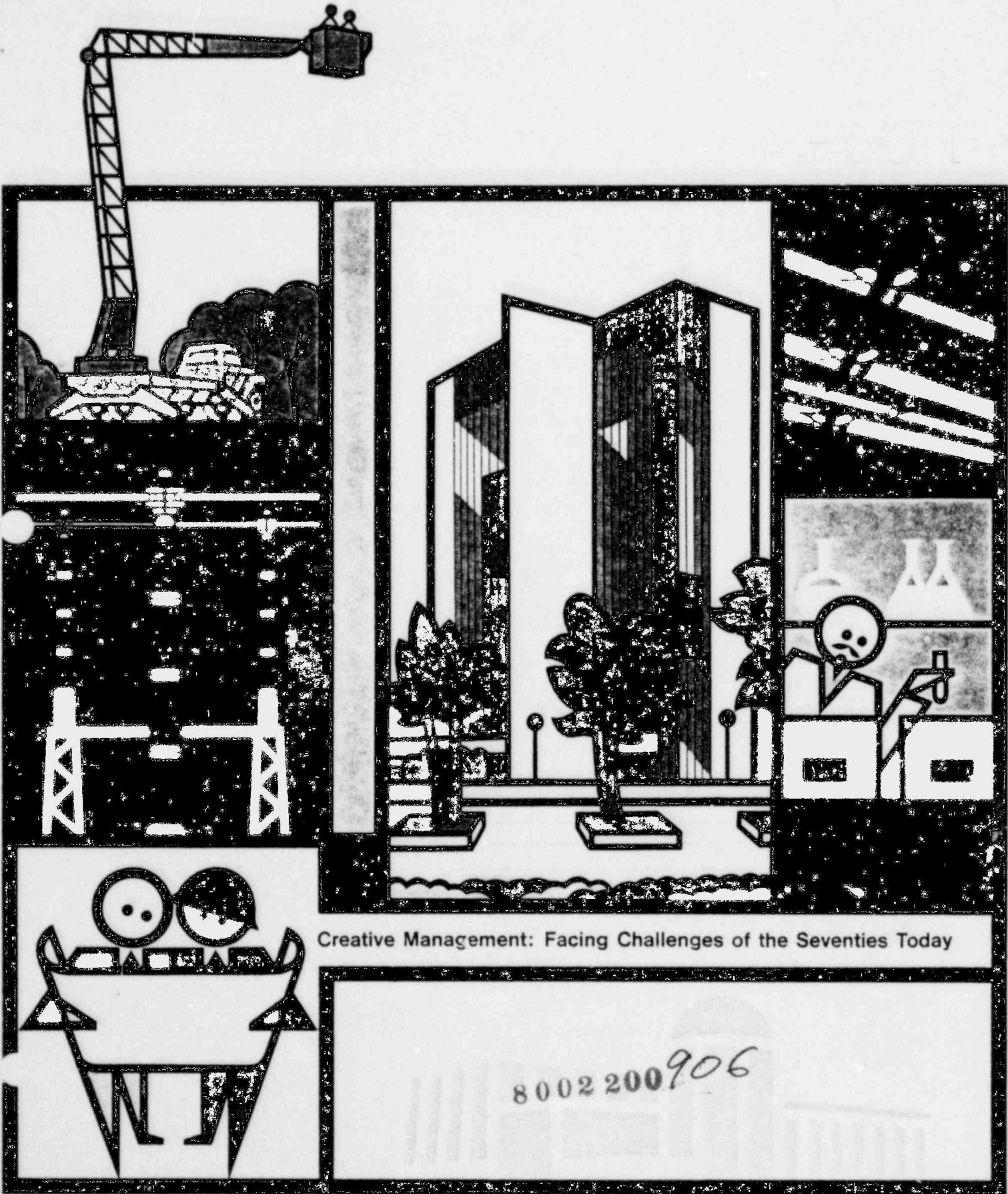


TOLEDO EDISON



Creative Management: Facing Challenges of the Seventies Today

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HIGHLIGHTS

1969 1968 Change

\$2.54 \$2.35 +8%

EARNINGS PER COMMON SHARE

Continuing high rate of sales growth combined with efficient operations produced an excellent increase in earnings, despite continually rising costs.

\$1.63 \$1.51 +8%

DIVIDENDS PER COMMON SHARE

Up for ninth consecutive year. The quarterly dividend declaration was increased 3 cents in December to 43 cents per share. Dividends now equal \$1.72 per share on an annualized basis.

\$88.1 \$80.1 +10%

REVENUES (Millions)

Continuing vitality of our service area produced a strong 9% gain in revenues from our system. Increases in short-term power sales to neighboring utilities added to the gain.

\$69.0 \$63.0 +10%

OPERATING EXPENSES (Millions)

Storm damages required above normal expenditures for repair maintenance. Increasing loads required more fuel usage and purchases of power for resale. Tax, coal, freight, wage and other costs reflected increased rates and prices. The 10% income tax surcharge continued throughout 1969 as well as 1968.

5,554 4,961 +12%

TOTAL ENERGY SALES (Millions of Kilowatt Hours)

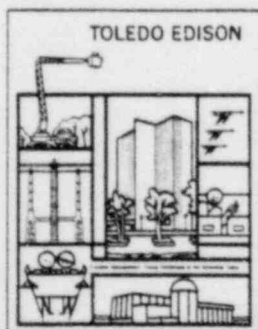
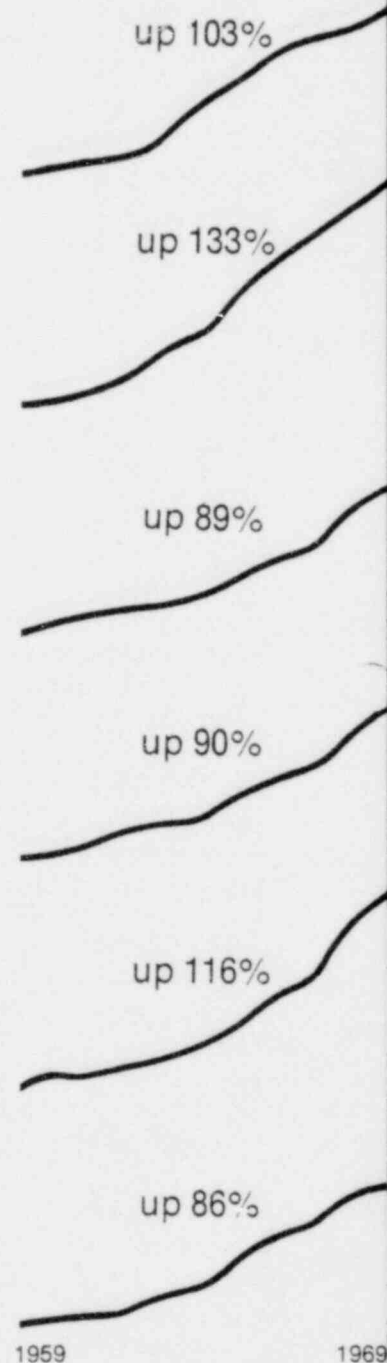
Expanding industrial activity and substantially increased usage in the residential and commercial classifications resulted in excellent 9% sales growth within our system. Also, short-term sales to other utilities continued at a higher level.

897 860 +4%

SYSTEM PEAK LOAD (Megawatts)

Record peak load for our area was recorded during the summer due to higher industrial activity and increased air-conditioning load. Despite this high peak on our own system, the Company was in a position to provide power to other utilities during the peak period. Total peak load was 1089 megawatts.

10-Year Growth Pattern



ON THE COVER are depicted some of the ways your management is meeting the challenges of the seventies.

The growing demand for power in this vigorous area your Company serves will be met economically and reliably based on regional planning. Plans call for additional high voltage transmission lines interconnecting large, jointly-owned,

generating facilities. Included is our Davis-Besse Nuclear Power Station.

A new office building, under construction in downtown Toledo, will provide a place from which employees can serve our customers more efficiently and conveniently.

Genuine concern, backed by scientific research, will guide us in serving this area while protecting the total environment.

John K. Davis



To Our Shareowners:

The advent of a new decade gives me the opportunity to reflect upon some of the achievements which have contributed to the profitable growth of your Company and, at the same time, to preview a few of the complex challenges ahead in the Seventies.

Earnings per share in 1969 increased 8 per cent to \$2.54 and have risen 103 per cent in the past decade. The quarterly dividend rate was increased in December, marking the 48th consecutive year in which cash dividends have been paid and the ninth consecutive annual dividend increase.

Your Company's consistent 10-year growth record is illustrated on the preceding page. It was, in my opinion, a period of fine growth, and you have shared in the rewards.

Total revenues gained 10 per cent in 1969 to more than \$88 million. This was the result of a fine 9 per cent increase in our own system revenues in 1969 accompanied by a sizable increase in short-term sales to other utilities. Total energy sales were more than 5.5 billion kilowatt-hours.

Kilowatt-hour sales of the electric utility industry traditionally have grown at an annual average rate of about 7.2 per cent, doubling every ten years on a compounding basis. Our annual system growth rate in kilowatt-hour sales has been over 9 per cent in recent years. This exceptionally good record by your Company reflects the fine growth of our residential, commercial and industrial loads on our system.

It is gratifying for me to note that we have progressed in spite of difficult problems. The last ten years required a large amount of new money, new engineering concepts, accurate and careful planning, improved methods and the efforts of qualified and dedicated employees to overcome the financial, tech-

nical and physical problems to attain our goal.

These past few years have established the base from which we will overcome another challenging decade. We will meet new and more complex matters in such areas as the environment, nuclear power, esthetics, sociological changes, and more restrictive governmental requirements. In addition, a record amount of money to finance necessary construction to meet energy requirements will be needed. We will be confronted with high interest rates, inflation and its related problems, and the possibility of increased service rates, among other challenges.

But the personnel and other resources to meet and overcome these challenges are available, and methods, techniques and technologies are continually being improved and new ones developed to assist us toward providing continued profitable growth.

Inter-company cooperation in the areas of power pooling, coordinated system planning and operation and bulk power interconnections will greatly assist in meeting the future demands for adequate and reliable energy. This unified approach to the future should also provide substantial economic benefits in our operations.

