINANCING

The 1963 construction funds were derived from internal sources and short-term bank loans. Bank loans were increased by \$8,000,000 during 1963, bringing the total at the year end to \$17,000,000. These funds were borrowed under a loan agreement to provide up to \$40,000,000 for construction purposes.

The budget for 1964 construction is \$58,000,000, which is expected to be provided from bank loans and internal sources.

No long-term financing for construction purposes is anticipated before the latter part of 1964 or early in 1965, when the expansion program will be accelerated.

#### **ELECTRIC CONSTRUCTION**

In addition to normal improvements and replacements, the 1963 construction program included further expansion of transmission facilities. These were chiefly to strengthen Niagara Mohawk's part of the Canadian-United States Eastern Interconnection (CANUSE). This pool, in turn, links with others extending across the nation.

An integral part of this network is the high-voltage transmission system across New York State, over which large blocks of power are delivered to New England, Pennsylvania and metropolitan New York. The 345,000-volt system, sections of which were built by the company, Consolidated Edison and the New York State Power Authority, is transmitting large amounts of available power. The resulting economic benefits are substantial, partly because of the summer peak requirements of the New York City area, in contrast to the winter peak upstate.

#### These interconnections with other systems also integrate power facilities, provide emergency power when needed and effect many economies in plant investment and operations.

Additions to the company's transmission station at Clay, north of Syracuse, and the Edic Station, north of Utica, will be started in 1964. They will connect with a second 345,000-volt line being built by the Power Authority between Rochester and Utica to enlarge and reinforce the upstate transmission network.

Other 1963 electric construction projects included improvements to steam-electric stations for greater operating economies, four new service centers, and extensions of distribution facilities to new and expanding suburban developments.

The company reactivated two steamelectric generating units at Oswego in 1963 and two units at the Huntley Station early in 1964. Two others at Huntley will be reactivated in 1965. These six units have been inactive until load growth and expanded markets could absorb the surplus power from the Niagara project.

#### **NIAGARA POWER**

The company's cost of power purchased from the Power Authority's Niagara project increased in 1963 in accordance with the terms of the contract. Delivery of 175,000 kilowatts at very low cost, resulting from the early closing of the company's Schoellkopf and Adams stations, ended in 1962. Graduating demand charges on part of the Niagara power purchased became initially effective January 1, 1963 and were increased July 1, 1963. These charges were approximately \$1,900,000 in 1963.

Charges for such power in 1964 will be raised further as a result of the two remaining increases in demand charges effective January 1 and July 1, 1964.

Niagara Mohawk is now receiving about 1,168,000 kilowatts of the Niagara project's capacity, including 108,000 kilowatts supplied beginning July 1, 1963. This is over 50% of the firm and peaking capacity of the Authority's Niagara project.

Underground networks supply the electrical requirements of urban business sections.

#### **25-CYCLE CONVERSION**

Conversion of 25-cycle service to 60cycle was further advanced in 1963. The 25-cycle service supplied to certain industries on the Niagara Frontier has been reduced from 130,000 kilowatts a year ago to about 100,000 kilowatts. The last 25-cycle generating unit at the Huntley Station was retired during 1963.

The company has filed with the New York Public Service Commission a notice of termination of this obsolete type of service by the end of 1965. This termination is opposed by some of the affected customers. Hearings have been completed and the matter is now pending before the Commission.

#### NATURAL GAS EXTENSIONS

Natural gas facilities were extended into new service territory and expanded in existing service areas in central and eastern New York.

The gas construction program for 1964 includes extensions to a number of villages, hamlets and newly developed suburban areas, as well as larger pipelines, regulators and other facilities to meet increased sales and normal replacements.





Extensive land and water tests are under way at the site of Niagara Mohawk's atomic power plant, An artist's conception of the plant is shown above.

#### NMP BUILDING ATOMIC PLANT

Niagara Mohawk's plans to construct an atomic power generating plant at Nine Mile Point, near Oswego, are well under way. Contracts have been awarded to General Electric Company to design and build the reactor and turbo-generator and to Stone & Webster Engineering Corporation for the supervision and coordination of station construction. The Niagara Mohawk engineering department is designing and supervising construction of the over-all plant.

This plant, with a generating capability of at least 500,000 kilowatts, will be one of the largest atomic power installations in the world. Its cost, allowing for contingencies, is conservatively estimated at \$90,000,000. The project is subject to approvals of the Atomic Energy Commission and other regulatory agencies.

Over its life the plant is expected to produce power at a lower cost than a coal-burning steam plant at this site. It will operate on the well-established boiling water principle.

The 1500-acre plant site, near the geographic center of the System's power net-



Niagara Mohawk's atomic power plant will be close to the center of the state-wide transmission system.

work, was acquired in 1961. Meteorological studies, underlying rock sampling and other extensive testing, started in 1962, are continuing during the design period. Site preparation is scheduled for 1964 and actual plant construction is planned to begin in 1965.

