



MARCH—

**APRIL
1938**

*** YEAR BOOK ***

ROCHESTER GAS AND ELECTRIC CORP., ROCHESTER, N. Y.

Rochester Gas and Electric News and Year Book

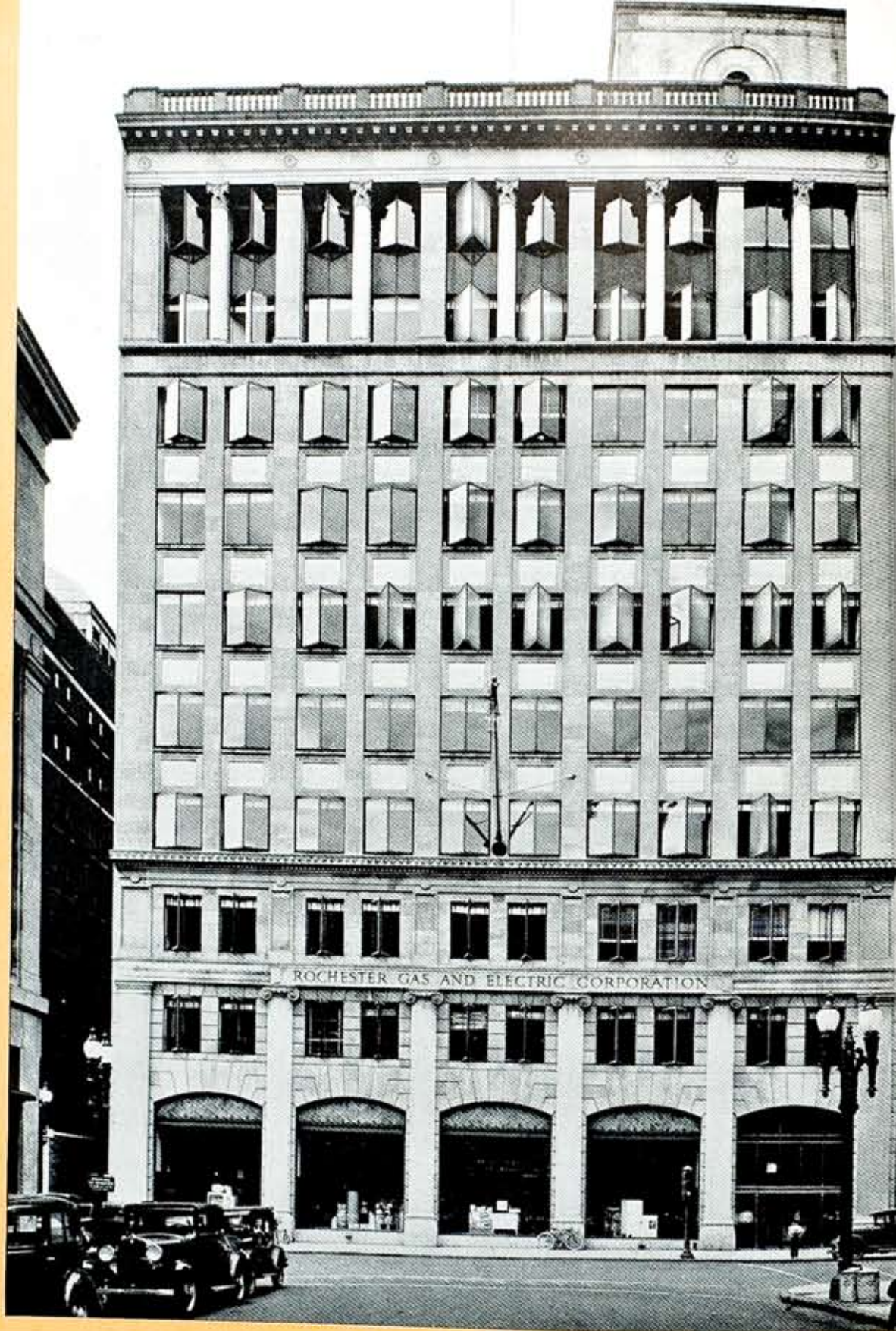
*March-
April*
1938



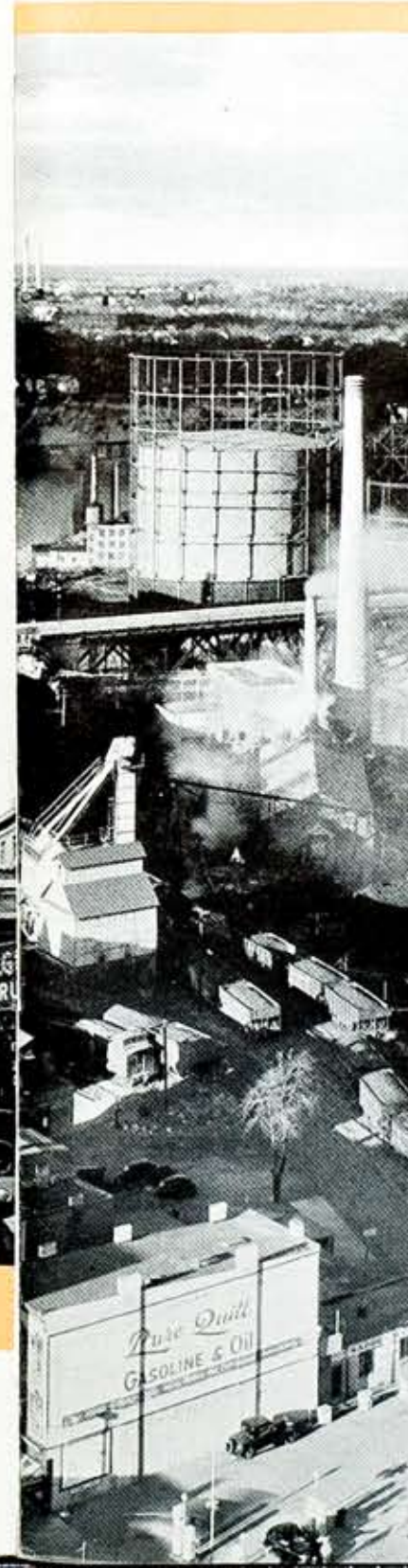
A resume
of the
progress
made by
this Company
during the
year 1937

ROCHESTER GAS AND ELECTRIC CORPORATION
ROCHESTER, N. Y.

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Part of Employee audience at recent "Sunshine Fund" party.

DEDICATED to the ideals of service. . . To the public, whose happiness and prosperity are inseparable from this Company's progress. . . To the rank and file of our highly diversified personnel. . . To all those men and women who look upon their work, not as a job, but as a personal responsibility. . . Dedicated to another milestone of progress along the roadway of devotion to the practical ideals of duty.

"Good Service is the Heart of Business"

VOTING TRUSTEES, DIRECTORS, EXECUTIVE COMMITTEE AND OFFICERS

ROCHESTER GAS AND ELECTRIC CORPORATION

89 East Avenue, Rochester, N. Y.

DIRECTORS

- EDWARD G. MINER, Chairman
- | | |
|------------------------|---------------------|
| RAYMOND N. BALL | J. CRAIG POWERS |
| JOHN P. BOYLAN | HERMAN RUSSELL |
| FREDERICK S. BURROUGHS | CHARLES W. SMITH |
| M. HERBERT EISENHART | DANIEL STARCH |
| FRED C. GOODWIN | RAYMOND L. THOMPSON |