Our ultimate objective, of course, will continue to be to realize a fair and reasonable profit on the investment in our company. And, like the artist who, when asked to name his greatest painting, replied, "My next one," I believe that by overcoming the challenges of the next decade we, too, will produce some of our greatest achievements.

On behalf of your Board of Directors and management, I express appreciation to our shareowners for your continued confidence in the Company. We will continue to exert our best efforts to justify your faith.

Sincerely,

John K. Davis

President

The Year 1969 — Climax of a Decade

Earnings per common share in 1969 were \$2.54, climaxing a decade of profitable growth by your Company. The past year's earnings represent an excellent increase of 8 per cent over the \$2.35 earned in 1968. Earnings per share during the past decade increased 103 per cent.

The common stock dividend rate was increased in December by your Board of Directors from 40 to 43 cents. The new rate is equivalent to \$1.72 per share on an annualized basis and marks the ninth consecutive year in which dividends were increased.

Earnings growth is attributed to a fine 10 per cent gain in total revenue. Our 1969 revenues increased about \$8 million to more than \$88 million. The continued growth in total revenues reflects favorable sales growth in all classifications of our own customers, and substantial short-term power sales to other electric utilities. Revenues from the sale of energy to other utilities in 1969 totaled about \$4.3 million.

Revenue from industrial customers increased over 9 per cent to \$30.7 million. This was due primarily to increased production by Northwestern Ohio industries and further expansion and development of the area's industrial complex.

A revenue gain of 10 per cent to more than \$14.4 million was recorded in our commercial classification, while residential revenues were up 8 per cent to about \$27.7 million. Gains in both classifications reflect increased customer usage and more customers.

Significant increases in coal prices and freight rates, maintenance, labor costs and general taxes were factors in an increase of approximately 10 per cent, or \$6 million, in total operating expenses.

Maintenance costs were up 24 per cent, slightly more than \$1 million. A large part of the increase was the cost of repairing facilities damaged by a severe storm in July. Total storm damage amounted to \$750,000, of which the net amount chargeable to 1969 earnings as maintenance was equivalent to about four cents per share after Federal income taxes. Another factor was the first major inspection and maintenance of our newest and largest generating unit, a normal procedure following the initial year of operation.

Increased coal and freight costs accounted for a 13 per cent fuel expense rise. Fuel escalation provi-

sions, however, in most of our electric rates enabled us to recover most of these increased costs. Purchased power was up by 36 per cent, due to the availability of surplus energy from the Ohio Valley Electric Corporation. (See Notes on page 18.)

The small 2 per cent increase in depreciation resulted from the additional depreciation on new facilities being partly offset by a reduction of depreciation rates from 3.4 to 3.2 per cent as of January 1, 1969.

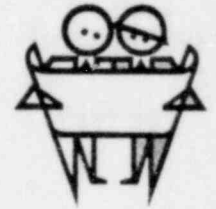
General taxes were up 16 per cent, or \$1.2 million. Property tax increases were due to both higher tax rates approved by voters and additional plant in service, including the new Bay Shore Station generating unit. In addition, the Ohio legislature enacted an increase in the state excise tax on utility gross revenues. The tax rate was increased from 3 to 3.5 per cent in August, for 1969, and will be 4 per cent in 1970.

Federal income taxes were down 3 per cent. This decrease was due in part to the full-year effect of accelerated tax depreciation on the new generating unit. The 10 per cent tax surcharge dropped slightly from the above-normal 1968 level because of the timing of when property tax expenses are claimed on our Federal income tax return.

The income from interest during construction decreased \$380,000 from the high 1968 income, accruing during final stages of construction of a major new generating unit in that year. Continuing cash demands of our other construction programs used up the temporary cash investments of 1968 and necessitated short-term borrowings in 1969.

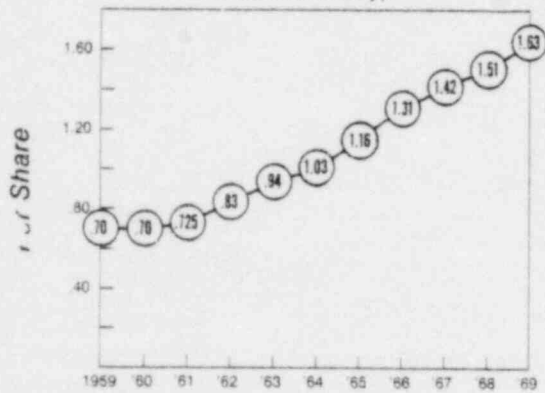
Efforts to keep the financial community informed of your Company's progress and potential continued during the past year. Presentations by Company officers were made before financial groups in San Francisco, Los Angeles and Toledo.

Regular inspection and maintenance of generating equipment, far right, contribute to more efficient operations and help avoid emergency shutdowns.

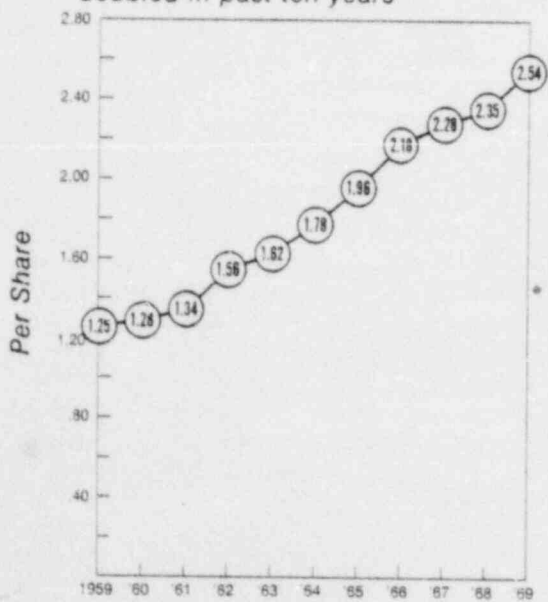


POOR ORIGINAL

Common Dividends Declared
 increased for ninth consecutive year
 (current quarterly rate of 43¢
 equivalent to \$1.72 annually)



Earnings On Common Stock
 doubled in past ten years



A New Decade – Our Challenges and Directions

The next decade will bring the realization of many of the plans and programs started in the 1960's by us and regional planning groups of electric utility companies to help assure an abundant and reliable supply of bulk power and to help contain the cost associated with providing this service.

Bulk power interconnections have long been considered an essential part of the successful operation of the nation's electric utility systems. Toledo Edison has been interconnected with other electric companies since 1929, and has been involved in negotiations and programs with other electric utilities to improve reliability through stronger bulk power interconnections over the years.

Nevertheless, following the northeast power interruption of 1965, which did not include our system, the nation's electric utilities re-examined both their own systems and their operating relationships with other utilities. The result, reflected in current facility construction and planning, is a more unified industry approach toward fulfilling the nation's energy needs.

Your Company was included in the first inter-utility pact that sought, as its single objective, to further increase reliability of bulk power supply in an area which now covers 200,000 square miles. This East Central Area Reliability group (ECAR), formed in 1967, includes 26 member companies in a nine-state area. System planning and operation of member companies are being closely coordinated through ECAR to further augment bulk power reliability.

Related to this objective, Toledo Edison and four other ECAR member companies are nearing completion of a 268-mile extra-high-voltage transmission loop which, when completed in 1970, will provide additional links between power systems in Michigan, Illinois, Indiana and Ohio. Construction of Toledo Edison's portion of this 345,000-volt line is being completed and the southern section, connecting with a neighboring Ohio utility, was energized in July. This new intertie, the result of discussions which started in 1963, will connect our system with Michigan power systems to the north, thus forming a stronger backbone of bulk power system reliability.

Closely related to bulk power interconnection of systems to achieve reliability and economy is the

sharing of very large generating units by two or more companies to benefit from economies of scale resulting from the higher overall efficiencies provided by such generating units. Toledo Edison is one of five electric companies taking part in such a power pooling arrangement in Northern Ohio and Western Pennsylvania. The five companies are known as the CAPCO group and besides Toledo Edison include The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company and Pennsylvania Power Company.