The decision to build the atomic plant resulted from several years of study of Upstate New York's future power needs and the most effective means of providing for them. The Nine Mile Point station will be an addition to present generating sources, which will be needed to supply the growing power requirements expected by 1968.

#### **CONTINUING ATOMIC RESEARCH**

The company is also continuing its participation in the atomic research and development programs of the Empire State Atomic Development Associates, Inc. (ESADA). The ESADA organization was formed in 1960 by the seven principal investor-owned utilities serving New York State, to obtain data needed for the design of large-scale atomic plants employing high-temperature concepts. ESADA recently extended for another two-year period its development work on three high-temperature reactor programs, seeking improved efficiency in the generation of atomic power.

Three manufacturers are engaged in the ESADA program. General Electric Company has constructed a prototype superheat atomic plant. Atomics International, a division of North American Aviation, Inc., is engaged in a sodium-graphite reactor program. General Atomic, a division of General Dynamics Corporation, is developing the high-temperature gas-cooled reactor principle. In each case, ESADA is concentrating its support on specific features which are important to large-scale application.

The company is participating, through ESADA, in the financial support of an atomic fuel reprocessing plant in Niagara Mohawk's service area in western New York. Niagara Mohawk is also continuing its research interest in the Peach Bottom gas-cooled reactor prototype under construction in Pennsylvania and the Enrico Fermi fast-breeder reactor in Michigan.





## research & new lechniques

#### **RESEARCH AND DEVELOPMENT**

In addition to its special interest in atomic power, Niagara Mohawk undertakes, as part of its engineering and operating responsibilities, a continuing program of developing and testing new techniques. The search for greater service reliability, improved safety and cost-cutting is constant.

Some of the research and development projects in which Niagara Mohawk is now engaged or participating may be of interest to shareowners: improved design of underground residential distribution; adverse weather field tests; various cable material and design studies; improved substation foundation design; extra-high voltage for direct current transmission; gas flow pressure studies; advanced gas meter testing methods; and preassembled underground electric service facilities.

#### ELECTRONIC DATA PROCESSING

Further applications of electronic data processing to System accounting procedures were advanced in 1963. A number of general accounting functions, including payroll processing, were converted and centralized. Other data processing operations were expanded.

These were in addition to the customer billing operations, which were converted to a computer system in 1962. Over a million customer accounts a month are now processed by computers.

The data processing equipment will be further augmented as required to improve accounting functions and to extend its use to engineering, planning and other operations.

New applications are continually sought for the company's other computer systems. They now guide load dispatching operations and calculate billings for power exchanges



Coal deliveries by "unit trainloads" cut operating costs. This 100-car train is at the Albany steam-electric station.

with other companies. They determine the most economic sources for power production among individual units and whole systems and solve problems of plant and equipment design and operation.

#### **OTHER ADVANCES IN EFFICIENCY**

In other departments of the business the constant search for greater operating efficiency and economy has also produced good results. Niagara Mohawk was one of the first utilities on the eastern seaboard to adapt the more economical unit trainload coal deliveries to its steam-electric generating plants. Complete trainloads of coal, each carrying at least 7,000 tons, are delivered direct from the mines to the company's generating stations and unloaded within 24 hours. The resulting savings in costs of delivered coal are substantial.

A sintering plant, one of the first in the utility industry, was built in 1963 at the Huntley Station to provide for the economic disposal of fly-ash. In this process the fly-ash, a by-product of coal-fired boilers, is converted into pellets suitable for building material, highway fill and similar uses.

The Niagara Mohawk microwave system in western New York has been supplemented by leased facilities to keep pace with the size and complexity of power pooling operations and to provide high-speed protective relaying. This system extends the speed and reliability of the communication network across New York State.

Some of the other improvements in equipment or methods which have been introduced recently include: new electronic meter-calibrating; advanced hydraulic earthborers and polesetters; additional mobile substations; and new automatic coal conveyor systems.

These and other advancements are augmented by expanded training and safety programs and extensions of uniform practices to keep the Niagara Mohawk System a leader in efficient utility operations. NIAGARA

## area growth

#### INDUSTRIAL EXPANSION

Many new industries have been attracted to the Niagara Mohawk service area in recent years. A number of existing industries are expanding their facilities.

The following are some good examples of major additions and expansions among Niagara Mohawk customers: a \$5,000,000 addition to the \$30,000,000 aluminum rolling mill of Alroll, Inc.; a new multimillion-dollar photographic paper plant; an \$11,000,000 cement plant planned for Lake Ontario Portland Cement; Crucible Steel's \$6,000,000 rod and bar mill planned for 1965 production; General Mills' modernization program for added capacity; a \$26,000,000 redevelopment plan of Reynolds Aluminum and others; Bethlehem Steel's \$41,800,000 improvement program; Chrysler's doubling its gear plant capacity; a \$15,000,000 plaza development primarily for the national data processing facilities of Mutual of New York, Inc.; and other expansion programs by American Radiator, Carborundum, Ford, General Motors and National Gypsum.