| FREDERIC H. HILL | WALTER L. TODD |
| SANFORD J. MAGEE | |

OFFICERS

- | | |
|------------------------|-------------------------------------|
| HERMAN RUSSELL | President |
| JOSEPH P. HAFTENKAMP | Vice-President |
| ERNEST C. SCOBELL | Vice-President |
| SANFORD J. MAGEE | Vice-President |
| FREDERICK H. PATTERSON | Secretary and Assistant Comptroller |
| JOSEPH C. COLLINS | Treasurer and Assistant Secretary |
| JOSEPH F. MCKENNA | Assistant Secretary |
| CHARLES A. TUCKER | Assistant Treasurer |
| E. WEINBERGER | Assistant Treasurer |
| HAROLD W. NICHOLS | Auditor |

EXECUTIVE COMMITTEE

- FRED C. GOODWIN, Chairman
- | | |
|-----------------------------|-----------------|
| RAYMOND N. BALL | EDWARD G. MINER |
| JOHN P. BOYLAN | HERMAN RUSSELL |
| FREDERICK S. BURROUGHS | |
| SANFORD J. MAGEE, Alternate | |

VOTING TRUSTEES

- | | |
|-----------------|-------------------|
| RAYMOND N. BALL | EDWARD G. MINER |
| FRED C. GOODWIN | CHARLES M. TRAVIS |



Another Year's
Progress

OUR YEAR BOOK presents to you by word and picture the story of Company progress. It is the continued story of life on the R. G. and E. "front line" where 2500 loyal employees daily perform their tasks.

Reflected also in these pages are evidences of the whole-hearted support of our officers and directors, so many of whom are leaders in Rochester's business and industrial sphere.