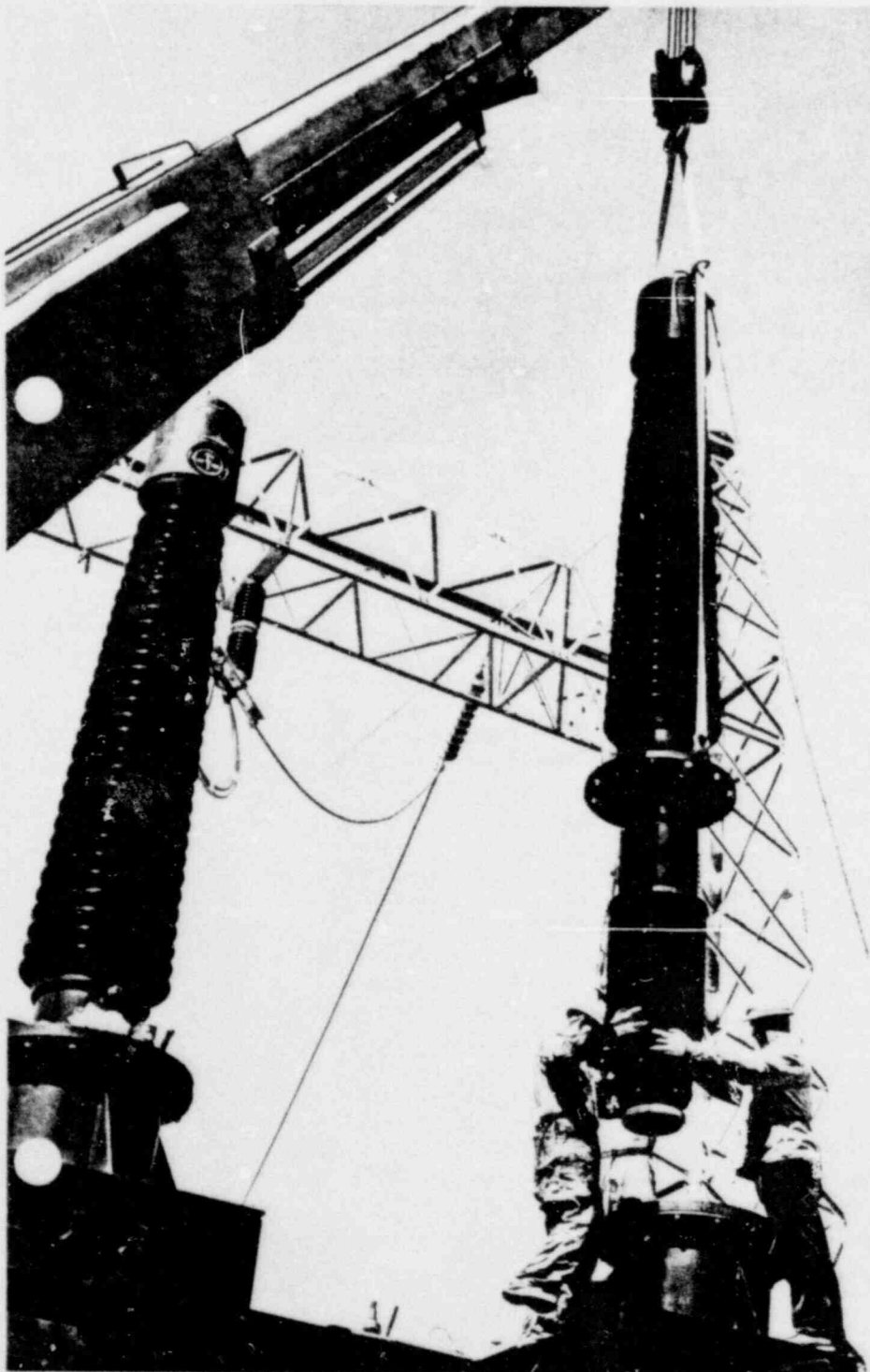
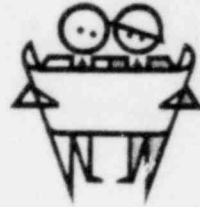
The first generating unit to help meet the growing demand for electric energy in the 14,000-square-mile area served by the CAPCO companies is scheduled for completion in 1971. Five other units, including one at our Davis-Besse Nuclear Power Station, have also been announced by CAPCO and are scheduled for completion by the companies at intervals through 1976. Of the six units which have been announced, our Davis-Besse and one other unit outside our system will be nuclear fueled generating facilities.

The six CAPCO units will increase the present combined generating capacity of the member companies by 4,600,000 kilowatts or about 50 per cent.

In April, 1968, we announced that your Company would participate in a feasibility study, along with seven other utilities in Ohio, Western Pennsylvania and Northern Kentucky, of forming a holding company. The motivating factor in making this study was to explore the possibilities of the maximum economies which might be realized and which would accrue to the benefit of both customers and shareowners. The possibility of creating this eight-company integrated system is still under consideration, but no final determination has been reached as yet. We will keep you informed from time to time as any significant developments occur.

Even though no final determination of the holding company proposal has yet been made, the course for the 70's has been established. More mutual cooperation between Toledo Edison and other electric systems through improved regional planning, power pooling and stronger bulk power interconnections will become increasingly important and beneficial as we face the challenge of more growth ahead.

POOR ORIGINAL



Sharing large generating facilities with other utilities is a means of economically meeting the fast-growing demand for electric energy. Your Company is participating in such a pooling arrangement as a member of the CAPCO group. The above map shows the generating units presently planned or under construction and the area served by the five CAPCO companies.

Regional planning and system coordination related to stronger interconnections aid in further augmenting bulk power reliability between power systems throughout the country. Work nears completion, left, on a Toledo Edison 345,000 volt substation. Below, a regional project to assure reliable bulk power is reviewed by members of our System Development Division.



Growth — Our Greatest Challenge

To a greater extent than ever before, the fast-growing demands by customers for electric energy within a few years provides your Company and the nation's electric utility industry with a great and difficult challenge. But the unified industry approach to common problems, the application of newer long-range planning systems and the continuing development of new technologies and methods provide the means to help us meet the future challenges related to expanding demands.

Demand for electricity nationally has been doubling every ten years and at an even faster rate in our service area during the past several years. This trend is expected to continue. New plants and major expansions already planned by industries in Northwestern Ohio are expected to add nearly \$5 million per year to our industrial revenues when fully operational within the next few years. Not only will these industries require more power, but more electricity will also be needed by our commercial and residential customers as a result of this area's economic growth and development and our marketing efforts.

To help assure an adequate and reliable energy supply, your Company plans to invest \$250 million during the first half of this decade, including more than \$32 million for construction in 1970. By the end of the decade, expected power needs will require us to more than double our present investment in our company facilities in Northwestern Ohio.

Foremost among our construction projects to help meet future power requirements in our service area and this region is the 872,000-kilowatt unit at Davis-Besse Nuclear Power Station. The facility is included in the present CAPCO group regional power pooling arrangement and is to be owned jointly with the Cleveland Electric Illuminating Company. Total cost of the nuclear plant, scheduled to become operational in late 1974, is estimated to be \$240 million. This includes about \$25 million for initial fuel requirements. Toledo Edison will build and operate the plant and finance 52½ per cent of the facility. As our share, we will spend \$8.4 million toward its construction in 1970, and a total of about \$132 million by late 1974, including certain wholly-owned transmission facilities.

Commitments were made to manufacturers of the Davis-Besse plant's nuclear and generating components in 1968 by letters of intent. Although these components are not due to be delivered until 1972 and 1973, it was necessary to make the commitments so that their production would be scheduled.

In August the Company submitted its application to the Atomic Energy Commission for a construction and

other permits necessary to build and operate the nuclear plant. The AEC's main responsibility is with the safety of the nuclear plant, and we will comply with the Commission's strict safety requirements. Issue of the construction permit by the AEC could take about a year from the time of application.

Davis-Besse and the other five generating units presently being planned through CAPCO will help each member company realize substantial economies of scale to help offset the challenge of continually rising costs. The CAPCO arrangement also involves additions to the bulk power transmission systems of the members for transfers of the output of CAPCO units and to mutually assist each other in providing a higher degree of service reliability.

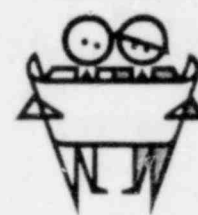
Under the CAPCO commitment, your Company will be purchasing a portion of the generation output of the first three CAPCO units, starting in 1971 and continuing into 1974. Then, when our Davis-Besse unit is completed, we will be selling a portion of our share of the plant's generating output to another CAPCO member until we can fully utilize our ownership share. Participation in subsequent CAPCO units is on a joint ownership basis.

"Edison Plaza" has been selected as the name of your Company's new 17-story, all-electric headquarters building, which will replace our present leased building. The facility will provide space for continuing growth, and its interior design will provide for greater employee efficiency and customer service and convenience. The new facility will contain some rental space and will be a major asset to the redevelopment of downtown Toledo. Construction began this past summer, \$10 million of its eventual cost will be expended during 1970, and completion is scheduled for 1971.

The remaining part of our 1970 expenditures will go toward expanding and improving your Company's facilities for the production, transmission and distribution of electric power as well as for steam heating, street lighting, our natural gas systems in Defiance and Delta, Ohio, and other general facilities.

The quarter of a billion dollar expenditure for the first half of the 1970's represents the largest five-year expenditure in Toledo Edison's history, more than doubling the previous record five-year spending of \$115 million reached during the 1965-1969 period.

About 35 per cent of the funds to finance our 1970-74 construction programs will be obtained from internal sources. Outside financing during 1970 will most likely be in the form of short-term bank loans and the issuance of unsecured promissory notes (com-



mercial paper) sold nationally through an investment banking firm. However, due to the rapid changes which are occurring in the financial markets, the exact timing and type of financing are subject to constant review.

The increase in energy requirements and the complexities of today's business make major planning decisions more difficult and challenging. Since conventional planning methods are becoming burdensome and expensive, we cannot totally rely upon these to accurately and completely guide us in the years ahead.

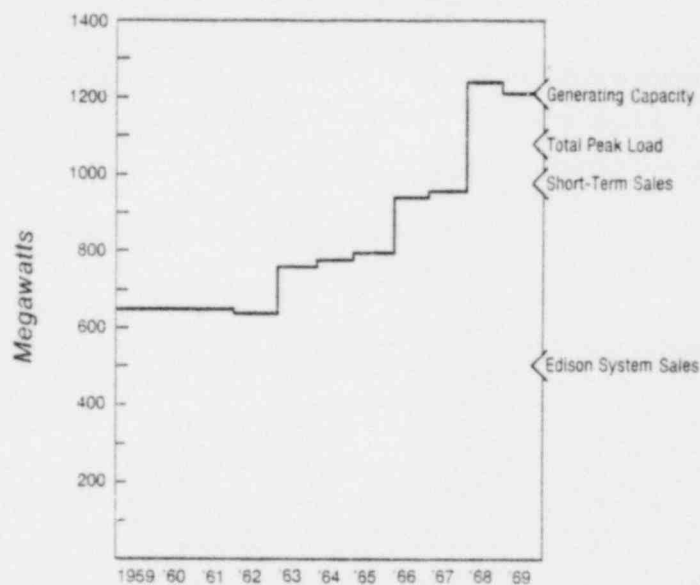
To provide the tools for accurate long-range planning decisions, your Company is developing a modern computerized management information system, incorporating the numerous and complex variables which could influence any part of our operation. A basic "financial model" was completed in December to provide needed information upon which we can base more accurate decisions that will establish our long-range financial course.

A more efficient customer information system is another part of the program. It is expected to be operational in 1970 and will further improve service to our customers. The program will result in more prompt and efficient answering of customer inquiries and requests. Record data on each of our more than 200,000 customers will be electronically stored in our computer, and instantaneously pictured on TV screens whenever needed for reference by our customer service personnel.