#### WORLD'S RICHEST MARKET

A marketing study, "The World's Richest Market," was compiled in 1963 for the company's area development department from facts supplied by independent research organizations. The report describes the Niagara Mohawk service area as the hub of this outstanding market.

The study indicates that nearly a quarter of the nation's population and over 28% of its income are within a 250-mile radius of the hub's center. About a third of Canada's population and income is within a 100-mile radius of the Niagara Mohawk "hub." The research data also include growth projections to 1975, showing the 250-mile sector of the northeastern United States as industry's largest and most concentrated market, presently and prospectively.

Other highlights of the study point out the following:

New York continues by far as the nation's leading industrial state.

Niagara Mohawk's service area, with its rich resources, abundant power and skilled labor force, is the ideal location from which to serve this northeastern market.

The industrial diversity in and around the Niagara Mohawk area is the most varied in the nation, with over 32% of America's industry within a 250-mile radius.

Eleven of America's top 30 markets are within this same 250-mile sector.

New York State leads the country in the research field with over 1,100 industrial research laboratories.

New York is pre-eminent in the field of higher education.

#### AREA DEVELOPMENT WORK

As part of its area development program, Niagara Mohawk has made effective distribution of the above report. This comprehensive economic study of the service area and surrounding regions should prove invaluable to manufacturers seeking locations or product sales in the northeastern market.

The area development efforts of the company are devoted to promoting the area's advantages, attracting new industries and expanding existing industries. The company uses national advertising to tell the "Empire Upstate" story and provides special publications and individual studies for industrial executives, inventories of industrial sites and a full range of plant location services and technical assistance.

Specific inquiries from shareowners or others who may be interested in plant locations or expansion in the Niagara Mohawk service area should be directed to the Area Development Department, 300 Erie Boulevard West, Syracuse, New York 13202.



Another all-electric residential installation is completed—this one in Schenectady.



Expanded port facilities at Oswego handle ocean shipping via the St. Lawrence Seaway.



Buffalo is busy with new building construction in downtown and suburban areas.

sales promotion program



This all-electric, eight-story motor hotel in Niagara Falls was added to company lines in 1963.



In 1963 Niagara Mohawk accelerated its long-range sales promotion program to increase residential, farm, commercial and industrial use of services. This

load-building will be intensified in 1964.

Greater emphasis was placed on selling "total electric" installations. These use electric power exclusively and represent a large potential market, particularly in the field of electric heating. To promote the advantages of these installations all available advertising media are used, and sales representatives consult with architects, developers, contractors and owners in planning for customers' specific needs.

A program started in mid-year has been effective in promoting the total electric concept to commercial establishments, such as motels, office buildings, laboratories and nursing homes. Meanwhile, the increase in residential electric heating continues and installations now total over 3,000. Greater sales effort has been directed toward outdoor lighting. The market for modern street and private area lighting is expanding rapidly and has merited setting up an outdoor lighting division in the System sales department. During the first twenty months of the company's private area lighting sales program, over 13,000 lights were installed, producing a sizeable increase in annual revenues.

The company's "Reddy Recommended Dealer Program" enlisted the active support of more than 1,000 appliance dealers. This program, through which the company and dealers cooperate in promoting appliance sales to the general public, included special consumer campaigns for electric ranges, refrigerator-freezers, clothes dryers and modern electric water heaters.

Niagara Mohawk customers installed, over 10,000 electric water heaters and approximately 25,000 clothes dryers during the past year. A series of "forum" meetings and followup programs was aimed at farm; commercial and industrial markets. These encouraged greater use of electric power for air conditioning, ventilation and all types of lighting, heating and material handling in industry and on the farm.

Continuing efforts are under way to increase saturation of gas heating. About 8,000 gas heat customers were added during 1963.

The success of the company's all-electric home demonstration center at Albany has led to a second "Golden Glow Home", to be completed at the Syracuse headquarters building in 1964. These centers show all types of modern electric services in use.

Promotion programs scheduled for 1964 include: an intensified "total electric" campaign; an electrification planning service for commercial, farm and residential customers; continued efforts to add gas heating load; an expanded dealer-cooperation program; and additional consumer sales promotions. Niagara Mohawk will also promote the World's Fair exhibits of the investor-owned electric and gas industries.



#### 127,000 SHAREOWNERS

At the year end the number of registered owners of Niagara Mohawk shares exceeded 127,000. Of this total, 118,000 are owners of common stock and 9,000 own preferred stock.

About 88,000 holders own less than 100 shares each and 20,000 hold less than ten shares. Almost half the shares are owned by individuals; most of the balance by banks, investment and insurance companies, brokers, foundations and other large investors.

All 50 states and 38 foreign countries and possessions are represented in the shareowner lists. About 36% of the shareowners are in New York State. California ranks next, with New Jersey, Massachusetts, Michigan and Pennsylvania following in order.