Let me express my sincere appreciation to all those who helped to make last year's record so commendable. The Year Book is the "log" of your combined efforts. With your help the problems of management are less difficult and the Company's continued progress assured.

Sincerely

Herman Russell President

Rochester Gas and Electric Corp'n.

DIRECTORS • OFFICERS

1938



EDWARD G. MINER
R. G. & E. Director
Chairman of Board, Pfaudler Co.



JOSEPH P. HAFTENKAMP
R. G. & E. Vice-President



E. C. SCOBELL
R. G. & E. Vice-Pres. and
Comptroller



FRED C. GOODWIN
R. G. & E. Director, Chairman of
the Board, Rochester Telephone
Corp.



RAYMOND N. BALL
R. G. & E. Director, President
Lincoln-Alliance Bank & Trust
Company



CHARLES W. SMITH
R. G. & E. Director, Pres. & Treas.
Sherwood Shoe Company

OFFICERS • DIRECTORS

1938



DANIEL STARCH
R. G. & E. Director,
Pres. Daniel Starch & Staff



FREDERIC H. HILL
R. G. & E. Director, Vice-Pres.
N. Y. State Elec. & Gas Corp.



J. CRAIG POWERS
R. G. & E. Director, Vice-Pres.
Rochester Trust & Safe
Deposit Co.



FREDERICK S. BURROUGHS
R. G. & E. Director, Vice-Pres.
A. G. & E. Company



SANFORD J. MAGEE
R. G. & E. Director, Vice-Pres.
A. G. & E. Company



M. HERBERT EISENHART
R. G. & E. Director, Pres. & Gen.
Mgr. Baush & Lomb Optical Co.

OFFICERS • DIRECTORS

1938



WALTER L. TODD
R. G. & E. Director, President
The Todd Company, Inc.



JOHN P. BOYLAN
R. G. & E. Director, Pres. &
Gen. Mgr. Rochester
Telephone Corp.



FREDERICK H. PATTERSON
R. G. & E. Secretary and
Asst. Comptroller



RAYMOND L. THOMPSON
R. G. & E. Director, Treasurer
University of Rochester



JOSEPH C. COLLINS
R. G. & E. Treas. & Asst. Sec'y



CHARLES A. TUCKER
R. G. & E. Assistant Treasurer

Your design for living

Includes the Daily Use of Many
Gas and Electric Servants



Dad gets his beauty treatment as an early morning rite.

Hot water helps get the children off to school spick-and-span.



Getting meals on a modern gas range cuts out much kitchen drudgery.

The woman of the house sure appreciates her electric washer.



Health and happiness is closely hooked-up to utility services.



Entertaining friends is easy when one has so many electrical helpers.



From morn til night

Gas and Electric Service Brings
Dividends in Better Living



Hot water, an aid in keeping that school-girl complexion.

The electric dishwasher makes a "hit" with housewives.



In sickness, gas and electric helpers make mother's job easier.

Gas heated homes make room for lots of play space for all the family.