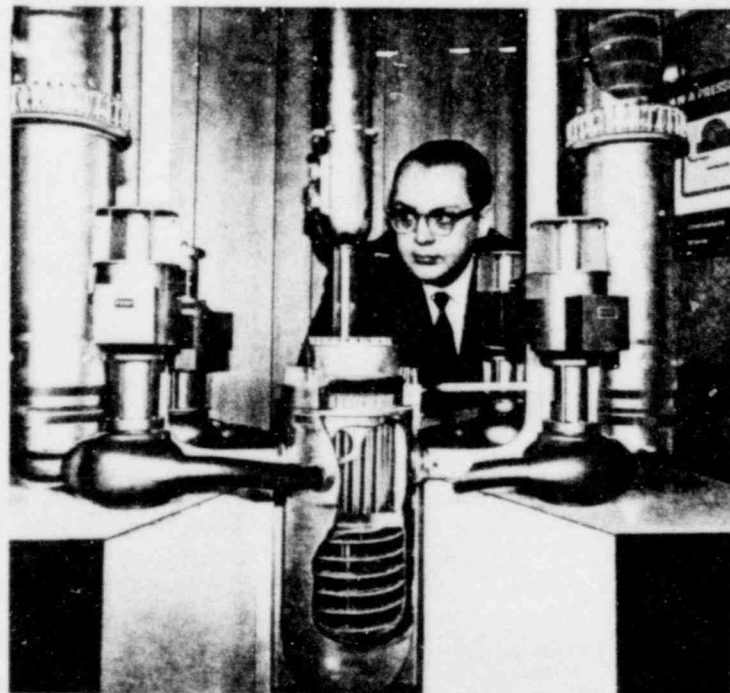
Research and development of new technologies and methods continue to be critically important. Toledo Edison has for many years participated in and benefited from the diverse research and development programs of the Edison Electric Institute, the national trade association of the investor-owned electric utility industry. Current major research and development efforts are centered upon solutions to environmental problems, underground transmission systems, extra-high-voltage transmission and the utilization of plutonium as a fuel in water-type nuclear reactors. These and many other research programs are financed by member companies and coordinated through the Institute.

Among our greatest challenges ahead is indeed that of more growth. But we believe that progress accompanies growth, and by successfully overcoming the challenges associated with growth through new approaches, new technologies and improved methods, we expect to produce some of our greatest achievements.

Planning Coordinated Growth in Capacity and Sales



Dr. Walter C. Nodéan, Toledo Edison nuclear engineer, inspects a model of the nuclear reactor and steam supply system to be installed in the Davis-Besse plant.



Profitable Growth – Through Creative Marketing

Energy sales during 1969 showed excellent gains, compared to the exceptionally good sales experienced in 1968. Total sales increased about 600 million kilowatt-hours, or 12 per cent, to more than 5.5 billion kilowatt-hours. More significant, however, is the fact that your Company established an all-time high system load factor of approximately 69 per cent during the year, reflecting profitable growth through efficient operations. This load factor, among the highest in the region, means that we are making fuller use of our facilities throughout the year, with consequent better return on our investment.

Various specific factors contributed to such profitable sales growth, and we have emphasized these in recent years. We have the advantage of serving a growing and diverse industrial region. Because of the around-the-clock production schedules of many of our large industrial customers, we are provided with an excellent type of stable, base load. New plant additions, due in part to our area development efforts, and major expansions by industries in our service area continue. As we have seen in recent years, these indirectly stimulate greater commercial and residential sales. At the same time, we serve one of the most prosperous agricultural areas in the Midwest, and rural sales continued to increase in 1969.

With the 1968 addition of a new generating unit, we have also had more than enough reserve capacity, allowing us to sell power to other utilities on a short-term basis. About one-third of our 1969 sales increase is the result of sales to other utilities, and the remainder to sales increases to Toledo Edison customers.

These and other favorable factors only partially explain the reason for our consistently profitable growth in energy sales. Northwestern Ohio's inherent capacity for development alone does not guarantee profitable growth. This fact underlies Toledo Edison's constant and aggressive marketing effort.

Your Company plans and implements its marketing programs to establish and maintain a balanced seasonal load and, thereby, increase its system load factor. This planned, creative approach is not directed solely toward increasing kilowatt-hour sales, but also toward helping attain the most efficient utilization of our total system facilities in both summer and winter. The more successful we are in achieving this high utilization, the better will be the return received on our investments in plants and facilities.

Properly applied promotional rate decreases which benefit both customers and shareowners have aided our efforts toward a balanced load growth. Added sales volume from lower rates and consequent lower

costs per kilowatt-hour enable us to increase profits and permit more promotional rate decreases.

In recent years, we have made four promotional rate reductions in our residential and commercial rate classifications. Each has put us in a better competitive position through increased commercial and residential sales of electric space heating, water heating, cooking and air conditioning. We have been gaining in our share of the energy market in these areas as a result of our strong promotional efforts, in spite of intensive efforts by our competition.

The effectiveness of our promotional approach is most evident in the space heating category. Of the apartment units being constructed in Toledo, about 42 per cent are to be electrically heated. We expect to put electric space heating into more than 40 per cent of all new dwelling units to be built in 1970.

Rural energy sales programs are channeled toward improving the total economic development of this area's agricultural industry, and our involvement in this field has helped Northwestern Ohio agriculture develop into a \$180 million annual business.

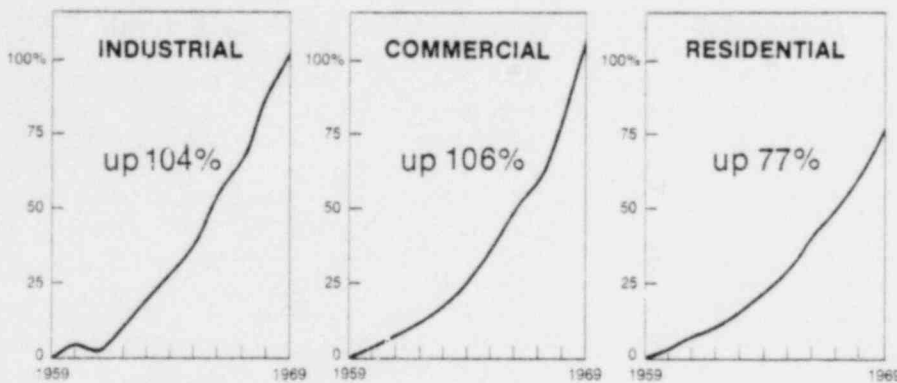
Your Company's marketing approach is directed toward building and developing the total economy of Northwestern Ohio yet, at the same time, providing a good return on our investment. Our marketing programs are strong enough to meet competitive challenges and flexible enough to allow us to develop new energy uses and to improve sales in existing markets. It is a responsible approach to help assure continued profitable growth.

This \$5.6 million all-electric Community and Technical College of the University of Toledo was completed in 1969. The modern six-building complex is a significant addition to this area's educational institutions.

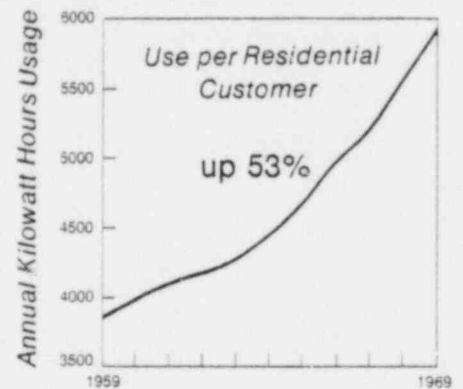




Ten Year Growth in Electrical Energy Sales



Living Better Electrically



Ten Largest Industrial Customers

Company	Nature of Toledo Area Facilities
American Motors	Automotive Plants
Brush Beryllium	Beryllium Products Plant
Dana	General Headquarters Offices Auto Equipment Plant Development & Training Center
General Motors	Foundry Transmission Plant
Johns-Mansville	Fiber Glass Plants
Libbey-Owens-Ford	General Headquarters Offices Flat Glass Plants
National Lead	Diecastings Plants
Owens-Illinois	General Headquarters Offices Glassware Plant Research & Development Centers
Standard Oil	Refinery
Sun Oil	Refinery

Industrial Diversity

Category	Per Cent of Total Industrial Sales
PETROLEUM REFINING	24%
METAL CASTING, FORMING AND FABRICATING	19
FLAT GLASS, GLASSWARE AND GLASS FIBER PRODUCTION	13
MOTOR VEHICLE, COMPONENT, PART AND ACCESSORY MANUFACTURING	11
DIVERSE OTHER MANUFACTURING, including processed foods and grains, electric appliances, scales, elevators, spray equipment, machine tools and fixtures, spark plugs, and housing components	22
VARIOUS NON-MANUFACTURING, including research centers, seaport docks, railroads, pipelines and service industries	11

Total Industrial Sales 100%

The Environment — A New Dimension in Our Business

Public concern for our environment has increased in recent years, and the electric utility industry shares in this concern.

This interest and concern for our environment is shared by Toledo Edison and is reflected in the actions which have been and are being taken by your Company toward eliminating or reducing the problems associated with our facilities and their effect upon our natural environment.

Our interest and efforts in protecting the environment and resources of Northwestern Ohio is based on the unique service quality of our business. We are totally dependent on the area we serve. Both the economic and environmental welfare of this area have a bearing on your Company's growth and prosperity.

Your management's position, therefore, in reference to all Company operations has been that Toledo Edison will do whatever is feasible to avoid adverse effects to our natural environment.

A part of our involvement is related to the use of nuclear power as a means of meeting the fast-growing demands for electrical power. Despite such obvious advantages as the elimination of smoke, dust and coal and ash storage facilities offered by nuclear power, questions have been raised regarding other possible environmental effects. Unfortunately, some of the public concern is based on misinformation, premature conclusions, lack of understanding, and in some cases, conflicting political or personal interests.

To assure that the Davis-Besse Nuclear Power Station is operated in a manner both safe and compatible with the environment, extensive research by the Company and by scientists of the University of Michigan and Johns Hopkins University continued through 1969. These research programs relate not only to Atomic Energy Commission nuclear safety requirements, mentioned in a preceding section of this report, but also to state requirements for water quality.