#### 8,800. EMPLOYEES

Some 8,800 people make up the Niagara Mohawk family. They are engineers, linemen, meter readers, accountants, servicemen, stenographers, sales specialists, power dispatchers, executives, managers, clerks and many others. They have an average service record of 181/2 years—with matching skill and experience.

Their wages and salaries for 1963 were \$71,480,000, of which \$54,836,000 was charged to operating expenses and the balance principally to construction. This compares with the 1962 payroll of \$69,244,000, with \$53,154,000 charged to operations.

The company paid \$6,874,000 in 1963 into the employees' age retirement allowance trust fund and \$335,000 in direct payments to employees for disability retirements.

A new, two-year, closed labor agreement, effective June 1, 1963, was signed with the International Brotherhood of Electrical Workers (AFL-CIO), which represents all company employees subject to collective bargaining. The principal features of the agreement provide for 3% basic wage increases in each of the years beginning June 1, 1963 and June 1, 1964, and certain improvements in employee retirement benefits.

#### \* \*

The death of Edwin Corning on January 31, 1964, is recorded with deep regret. He had been a director of the company since 1950.

\* \* \*

### annual meeting

The annual meeting of shareowners of Niagara Mohawk Power Corporation will be held on May 5, 1964, in the company's principal office at 300 Erie Boulevard West, Syracuse, New York. A formal notice, a proxy statement and a proxy form will be sent to owners of the common stock about April 1.

# consolidated balance sheets

NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

ASSETS AND OTHER DEBITS	December 31 1963	December 31 1962
Utility Plant at Original Cost:	р.	
Electric	\$1,147,623,822	\$1,128,733,866
Gas	194,299,751	179,367,811
Common	24,398,575	22,782,402
Total (Page 25)	1,366,322,148	1,330,884,079
Less Reserves for Depreciation and Amortization	288,897,425	275,554,514
Total Utility Plant, Less Reserves	1,077,424,723	1,055,329,565
Capital Stock Expense	2,729,614	2,729,614
Investments:		
Other physical property	11,026,733	11,110,471
Investment in subsidiary companies — not consolidated	682,730	682,730
Other investments	682,420	839,586
Total	<u> </u>	12,632,787
Current and Accrued Assets:		
Cash	15,189,745	14,171,824
United States Government securities, at cost (approximate market)	418,805	297,830
Accounts receivable, less reserve	24,315,405	24,116,280
Materials and supplies, at average cost:		7 226 046
Coal for production of electricity	6,867,849	7,520,940
	1 872 051	1 768 327
	55 606 521	54.929.215
Deferred Debits:		
Gas property losses (being amortized over ten year periods)	1,142,026	1,420,376
Other	2,300,182	2,057,050
Total	3,442,208	3,477,432
	<u>\$1,151,594,949</u>	\$1,129,098,613

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See Notes to Financial Statements.

LIABILITIES AND OTHER CREDITS	December 31 1963	December 31 1962
Long-Term Debt:		5
Mortgage bonds (Page 24)	\$ 558,145,000	\$ 558,145,000
Liability relating to Sacandaga and Stillwater Reservoirs	632,855	849,364
Total	558,777,855	558,994,364
Capital Stock and Surplus:		
Cumulative preferred stock (Page 24)	145,000,000	145,000,000
Premium on preferred stock	1,081,000	1,081,000
Common stock — no par value; authorized 14,594,662 shares; issued		× .
13,680,340 shares	241,113,424	241,113,424
' Paid·in surplus	7,568,948	7,568,948
Earned surplus (Page 22)	94,674,726	* 83,697,177
Totai	489,438,098	478,460,549
Amortization Under Necessity Certificates	18,000,000	18,700,000
Notes payable to banks	17,000,000	9,000,000
Accounts payable	19,446,332	17,591,877
Customers' deposits	3,280,735	2,794,563
Accrued federal income taxes	18,170,811	15,659,559
Other accrued taxes	2,024,447	2,011,990
Interest accrued	4,555,593	4,614,734
Other current and accrued liabilities	7,829,722	8,612,435
Total	72,307,640	60,285,158
Deferred Credits:		
Estimated reduction in federal income taxes (Note 3)	12,200,000	11,600,000
Other	871,356	1,058,542
Total	13,071,356	12,658,542
~	\$1,151,594,949	\$1,129,098,613

See Notes to Financial Statements.

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consolidated earned surplus NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

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•	FOR THE YE	AR ENDED D	ECEMBER 31,	1963		
Balance, December 31, 1962	• • • •					\$83,697,177
Add:	•					
Net income for the year (Page 5)						43,980,003
Adjustment of write-off in 1961 of Schoe	llkopf and Ada	ams Stations	••••			357,765
Deduct:		<b>4</b>			Y	128,034,945
Dividends paid in cash on capital stock:						
Preferred					\$ 5,999,539	
Common (\$2.00 per share)					27,360,680	33,360,219
Balance, December 31, 1963				•••••		\$94,674,726

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Intensive training programs inform company personnel of latest methods and developments in the company's business.