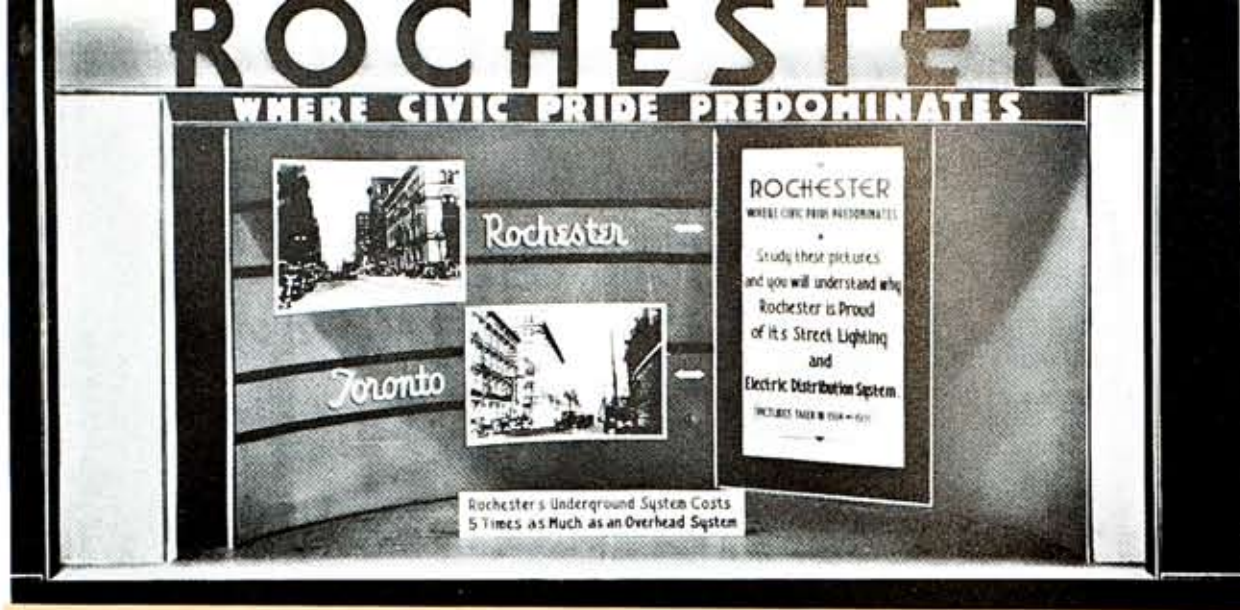


Today the kitchen is one of the smartest rooms in the home, and sees many informal "receptions."



Dad pilfers the refrigerator—and so to bed.





"Rochester Products Week" was featured in this display accentuating Rochester's quality products.



Company display windows are often devoted to the promotion of civic activities.



Company promotion helped last year to distribute 2,928 gas water heaters.

Window Display, Advertising

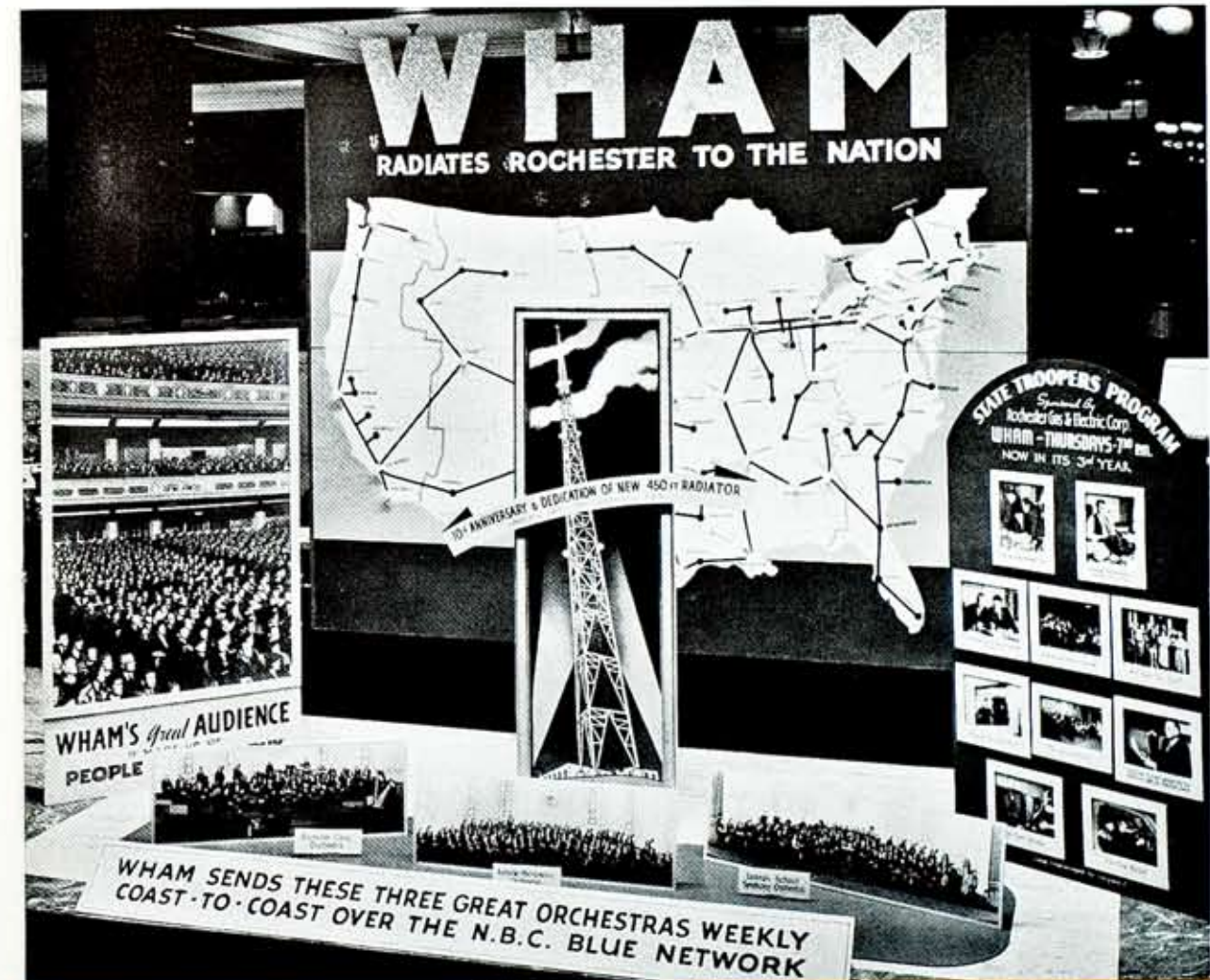
A TOTAL of 104 different and distinct window displays appeared in our four large East Avenue windows last year. Ninety-four were completely and entirely built and erected by our own Company Display Department. Ten were supplied entirely or in part by manufacturers or outside concerns. Thirty displays were built for the side windows and others for main floor, basement, lobby or rural office displays.