In December a report was filed by your Company with the Ohio Department of Health proposing conditions of water use at the Davis-Besse plant. This report states the Company's intent to insure that there will be no damage to Lake Erie ecology due to warm water from the plant's cooling system and summarizes the extensive research upon which the system's design is based.

With the design recommended, the zone in which the lake temperature increase would be five degrees or more would be confined to 88.4 surface acres, or about 14 millionths of Lake Erie's total surface. The warmed water beyond the initial mixing zone would rise to the surface, giving up its heat to the air.

Ecological studies of the lake will continue by uni-

versity researchers, as well as by state and Federal agencies, as the plant is constructed and after it goes into operation.

A mutually beneficial exchange of land between Toledo Edison and the U.S. Bureau of Sport Fisheries and Wildlife provided a suitable site for our plant and added more than 400 acres to the marshland waterfowl habitat under Bureau management. A marsh purchased by the Company was exchanged for one which was owned by the Bureau and which contained a better plant site. The latter, except for the relatively small amount of land needed for the plant, will continue under Bureau management as a waterfowl refuge. Bureau officials cited this as an outstanding example of co-operation between government and industry to improve the environment.

The recent challenge associated with nuclear power is certainly not the only environmental problem which continues to receive attention by your Company and our industry. Progress is being made in the areas of air pollution and facility esthetics.

In recent years, as coal-fired generating capacity was added, your Company installed the most modern air pollution control equipment available.

A \$3.3 million air improvement project is currently underway involving older equipment at our Acme Station. Involved are the replacement of four old coal stoker boilers with oil-fired units and the installation of electrostatic dust collectors on three of the older coal-fired boilers not presently so equipped.

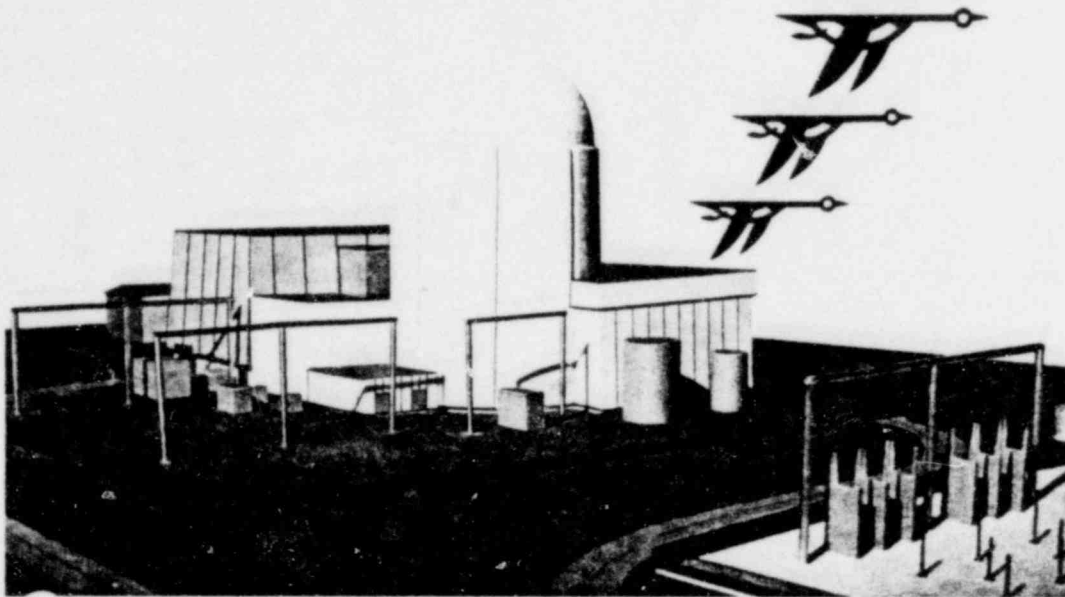
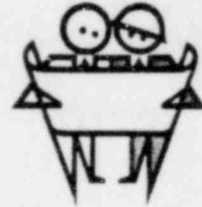
When this project is completed in 1970, all of our boilers at our electric generating plants will have modern electrostatic dust collecting equipment to remove virtually all solid matter from stack discharges, and your Company will have made another significant contribution toward a better environment. Our total investment in all air quality facilities will be nearly \$7 million.

In addition to installing the most modern dust control equipment, we are using lower sulphur content coal and oil in our boilers to reduce the discharge of sulphur dioxide. We started receiving these coal shipments in 1967.

Efforts to improve the esthetic appearance of our facilities is meeting with success through our encouragement of the use of underground lines in new subdivisions. Your Company is also taking advantage of new materials and techniques to give overhead lines a clean and uncluttered appearance.

The actions being taken by Toledo Edison to protect the environment are desirable and will constitute an increasingly important dimension of public service during the next decade.

POOR ORIGINAL



The welfare of Northwestern Ohio, including this area's natural resources, has a bearing on the Company's continued profitable growth. In building and operating the Davis-Besse Nuclear Power Station we are committed to do whatever is feasible to avoid adverse effects to our environment, while economically meeting energy demands.

A U.S. Bureau of Sport Fisheries and Wildlife official surveys a portion of the additional waterfowl habitat now under Bureau management along the shore of Lake Erie near the site of our nuclear power plant.



University of Michigan scientists are among the many researchers conducting extensive studies at the Davis-Besse site to help assure that the nuclear plant is built and operated in a manner which is both safe and compatible with the environment.

Managing — For Profits



The profitable operation and related growth of any business ultimately depends upon the ability and judgment of the individuals responsible for directing and managing the organization, and the development and creative interaction of human resources within the company.

Your Directors are local business and professional men who have displayed extensive administrative ability in their respective fields. These men have actively participated in civic and community affairs and represent a cross section of our business and industrial community.

Your Officers have the knowledge and creative ability, gained from years of experience in the electric utility industry, required to successfully manage your Company. Together, your Directors and Officers possess the background to meet the challenges of the new decade.

Elected to your Company's Board of Directors in 1969 were Marvin S. Kobacker, vice president and Board member of Federal's, Inc., treasurer of the Epko Shoe Company, and Chairman of the Board of Tiedtke's Division of Federal's, and Dr. William S. Carlson, president of The University of Toledo.

Mr. Kobacker was elected in May to succeed Jules D. Lippmann, who resigned for health reasons after serving as a dedicated Board member since 1950. As head of one of Toledo's major department stores, Mr. Kobacker has been an active leader in Toledo community and business affairs for many years.

Dr. Carlson was elected in December, succeeding John D. Biggers who faithfully served on the Company's Board for 17 years and who was elected director emeritus. Dr. Carlson served as president of the University of Delaware, the University of Vermont and State Agricultural College, and the State University of New York before becoming president of the University of Toledo in 1958.

A part of the growth and success of Toledo Edison can also be attributed to effective cost control and forecasting of future needs. This has been achieved by a relatively small, closely-knit management group which, at the same time, emphasizes the delegation of responsibility. In the Company's work force of 1,600 employees, more than 60 management individ-

uals at five organization levels prepare and justify annual budgets and long-range forecasts. Managers are required to explain monthly budget variances and to accurately forecast and justify any variances expected for the remainder of that year. Through their forward projections, the Company's annual profit goal is kept strongly in mind.

Obtaining the most qualified college-trained personnel continues to be a highly competitive and increasingly challenging area. Strong emphasis, therefore, is placed on first selecting, then developing management personnel to assure a continuing supply of highly competent, creative people for top level management positions.

Several successful techniques are being utilized to train personnel for positions of more responsibility. Among these are a formal management development program, designed specifically for Toledo Edison, for selected employees. The Company also reimburses the major share of tuition costs for all employees successfully completing work-related academic courses. Also, selected employees attend and participate in work-related seminars and conferences, including those sponsored by associations, organizations, suppliers and universities. In addition, Toledo Edison provides summer employment for selected college students with the expectation that they may become permanent employees upon graduation.

As a business dependent upon the continuing welfare of a specific service area, your Company also urges employees to become involved in cultural, educational, charitable, civic and other community service activities in Northwestern Ohio. Not only does such voluntary participation benefit the community, but those who do take an active part help develop themselves and thus indirectly enhance their performance on the job.

The training and utilization of Toledo Edison's human resources are as important to the continued growth of your Company as the careful development of our natural resources is to the growth and progress of our nation. The creative development of management personnel through a forward-looking, profit-motivated approach will remain an essential part of your Company's future operation and growth.

BOARD OF DIRECTORS

- WILLIAM S. CARLSON
President, The University of Toledo
- SAMUEL G. CARSON
President, The Toledo Trust Company
- JOHN K. DAVIS*
President
- CHARLES E. FLAHIE*
Executive Vice President
- FRED E. FULLER
Senior Partner, Fuller, Seney, Henry & Hodge
- VIRGIL A. GLADIEUX*
President, Gladieux Food Services, Inc.
- WILLIAM M. HANKINS, JR.*
President, The Kiemle-Hankins Company
- MARVIN S. KOBACKER
Chairman of the Board, Tiedtke's
- J. PRESTON LEVIS*
Chairman of the Executive Committee, Owens-Illinois, Inc.
- W. ROYSE MORAN
Vice President, Administrative Services
- HENRY A. PAGE, JR.
President, The Page Dairy Company
- WILLIAM R. POOLE
Vice President, Marketing
- GLENN J. SAMPSON
Vice President, Power
- WILLARD I. WEBB, III
President, The Ohio Citizens Trust Company
- JOHN P. WILLIAMSON
Senior Vice President
- *Members of Executive Committee
- JOHN D. BIGGERS
Director Emeritus



Charles E. Flahie



John K. Davis



John P. Williamson



Fred E. Fuller



W. Royse Moran



Glenn J. Sampson



William S. Carlson



Virgil A. Gladieux



William R. Poole

OFFICERS AND EXECUTIVE STAFF

- JOHN K. DAVIS
President
- CHARLES E. FLAHIE
Executive Vice President
- JOHN P. WILLIAMSON
Senior Vice President
- JOHN H. BARKER
Vice President, Public Relations
- FRANK W. KEITH
Vice President, Personnel
- THADDEUS A. KOSTANSKI
Controller
- THOMAS J. KOZAK
Vice President, Electrical
- W. ROYSE MORAN
Vice President, Administrative Services
- DONALD G. NICHOLSON
Secretary and Treasurer
- WILLIAM R. POOLE
Vice President, Marketing
- GLENN J. SAMPSON
Vice President, Power
- JOHN B. CLOER
Manager, Southern District
- HOWARD B. FOX
Assistant to the President
- JAMES S. GRANT
Manager, Western District
- WENDELL A. JOHNSON
Manager, Eastern District
- WILLIAM H. SCHWALBERT
Assistant to the President
- CLAUDE L. LEWIS
Assistant Secretary and Assistant Treasurer
- DONALD H. SAUNDERS
Assistant Controller



Samuel G. Carson



J. Preston Levis



Henry A. Page, Jr.