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NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

#### NOTE 1

On certain capital expenditures made subsequent to January 1, 1954, the company has elected to use for tax purposes accelerated depreciation methods provided by Section 167 of the Internal Revenue Code of 1954. It continues to use for general accounting purposes straightline depreciation as prescribed by the New York Public Service Commission.

In accordance with the stated policy of that Commission, the company records in its accounts only income taxes currently payable. It is the opinion of the company that any future increased income taxes, which might result from using the higher depreciation deductions currently, may reasonably be expected to be allowed in future rate determinations.

#### NOTE 2

In accordance with the investment tax credit provision of the Internal Revenue Act of 1962, capital expenditures entitled the company to reduce its federal income taxes by approximately \$1,300,000 in each of the years 1963 and 1962. The reductions in taxes have been included in the income statement, in accordance with the general policy of the New York Public Service Commission as stated in Note 1.

The Federal Power Commission, by interim accounting orders, requires that the full amount of investment tax credits be carried in deferred credits, with corresponding debits to income deductions, until a final disposition of this matter is made by them.

#### NOTE 3

The estimated reduction in federal income taxes of \$12,200,000 is included in deferred credits, pending settlement of the federal income tax returns in which deductions have been taken for the loss of the company's water rights at Niagara Falls terminated in connection with the redevelopment of Niagara power by the Power Authority of the State of New York.

#### NOTE 4

Under the Age Retirement Allowance Plan, which became effective January 1, 1955, and which has been subsequently amended, the company makes annual contributions, amounting in 1963 to \$6,874,000, to a trust fund for benefits accruing after December 31, 1954, and also for the funding of past service benefits over a period of approximately 40 years. Studies indicate that the total amount required at January 1, 1963 to fund the past service benefits approximated \$61,000,000.

The company reserves the right to amend, modify, or terminate the Plan upon notice to its employees. The Plan is non-contributory by employees and a non-contractual obligation of the company.

#### NOTE 5

Reference is made to Page 10 for information regarding the 1964 construction program.



Niagara Mohawk Power Corporation: At December 31, 1963 General Mortgage Bonds -----41/2% Series due 1991 . . . . . . . . \$40,000,000 . 43/3% Series due 1990 50,000,000 31/4 % Series due 1988 . 50,000,000 . 41%% Series due 1987 . . . . . . . . . . . . . . . 50,000,000 . . . . . . . . 3%% Series due 1986 . . . . . . . . . 30,000,000 . . . . . . . . . . 31/6% Series due 1984 . 25,000,000 \_ 3¼% Series due 1983 . 40,000,000 31/2% Series due 1983 . 25,000,000 3%% Series due 1981 15,000,000 2%% Series due 1980 40,000,000 40,000,000 3% Series due 1974 (issued by Central New York Power Corporation) 48,000,000 Buffalo Niagara Electric Corporation First Mortgage Bonds, 2%% Series due 1975 . . . . . . . . 56,360,000 New York Power and Light Corporation First Mortgage Bonds, 2%% Series due 1975 . . . . . 48,785,000 . . . \$558,145,000



Niagara Mohawk Power Corporat Cumulative preferred stock, autho	ion: rized	d 1	.80	0.0	00	sha	ires	<b>; \$</b> ;	100	pa	ır v	alu	e –	_									A	t D	ieci	ember 31, 1963
3.40% Series; 200,000 shares	•		•													•	•				•					\$ 20,000,000
3.60% Series; 350,000 shares		•						•	•															•		35,000,000
3.90% Series; 240,000 shares									•		•					•				•	•	•	•	•		24,000,000
4.10% Series; 210,000 shares				•				۰,	•	•	•						•					•••				21,000,000
4.85% Series; 250,000 shares							•	•	•											•						25,000,000
5.25% Series; 200,000 shares		•		•				•	•				•					•		•						20,000,000
Total	•	•	•	•	•	•	•	•	•	•	•	•	٠	•	•	•	•	•	•	•	•	•	•	•	•	\$145,000,000

24

# summary of electric and gas utility plant

NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

UTILITY PLANT IN NEW YORK:	At December 31 1963	% of Total 1963	At December 31 1962
Electric:			
Electric plant in service —			
Intangible	\$ 34,560		\$ 34,560
Production:			
Steam production	290,589,280	21.51	296,224,282
Hydraulic production	133,155,398	9.86	133,255,262
Transmission	295,723,861	21.90	290,727,357
Distribution	376,204,692	27.86	361,277,73
General	20,185,040	1.49	19,386,150
Construction work in progress	15,800,328	1.17	12,025,062
Electric plant leased to others	245,000	.02	245,000
Total	1,131,938,159	83.81	1,113,175,419
Gas:			
Gas plant in service —			
Production	68,878	.01	68,878
Distribution	187,248,823	13.86	173,403,949
General	2,927,306	.22	2,736,283
Construction work in progress	4,054,744	.30	3,158,70
Total	<u>    194,299,751</u>	14.39	179,367,81
Common Electric and Gas.			
Common utility plant in service — general	23,906,534	1.77	22.448.720
Construction work in progress	492,041	.03	333.682
	24 398 575	1.80	22.782.40
Total Itility Plant in New York	1 350 636 485	100.00	1 315 325 63
ELECTRIC PLANT IN CANADA	۸		
(Principally hydraulic production and transmission — including intangibles of \$712,138)	15,685,663		15,558,44
, Total Utility Plant	\$1,366,322,148		\$1,330,884,07
• • • • • • • • • • • • • • • • • • •			
	, 1		