Willard I. Webb, III



Marvin S. Kobacker



William M. Hankins, Jr.

POOR ORIGINAL

FOR THE RECORD

EXECUTIVE OFFICES

420 Madison Avenue
Toledo, Ohio 43601
Phone (419) 242-5731

STOCK TRANSFER AGENTS

THE TOLEDO TRUST COMPANY
Toledo, Ohio 43603

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, New York, N.Y. 10015

STOCK REGISTRARS

THE OHIO CITIZENS TRUST COMPANY
Toledo, Ohio 43603

MANUFACTUREPS HANOVER TRUST
COMPANY, New York, N.Y. 10022

DIVIDEND DISBURSING AGENT

THE TOLEDO TRUST COMPANY
Toledo, Ohio 43603

MORTGAGE TRUSTEE

THE CHASE MANHATTAN BANK (NA)
New York, N.Y. 10015

AUDITORS

ARTHUR ANDERSEN & CO.
1717 East Ninth Street
Cleveland, Ohio 44114

GENERAL COUNSEL

FULLER, SENEY, HENRY & HODGE
Owens-Illinois Building
405 Madison Avenue
Toledo, Ohio 43604

STOCK LISTING

COMMON

Listed

NEW YORK STOCK EXCHANGE
MIDWEST STOCK EXCHANGE
AMSTERDAM STOCK EXCHANGE

Unlisted Trading Privileges

BOSTON STOCK EXCHANGE
CINCINNATI STOCK EXCHANGE
DETROIT STOCK EXCHANGE

PREFERRED—4¼%

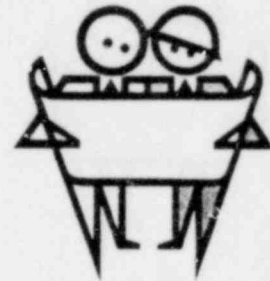
Unlisted Trading Privileges

AMERICAN STOCK EXCHANGE

This report, including the financial statements, is submitted for the general information of The Toledo Edison Company's shareowners. It is not intended to be used in connection with any sale or purchase of any securities.

Annual Meeting

The annual meeting of The Toledo Edison Company will be held at 10 A.M., (E.S.T.) on Tuesday, April 21, 1970, in the Company offices, 420 Madison Avenue, Toledo, Ohio. Formal notice of the meeting will be sent to shareowners with the proxy statement.



Financial Section

AUDITORS' REPORT

To the Share Owners and Board of Directors:

We have examined the balance sheet and statement of capitalization of The Toledo Edison Company (an Ohio corporation) as of December 31, 1969, and the related statements of results of operations, taxes, earnings reinvested, and source and application of funds 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 have previously examined and reported on the financial statements for the preceding year.

In our opinion, the accompanying financial statements referred to above present fairly the financial position of The Toledo Edison Company as of December 31, 1969, and the results of its operations and the source and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Cleveland, Ohio,
January 30, 1970

Arthur Andersen & Co.

RESULTS OF OPERATIONS

for the years ended December 31

	1969	1968	%
	<i>Thousands of Dollars</i>		<i>Increase (Decrease)</i>
<i>Operating Revenues</i>			
Electric	85 884	78 083	10
Gas	1 314	1 201	9
Steam heating	877	806	9
Total operating revenues	<u>88 075</u>	<u>80 090</u>	10
<i>Operating Expenses</i>			
Taxes (Note 5; Detail on page 20)	18 912	18 001	5
Fuel used in power plants	14 370	12 693	13
Purchased power	5 983	4 395	36
Operation (Note 3)	14 545	13 987	4
Maintenance	5 390	4 356	24
Depreciation provisions (Note 4)	9 838	9 614	2
Total operating expenses	<u>69 038</u>	<u>63 046</u>	10
<i>Operating Income</i>	<u>19 037</u>	<u>17 044</u>	12
<i>Interest and Other</i>			
Interest on long-term debt	4 943	4 957	—
Interest on short-term notes	567	125	354
Investment income and other—net	(231)	(421)	(45)
Interest during construction	(701)	(1 081)	(35)
Total interest and other	<u>4 578</u>	<u>3 580</u>	28
<i>Net Income</i>	<u>14 459</u>	<u>13 464</u>	7
Preferred stock dividends	<u>1 332</u>	<u>1 333</u>	—
<i>Earnings On Common Stock</i>	<u>13 126</u>	<u>12 131</u>	8
<i>Earnings Per Common Share</i>	<u>\$2.54</u>	<u>\$2.35</u>	8

The notes on page 18 are an integral part of this statement.



New and improved computerized systems, incorporating the many complex variables necessary for more effective long-range planning decisions, are being developed and utilized by the Company. Discussing the system are Donald G. Nicholson, secretary and treasurer, T. A. Kostanski, controller, and Clarence Eggert, corporate planning engineer.

**POOR
ORIGINAL**

NOTES TO FINANCIAL STATEMENTS *December 31, 1969*

1 Federal Power Commission Jurisdiction

Upon completion of the Michigan interconnection in 1970, referred to on Page 6, the Company will become subject to regulation under the Federal Power Act by the Federal Power Commission (FPC) as to accounting, interstate transmission of power, sales at wholesale for resale, and certain other matters. The Company will continue to be subject to regulation by The Public Utilities Commission of Ohio (PUCO) and local authorities, including regulation of retail rates, which cover the bulk of the Company's sales. Federal regulation will include a requirement that the Company's electric plant accounts be stated at "original cost" (defined by the FPC as the cost of property to the person first devoting it to public service). The plant accounts are now stated at cost, but not necessarily at "original cost" in some instances. In prior years, more than \$14 million was eliminated from plant accounts with the approval of the PUCO. Ohio rate regulation is based upon the "reproduction cost" of property. The PUCO does not require a determination of "original cost" and no complete "original cost" study has been made by the Company. No prediction can be made at this time as to the effect, or timing, of a restatement of all electric properties on an "original cost" basis. The FPC also may require that the \$3,945,000 mentioned in Note 5 be restored from Earnings Reinvested to a reserve account.

2 Ohio Valley Electric Corporation

The Company owns 4% of the common stock of Ohio Valley Electric Corporation (OVEC) which has a long-term contract to supply power to the Atomic Energy Commission (AEC). The proceeds from the sales of power are designed to be sufficient for OVEC to earn a return on its common stock after meeting all of its costs, including (in lieu of depreciation) amortization of debt capital. At December 31, 1969, debt capital of approximately \$188 million remained to be amortized by OVEC over the period ending in 1981. The Company is entitled to receive and obligated to pay for the right to receive 4% of any power not required by AEC.

3 Retirement Income Plan

The Company has a retirement income plan which covers all employee groups. Net plan cost, after employee contributions, was \$1,011,000 for 1969. The Company's policy is to fund annual costs as accrued each year, including amortization of unfunded prior service cost over a 20-year period. The estimated net unfunded actuarial prior service cost under the plan aggregated \$5,704,000 as of December 31, 1969.

4 Depreciation

Depreciation rates used in computing depreciation expense shown in the financial statements averaged 3.2% in 1969 and 3.4% in 1968 and are applied on a

straight-line basis. The rates were reduced January 1, 1969, based on updated age-life studies. Depreciation provisions for 1969 were \$665,000 lower under the new rates than they would have been under the former rates.

5 Federal Income Taxes

Rates used in computing depreciation for Federal income tax purposes are based upon standard tax "Guideline Lives" and averaged 3.5% for 1969 and 1968. The rates are applied on a straight-line basis to property constructed prior to January 1, 1954, and on a double declining balance method of accelerated tax depreciation for property constructed after that date. The use of accelerated tax depreciation lessened the provision for Federal income taxes by \$1,605,000 in 1969 and \$1,382,000 in 1968.

Based upon Ohio court and commission decisions, the Company is of the opinion that taxes deferred resulting from the use of accelerated tax depreciation will be recoverable out of future revenues. Accordingly, pursuant to an order of The Public Utilities Commission of Ohio, the Company stopped providing for such deferred taxes in 1962 (i.e., adopted flow-through accounting) and, in effect, made the change retroactive by transferring to Earnings Reinvested the \$3,945,000 of reserve for these deferred taxes accumulated from 1954 through 1961. From January 1, 1962 through December 31, 1969, the use of accelerated tax depreciation lessened the provision for Federal income taxes in the cumulative amount of \$8,694,000.

6 Power Pooling

The Company has reached an understanding with four other utilities (CAPCO Group) involving substantial future commitments for joint participation in additional power generation and transmission facilities. Plans include construction of the Davis-Besse Nuclear Power Station, scheduled for completion in 1974. The Company is building the 872,000-kilowatt plant and it will be jointly owned with The Cleveland Electric Illuminating Company. The facility now is estimated to cost about \$240 million, including about \$25 million for the initial nuclear fuel requirements. The Company's 52.5% ownership will require a total investment on its part of about \$132 million, including certain wholly-owned transmission facilities. See Page 6 for detail.

7 Proposed Holding Company

The Company and seven other utilities in Ohio, Western Pennsylvania and Northern Kentucky are participating in a study toward the possibility of forming a holding company system. See Page 6 for further detail.

8 References to Report

Reference is also made to the following subjects in the report; construction program (\$250 million in 1970-1974), Page 8, and financing plan, Page 8.

BALANCE SHEET *December 31*



ASSETS

	1969	1968
	<i>Thousands of Dollars</i>	
<i>Utility Plant</i>		
In service, at cost (Note 1)	327 998	318 239
Less accumulated provision for depreciation	<u>86 301</u>	<u>81 203</u>
	241 697	237 036
Construction work in progress	<u>15 491</u>	<u>11 524</u>
	<u>257 188</u>	<u>248 560</u>
 <i>Current Assets</i>		
Cash	3 257	3 089
Accounts receivable	9 475	9 135
Fuel for use in power plants	2 860	2 649
Materials, supplies and other current assets	<u>8 361</u>	<u>7 538</u>
	<u>23 953</u>	<u>22 411</u>
 <i>Investments and Other, at cost</i>		
Ohio Valley Electric Corporation (Note 2)	702	718
Area development and other	<u>1 192</u>	<u>790</u>
	<u>1 894</u>	<u>1 508</u>
Total Assets	<u>283 035</u>	<u>272 479</u>

LIABILITIES

<i>Capitalization (Detail on page 21)</i>		
Common stock equity	86 680	81 965
Cumulative preferred stock	31 000	31 000
First mortgage bonds	<u>120 781</u>	<u>121 089</u>
	<u>238 461</u>	<u>234 054</u>
 <i>Short-Term Notes Payable</i>		
Issued to banks	4 000	4 000
Issued to others (commercial paper)	<u>7 100</u>	<u>1 500</u>
	<u>11 100</u>	<u>5 500</u>
 <i>Current Liabilities (excluding notes payable)</i>		
Accounts payable	3 185	4 781
Accrued taxes	14 869	13 051
Other current liabilities	<u>5 667</u>	<u>5 387</u>
	<u>23 721</u>	<u>23 219</u>
 <i>Accumulated Provisions</i>		
Deferred Federal income taxes— accelerated amortization	5 409	5 731
Federal investment tax credits	3 403	3 294
Other	<u>941</u>	<u>681</u>
	<u>9 753</u>	<u>9 706</u>
Total Liabilities	<u>283 035</u>	<u>272 479</u>

The notes on page 18 are an integral part of this statement.

SOURCE AND APPLICATION OF FUNDS

for the years ended December 31

	1969	1968
	<i>Thousands of Dollars</i>	
<i>Source of Funds</i>		
Earnings on common stock	13 126	12 131
Income charges not requiring current funds:		
Depreciation provisions	9 838	9 614
Investment tax credits (net)	287	1 394
Short-term borrowings	5 600	5 500
Sale of temporary investments	—	10 702
	<u>28 851</u>	<u>39 341</u>
<i>Application of Funds</i>		
Additions to utility plant	18 549	30 885
Dividends on common stock	8 411	7 792
Acquisition of mortgage bonds for sinking fund purposes	308	463
Payment of Federal income taxes deferred in prior years	322	322
Working capital changes and other	1 261	(121)
	<u>28 851</u>	<u>39 341</u>

TAXES

for the years ended December 31

	1969	1968
	<i>Thousands of Dollars</i>	
<i>Federal Income Taxes (Note 5)</i>		
Payable direct—income tax	9 452	8 388
—tax surcharge	996	1 238
Payable by application of investment tax credit	416	1 465
Total Federal income taxes payable	10 864	11 091
Amortization, over applicable service lives, of accumulated provisions:		
Investment tax credits	(129)	(71)
Deferred taxes-accelerated amortization	(322)	(322)
Total Federal income tax expense	<u>10 413</u>	<u>10 698</u>
<i>General Taxes</i>		
Local property	5 887	5 196
State excise on gross revenues	2 547	2 059
Other	65	48
Total general tax expense	<u>8 499</u>	<u>7 303</u>
TOTAL TAXES	<u>18 912</u>	<u>18 001</u>

CAPITALIZATION . . . and per cent of total capitalization

December 31



	1969		1968
	<i>Thousands of Dollars</i>		
<i>Common Stock Equity</i>			
Common stock, \$5 par, authorized 7,500,000 shares, outstanding 5,160,125 shares each year	25 801		25 801
Premium on capital stock	10 076		10 076
Earnings reinvested (Notes 1, 5 and a)	50 803		46 088
	<u>86 680</u>	36%	<u>81 965</u> 35%
 <i>Cumulative Preferred Stock, \$100 par, authorized 500,000 shares</i>			
<i>Series outstanding</i>	<i>Redemption price</i>		
	<i>(per share)</i>		
4¼%, 160,000 shares	\$104.62½		
	16 000		16 000
4.56%, 50,000 shares	101.00		5 000
	5 000		5 000
4.25%, 100,000 shares	102.00		10 000
	10 000		10 000
	<u>31 000</u>	13%	<u>31 000</u> 13%
 <i>First Mortgage Bonds, excluding bonds acquired and held for sinking fund purposes (Note b)</i>			
<i>Series outstanding</i>			
2⅞%, due 1977	27 795		28 103
3⅞%, due 1978	4 336		4 336
3%, due 1979	2 150		2 150
2⅞%, due 1980	7 500		7 500
3⅞%, due 1984	14 000		14 000
3⅞%, due 1986	15 000		15 000
4%, due 1988	15 000		15 000
6⅞%, due 1997	35 000		35 000
	<u>120 781</u>	51%	<u>121 089</u> 52%
Total Capitalization	<u>238 461</u>	100%	<u>234 054</u> 100%

NOTES:

- (a) Under provisions of the articles of incorporation, \$14,718,000 of the \$50,803,000 is not available for cash dividends on common stock.
 (b) Current annual interest requirement on bonds is \$4,937,000.

EARNINGS REINVESTED

for the years ended December 31

	1969		1968
	<i>Thousands of Dollars</i>		
BALANCE, Beginning of year	46 088		41 749
Earnings on common stock	13 126		12 131
	<u>59 214</u>		<u>53 880</u>
Common stock dividends declared, \$1.63 per share in 1969 and \$1.51 in 1968	8 411		7 792
BALANCE, End of year (Notes 1, 5 and a)	<u>50 803</u>		<u>46 083</u>

The notes on page 18 are an integral part of these statements.

STATISTICAL AND FINANCIAL REVIEW*

SALES ... millions of kilowatt hours

CUSTOMERS ... end of year

USAGE ... residential

Year	Residential	Commercial	Industrial	Other	Other Utilities	Total Electric	% Increase	Residential	Commercial	Industrial, Utilities, & Other	Total Electric	Annual KWH Per Customer	Price Per KWH (Cents)	Annual Revenue Per Customer (Dollars)
1969	1 181	621	2 793	469	490	5 554	12	200 058	19 775	4 218	224 051	5 967	2.34	139.74
1968	1 083	530	2 572	457	319	4 961	19	195 737	19 570	4 191	219 498	5 596	2.36	132.23
1967	993	477	2 266	417	5	4 158	7	191 881	19 178	4 101	215 160	5 207	2.40	124.90
1966	937	447	2 125	380	2	3 891	12	189 704	18 892	4 081	212 677	4 977	2.43	120.84
1965	863	409	1 877	335	—	3 484	8	186 498	18 711	3 922	209 131	4 689	2.47	115.94
1964	810	379	1 750	301	—	3 240	6	181 968	18 349	3 874	204 191	4 482	2.53	113.30
1963	765	354	1 638	290	—	3 047	6	179 422	18 073	3 846	201 341	4 298	2.55	109.71
1962	740	339	1 520	276	—	2 875	7	177 100	17 752	3 822	198 674	4 201	2.54	106.82
1961	718	326	1 393	254	—	2 691	—	175 826	17 701	3 735	197 262	4 107	2.42	99.19
1960	690	314	1 437	237	—	2 678	4	174 383	17 837	3 580	195 800	3 984	2.36	94.14
1959	666	301	1 371	230	—	2 568	14	172 347	17 633	3 561	193 541	3 899	2.37	92.53

LOAD ... megawatts

ENERGY ... millions of kilowatt hours

FUEL

Year	Net Capability (Yr. End)	Total Peak Load	Toledo Edison System			Generated (Net)	Purchased and Interchanged (Net)		Total	Fuel Cost Per Million BTU (Cents)		
			Peak Load	Load Factor (%)	Reserve Factor (%)		KWH (Mills)	Million BTU (Cents)		BTU per KWH		
1969	1 204	1 089	897	69	34	4 764	1 142	5 906	3.0	30.3	9 899**	
1968	1 256	1 060	860	66	46	4 387	895	5 282	2.9	28.6	10 01	
1967	940	784	763	67	23	3 598	861	4 459	2.7	27.5	9 895	
1966	925	779	716	67	29	3 999	215	4 214	2.8	27.9	9 932	
1965	797	653	653	66	22	3 733	34	3 767	2.7	27.4	9 835	
1964	780	593	593	67	32	3 440	43	3 483	2.6	27.1	9 704	
1963	780	568	568	66	36	3 249	45	3 294	2.7	26.8	9 910	
1962	644	522	522	68	23	3 057	50	3 107	2.8	27.3	10 299	
1961	652	505	505	66	29	2 869	49	2 918	2.9	28.7	10 232	
1960	652	501	501	66	30	2 841	59	2 900	3.1	29.3	10 455	
1959	652	482	482	66	35	2 705	69	2 774	3.1	29.8	10 542	

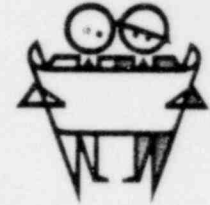
INVESTMENT ... thousands of dollars

CAPITALIZATION ... thousands of dollars

Year	Plant In Service (Yr. End)	Accumulated Provisions For Depreciation (Yr. End)	Accumulated Depreciation As % of Plant	Annual Construction Expenditures	Long Term Debt	% of Total	Cumulative Preferred Stock	% of Total	Common Stock Equity	% of Total	Total
1969	327 998	86 301	26	18 549	120 781	51	31 000	13	86 680	36	238 461
1968	318 239	81 203	26	30 885	121 089	52	31 000	13	81 965	35	234 054
1967	269 882	73 443	27	36 505	121 552	53	31 000	13	77 626	34	230 178
1966	260 274	67 375	26	15 177	86 933	46	31 000	16	73 043	38	190 976
1965	249 382	61 889	25	13 586	87 222	47	31 000	16	68 572	37	186 794
1964	242 584	56 880	23	6 655	87 599	48	31 000	17	64 468	35	183 067
1963	239 914	51 986	22	11 192	88 121	49	31 000	17	60 609	34	179 730
1962	215 061	48 343	22	21 104	88 594	50	31 000	18	57 090	32	176 684
1961	210 709	43 818	21	8 925	88 689	50	31 000	18	56 308	32	175 997
1960	206 113	38 731	19	6 051	89 420	51	31 000	18	53 430	31	173 850
1959	200 992	34 244	17	7 020	89 681	52	31 000	18	50 750	30	171 431

* Federal income taxes deferred through use of accelerated depreciation are "flowed-through" into earnings (1959-61 restated.)