## financial ratios consolidated

NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

Times-Earned Ratios:					
Interest on long-term debt:	1963	1962 -	1961	1960	1959
Before federal and Canadian income taxes	4.36	4.26	3.79	3.79	3.71
After federal and Canadian income taxes	3.17	3.11	2.82	2.85	2.78
Interest on long-term debt and dividends on preferred stock .	2.45	2.39	2.16	2.16	2.07
Other Ratios — % of Operating Revenues:	%	%	%	%	
Maintenance and depreciation	14.8	15.4	15.9	16.2	16.6
Taxes	18.8	18.3	18.4	18.7	17.3
Operating income	18.2	18.1	17.5	18.0	16.8
Balance available for common stock	10.8	10.6	9.6	<b>9.7</b> <sup>*</sup>	8.9
د	· · ·	<u>l</u>		Decembe	r 31 1963
Ratio of Depreciation Reserves to Gross Utility Plant	• • • •			• • •	21.14%
Ratio of Mortgage Bonds to Net Utility Plant	• • • •				51.80%



PRICE WATERHOUSE & CO.

60 Broad Street New York, N. Y. January 31, 1964

To the Board of Directors of Niagara Mohawk Power Corporation

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In our opinion, the accompanying balance sheet and related statement of surplus and the statement of earnings appearing on page five present fairly the consolidated financial position of Niagara Mohawk Power Corporation and its wholly-owned subsidiaries at December 31, 1963 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these financial statements 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.

PRICE WATERHOUSE & CO.



NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES



#### **ELECTRIC CAPABILITY AT DECEMBER 31, 1963**

STEAM ELECTRIC						Capability
Huntley Niagara River						812 000
Dunkirk Laka Frid	•	•	•	•	•	624 000
Albany Hudson River	•	•	•	•	•	408 000
Andaly, Huuson Kiver	•	•	•	•	•	390,000
A Steam Electric Stations	•	•	•	•	•	2 234 000
4 Steam-Electric Stations	•	•	•	•	•	2,234,000
HYDRO-ELECTRIC						
Rankine, Niagara River (Canada) .						80,000
Spier Falls, Hudson River						49,000
Stewarts Bridge, Sacandaga River						36,000
Trenton, Mohawk Watershed						29,800
Sherman Island, Hudson River						29,000
School Street, Mohawk River						28,500
Colton, Raquette River						26,500
Bennetts Bridge, Salmon River						25,400
Five Falls, Raquette River			•			23,000
Rainbow, Raquette River		-				23,000
Stark, Raquette River						23,000
South Colton, Raquette River						20,000
Prospect, Mohawk Watershed						17,300
64 other hydro-electric stations .						294,100
77 Hydro-Electric Stations						704,600
-						
PURCHASED - FIRM CONTRACTS						
Power Authority — Niagara	•	•	•	•	•	1,168,600
Power Authority — St. Lawrence .	•	•	•	•	•	115,000
Other.	•	•	•	•	•	129,500
Total Purchased — Firm Contracts	•	٠	•	٠	•	1,413,100
Total Capability						4.351.700

The speed and efficiency of computers are being extended to additional operations of the company.

#### INDUSTRIAL ELECTRIC REVENUES BY DIVERSIFIED INDUSTRIES — 1963

CLASS OF INDUSTRY				% of Total
Chemicals				17.5
Paper and printing				11.3
Steel and iron				10.3
Alloys and non-ferrous metals (exclusive	of			
aluminum, magnesium and copper) .	•	•	•	7.2
Electrical equipment	•		•	6.8
Fabricated metal products				6.6
Cement, stone, clay and glass products .				6.0
Automobile and transportation equipmen	t.			5.7
Food products and ice				4.0
Oils and lubricants				· 3.3
Textiles				2.7
Abrasives				2.4
Wood and fibre products				2.3
Flour mills and grain elevators				2.1
Brass and copper				2.0
Airplane equipment				1.6
Mining and ore				1.6
Rubber products				.9
Aluminum and magnesium				.7
Gynsum				.4
Leather				.3
Miscellaneous and small unclassified				4.3
international and shall anotassified 1	•	•	•	
Total	•	•	•	<u>100.0%</u>

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NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

Electricity Generated and Purchased (Millions of kw-hrs.) Hydro generation	1963 2,926 10,009 <u>9,712</u> 22,647	1962 3,198 8,021 <u>10,689</u> 21,908	1961 4,052 6,990 9,098 20,140	1960 5,024 8,368 5,947 19,339	1959 5,123 8,083 <u>5,692</u> 18,898
Electric Sales (Millions of kw-hrs.)   Residential   Commercial   Industrial   Service   Other electric systems   Total	3,994 2,691 10,176 1,128 <u>2,832</u> 20,821	3,805 2,546 9,732 1,071 <u>2,948</u> 20,102	3,655 2,478 8,829 999 2,232 18,193	3,453 2,380 8,900 917 <u>1,851</u> 17,501	3,326 2,281 8,814 856 1,809 17,086
Electric Revenues (Thousands of dollars)   Residential   Commercial   Industrial   Municipal service   Other electric systems   Miscellaneous   Total	\$95,592 52,959 77,700 19,630 19,543 4,282 \$269,706	\$ 91,779 50,812 74,315 18,654 17,723 4,105 \$257,388	\$ 87,075 49,050 69,188 17,409 11,259 3,673 \$237,654	\$ 82,753 47,158 70,636 16,293 10,079 <u>2,865</u> \$229,784	\$ 77,940 44,745 70,042 15,231 10,637 2,687 \$221,282
Electric Customers (Average) Residential	994,959 115,851 3,339 <u>9,663</u> 1,123,812	987,364 116,232 3,239 <u>9,365</u> 1,116,200	979,343 116,676 3,012 8,917 1,107,948	973,450 116,852 3,059 8,670 1,102,031	965,036 116,566 3,116 <u>8,462</u> 1,093,180
Residential (Average) Annual kw-hr. use per customer	4,014 2.39¢ \$96.08	3,853 2.41¢ \$92.95	3,732 2.38¢ \$88.91	3,547 2.40¢ \$85.01	3,446 2.34¢ \$80.76
Electric Capability† (Thousands of kilowatts) Hydro stations (77 in 1963)	705 2,234 1,413 4,352 3,866	706 2,317 <u>1,372</u> 4,395 3,893	710 2,6Ì6 <u>1,243</u> 4,569 3,399	885 2,616 	890 2,406 <u>284</u> 3,580 3,307

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<sup>†</sup>Available capability can be increased during heavy load peak periods by purchases from neighboring interconnected systems. Hydro stations are based on their capability under December average stream-flow conditions.

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### niagara mohawk electric service

QUEBE

VERMONT

TROY

ALBA

HUDSON

MASS.

CONN

GLENS FALLS SARATOGA

THE REAL PROPERTY AND

SCHENECTADY

GLOVERSVILLE

MSTERDAM

YORK STATE

UTICA

ASSENA

POTSDAI

ROMI

ULULULULUL

CORTLAND

JEW

PENNSYLVANIA

MALONE

CANADA

OGDENSBURG

OSWEGO

LILLAND AND A

WATERTOWN

FUITON TRACTOR

SYRA

ONTARIO

TURNER TO THE TOTAL

DUNKIRK

NIAGARA FAILIS TONAWANDA

LACKAWANNA

Niagara Mohawk provides electric service to 1,112,000 customers in 36 of New York State's 62 counties. This service area covers 22,000 square miles of Upstate New York. Two Canadian subsidiaries serve 11,000 electric customers in Ontario... The electric system supplies 31 cities and 622 towns and villages. ... Power is available from 4 steam-electric and 77 hydro-electric stations, with a generating capability of almost three million kilowatts. Nearly 11/2 million kilowatts of additional capability are provided through purchase contracts with adjoining systems. . . . The company's electric facilities are connected by 115,000 miles of lines into an integrated operating network and interconnected with other systems in the northeastern power pool for economic interchange and mutual service reliability.



NIAGARA MOHAWK POWER CORPORATION AND SUBSIDIARIES

	1	1			
Gas Sales (Millions of cubic feet)	1963	1962	1961	1960	1959
Residential	46,698	44,655	43,012	40.284	40.031
Commercial	10,915	9,986	9,211	8,284	7,575
Industrial	11,139	10,466	9,428	8,274	7.377
Municipal service	2,322	1,978	1,713	1,326	1.068
Other gas systems	1,686	1,475	1,356	1,051	910
Total	72,760	68,560	64,720	59,219	56,961
Gas Revenues (Thousands of dollars)					
Residential	\$57,695	\$56,575	\$55.033	\$50.872	\$47.874
Commercial	12,151	11,501	10,777	9.694	8.551
Industrial	7,941	7,514	7,029	6,205	5,287
Municipal service	2,304	2,031	1,775	1,413	1,099
Other gas systems	1,193	1,049	996	788	657
Miscellaneous	. 703	675	• 706	605	573
Total	\$81,987	\$79,345	\$76,316	\$69,577	\$64,041
Gas Customers (Average)				•	·····
Residential	344.031	339,253	335,209	331.482	326 277
Commercial	25.269	24,893	24.541	24,107	23 423
Industrial	619	633	633	614	607
Other	1,631	1.487	1.358	1.278	1.177
Total	371,550	366,266	361,741	357,481	351,484
Residential (Average)					
Annual m.c.f. use per customer	135.7	131.6	128.3	121 5	1227
Cost to customer per m.c.f.	\$1.24	\$1.27	\$1 28	\$1.26	\$1 20
Annual revenue per customer	\$167.70	\$166.76	\$164.17	\$153.47	\$146.73
Maximum Day Gas Sendout (m.c.f.)	508,791	526,588	486,287	431,507	410,270



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niagara mohawk natural gas service

QUÈBEC

VERMONT

MASS.