** 1969 and 1968 reflect more use of older, less efficient generating units for cost-plus power sales to neighboring utilities.



OPERATING REVENUES . . . thousands of dollars and per cent of electric revenues

Residential	%	Commercial	%	Industrial	%	Other	%	Other Utilities	%	Total Electric	Gas	Steam Heating	Total Operating Revenues	% Increase	Year
27 663	32	14 446	17	30 696	36	8 803	10	4 276	5	85 884	1 314	877	88 075	10	1969
25 588	33	12 705	16	28 482	36	8 219	11	3 089	4	78 083	1 201	806	80 090	14	1968
23 814	35	11 565	17	25 504	37	7 474	11	32	—	68 389	1 136	767	70 292	5	1967
22 751	35	11 026	17	24 199	38	6 889	10	18	—	64 883	1 069	818	66 770	8	1966
21 339	36	10 332	17	21 920	37	6 130	10	—	—	59 721	990	835	61 546	5	1965
20 469	36	10 354	18	20 516	36	5 770	10	—	—	57 109	912	787	58 808	6	1964
19 536	36	9 725	18	19 378	36	5 421	10	—	—	54 060	860	816	55 736	4	1963
18 827	36	9 338	18	18 419	36	5 188	10	—	—	51 772	810	853	53 435	7	1962
17 352	36	8 736	18	17 599	36	4 819	10	—	—	48 566	770	824	50 160	3	1961
16 318	35	8 289	18	18 078	38	4 454	9	—	—	47 139	710	812	48 661	4	1960
15 819	35	8 010	18	17 423	38	4 045	9	—	—	45 297	692	708	46 697	9	1959

OPERATING EXPENSES . . . thousands of dollars and per cent of total revenues

Federal Income Taxes	%	General Taxes	%	Fuel	%	Purchased Power	%	Operation	%	Maintenance	%	Depreciation	%	Total Operating Expenses	%	Year
10 413	12	8 499	10	14 370	16	5 983	7	14 545	16	5 390	6	9 838	11	69 038	78	1969
698	13	7 303	9	12 693	16	4 395	6	13 987	18	4 356	5	9 614	12	63 046	79	1968
935	13	6 440	9	9 923	14	4 189	6	12 505	18	4 213	6	8 614	12	54 819	78	1967
9301	14	6 224	9	11 173	17	932	2	12 165	18	3 774	6	8 280	12	51 849	78	1966
8 308	14	5 671	9	10 175	17	178	—	11 584	19	3 745	6	8 065	13	47 726	78	1965
8 056	14	5 737	10	9 205	16	266	—	11 167	19	3 656	6	7 578	13	45 665	78	1964
7 976	13	5 564	10	8 847	16	273	1	10 764	19	3 082	6	7 137	13	43 643	78	1963
7 775	15	4 926	9	8 762	16	286	—	10 024	19	3 559	7	6 659	13	41 991	79	1962
7 171	14	4 618	9	8 681	17	284	1	9 553	19	3 268	7	5 903	12	39 478	79	1961
6 383	13	4 503	9	8 914	18	329	1	9 333	19	3 284	7	5 340	11	38 086	78	1960
6 166	13	4 066	9	8 650	19	358	1	9 059	19	3 194	7	4 842	10	36 335	78	1959

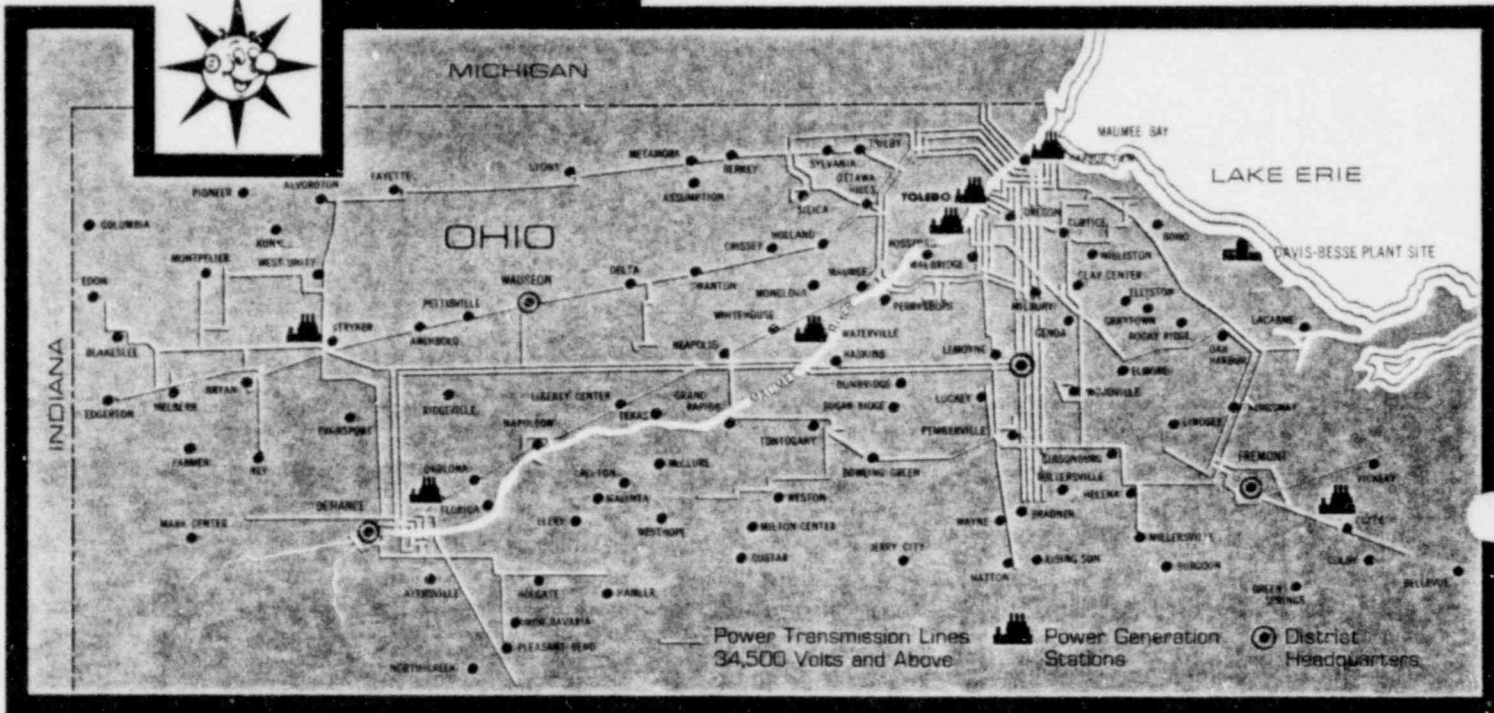
INCOME . . . thousands of dollars

Operating Income	Debt Interest & Other (Net)	Construction Interest (Credit)	Net Income	Preferred Stock Dividends	Earnings On Common Stock	% Increase (Ten-Yr. Avg. 8%)	Market Price Range			Dividends Declared (Current Rate \$1.72)	Year	
							Shares Outstanding	Share Earnings	High Low Yr. End			
19 037	5 279	701	14 459	1 333	13 126	8	5 160 125	2.54	36 26 29	16.80	1.63	1969
17 044	4 661	1 081	13 464	1 333	12 131	3	5 160 125	2.35	38 30 35	15.88	1.51	1968
15 473	3 170	818	13 121	1 333	11 788	5	5 160 125	2.28	42 29 30	15.04	1.42	1967
14 921	2 557	200	12 564	1 333	11 231	11	5 160 125	2.18	41 29 40	14.16	1.31	1966
13 820	2 460	62	11 422	1 333	10 089	10	5 160 125	1.96	41 32 39	13.29	1.16	1965
13 143	2 660	24	10 507	1 333	9 174	10	5 160 125	1.78	35 29 33	12.49	1.03	1964
12 093	2 830	440	9 703	1 333	8 370	4	5 160 125	1.62	31 26 30	11.75	.94	1963
11 444	2 689	615	9 370	1 333	8 037	16	5 160 125	1.56	27 20 26	11.06	.83	1962
10 682	2 516	100	8 266	1 333	6 933	5	5 160 125	1.34	28 19 27	10.91	.725	1961
75	2 677	42	7 940	1 333	6 607	3	5 160 125	1.28	20 15 19	10.35	.70	1960
10 362	2 868	281	7 775	1 333	6 442	2	5 160 125	1.25	17 15 16	9.84	.70	1959

COMMON STOCK . . . dollars per share

THE TOLEDO EDISON COMPANY
 420 Madison Avenue • Toledo, Ohio 43601

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This report comes to you from North-western Ohio where your Company serves an area with a unique blend of highly diversified industry and some of the nation's most productive farm land. The 2,500-square-mile area is situated for the most part on the shores of Lake Erie in the heart of the growing Great Lakes megalopolis. With Toledo Edison playing a major role, the emerging pattern in the area is one of controlled growth based on careful planning. In addition to supplying the electric energy essential to this growth, your Company is involved in the planning and implementation of many worthwhile activities in Northwestern Ohio. We're working on air purity, water quality, area beautification and many other environmental activities which contribute to the long range prosperity of the area we serve.

Your management knows that this company can prosper only if the area we serve prospers. This is why we not only promote the sale of electric power, but also the orderly growth of Northwestern Ohio. In addition we try to be good citizens in the communities we serve. As we say in our advertising . . . We Live Here, Too.