CONN

LAKE GEORGE

UTICA

MS

York Slate Natural Gas Corp.

GLENS

NECTAL

CANADA

OSWEGO,

STORA

NEW

Tennessee Gas Transmission

FULTON

SYRACUSE

TERTOWN

ROME

YORK

PENNSYLVANIA

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ONTARIO



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Niagara-Mohawk provides gas service to 376,000 customers in 16 counties of eastern, central and northern New York. The company also supplies electric service in these areas.... The interconnected natural gas system supplies 21 cities and 167 towns and villages.... The company's natural gas is received from New York State Natural Gas Corporation at 15 delivery points. The latter receives its supply from the natural gas fields of the Appalachians, the Southwest, the Gulf of Mexico, and from connections with Tennessee Gas Transmission Company.



#### DIRECTORS

NIAGARA

RANK C. ASH	EARLE J. MACHOLD. President & Chairman of Executive Committee
EORGE F. BENNETT*BOSTON President, State Street Investment Corporation	H. EDMUND MACHOLD*ELLISBURG Director, St. Regis Paper Company
EORGE J. BRETTSYRACUSE Vice President & Controller	BALDWIN MAULL*BUFFALO President, Marine Midland Corporation
DWIN CORNINGt	JOHN M. MEYER, JR.*NEW YORK Executive Vice President, Morgan Guaranty Trust Company of New York
Director, Alcoa Steamship Company, Inc.	MINOT H. PRATT
Director, Crouse-Hinds Company	CHARLES A. TATTERSALLSYRACUSE Consultant
Parlner, Jacokle, Fleischmann, Kelly, Swart & Augspurger	DEAN P. TAYLORTROY Partner, Wager, Taylor, Howd & Brearton
AMES P. LEWISBEAVER FALLS President, The J. P. Lewis Co.	GUSTAV F. WATTERSSYRACUSE Executive Vice President
Deccased, January 31, 1964	*Members of Executive Committee

#### SYSTEM OFFICERS

EARLE J. MACHOLD President GEORGE J. BRETT Vice President & Controller LAUMAN MARTIN Vice President & General Counsel LELAND D. MC CORMAC Vice President & Chief Engineer HARRY G. SLATER Vice Pres.-Public Relations & Commercial Operations

#### **DIVISION OFFICERS**

#### WESTERN

CHARLES J. WICK Administrative Vice President ROB ROY MACLEOD Commercial Vice President STUART I. RUSSELL Assistant Treasurer WALTER J. BARRETT Assistant Secretary GUSTAV F. WATTERS Executive Vice President THOMAS J. BROSNAN Vice Pres. & Asst. Chief Engineer ROBERT D. CONSTABLE Vice President ARTHUR W. EVANS Vice President FRANK M. OSTA Vice President—Employce Relations FERDINAND J. SCHNEIDER Vice President—Operations

JAMES H. MORRELL Treasurer

JOHN G. BENACK Secretary HERBERT S. HOWARD Assistant Controller æ

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MALCOLM B. ROMEISER Assistant Controller

HAROLD E. STEINER Assistant Controller

HARRY F. JENSEN Assistant Treasurer

GUSTAV F. WATTERS Administrative Vice President A. FLOYD WRAY Commercial Vice President LAURENCE W. BUCHANAN Assistant Controller EDMUND J. FITZGERALD Assistant Secretary J. DONALD MC SWEYN Assistant Treasurer

CENTRAL

#### EASTERN

R. H. STRATTON Administrative Vice President. STORRS M. BISHOP Commercial Vice President RICHARD E. HERRICK Assistant Secretary

#### **TRANSFER AGENTS**

Preferred Stock: Marine Midland Trust Company of New York, 120 Broadway, New York, N. Y. 10015. Common Stock: Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N. Y. 10015.

#### STOCK LISTING

Preferred and Common Stocks: Listed on New York Stock Exchange. Common Stock: Also traded on the Boston, Detroit, Pacific Coast, Philadelphia-Baltimore and Amsterdam (Netherlands) Stock Exchanges.

The information in this report is not given in connection with the sale of, or offer to sell or buy, any security.

COME TO THE FAIR! The "Tower of Light," the investor-owned electric utilities' exhibit at the New York World's Fair, 1964-1965, is expected to attract 35,000 visitors a day.





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<sup>&</sup>quot;FESTIVAL OF GAS" - featured by the gas industry at the New York World's Fair.