Advertising, Display Tie-ins

An example of the Coordinating of all mediums relating to sales work was the intensive efforts put forth during the "Old Range Round-Up" last August. During four weeks of specialized sales effort our windows, advertising, publicity and other allied mediums, including the G. and E. Messenger which is sent to all customers, and radio were hooked-up or tied-in to publicize this unique sales program. In this connection these mediums comprise an effective method of informing the public of the many advantages which modern gas and electric domestic appliances and equipment have over older ones; what the purchase of these can mean in economic benefits and in those assets which help to build a happier and more satisfactory home life, with the cutting down of unnecessary drudgery.

A Bright Spot on East Avenue

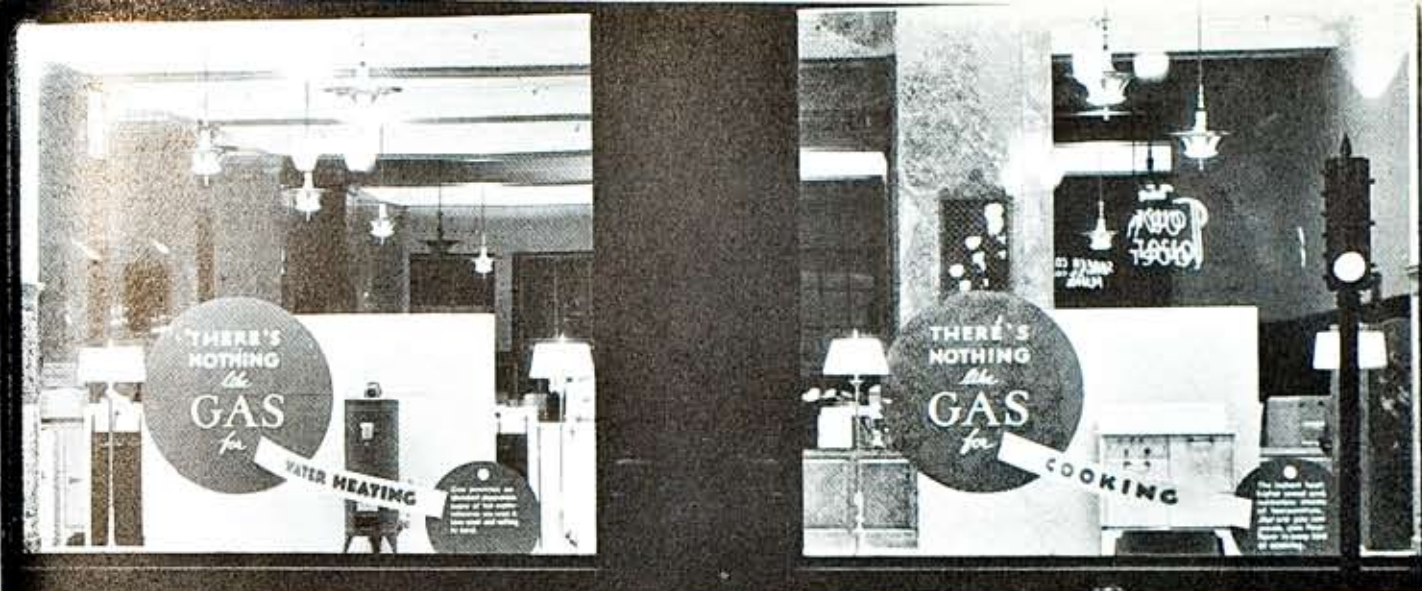
Thousands of persons each month view our East Avenue displays. They are colorful, artistic and interesting and usually get over one or many points of educational interest relating to products, services or activities. These displays are not entirely given over to selling Company products or appliances. Some of them are donated to publicizing Rochester industries or other things of a civic or community interest.



Anniversary week of Station WHAM was the inspiration for this fine display. Another display was also created for Station WHEC by our display artists.



The four main display windows at the Gas and Electric Building, 89 East Avenue.



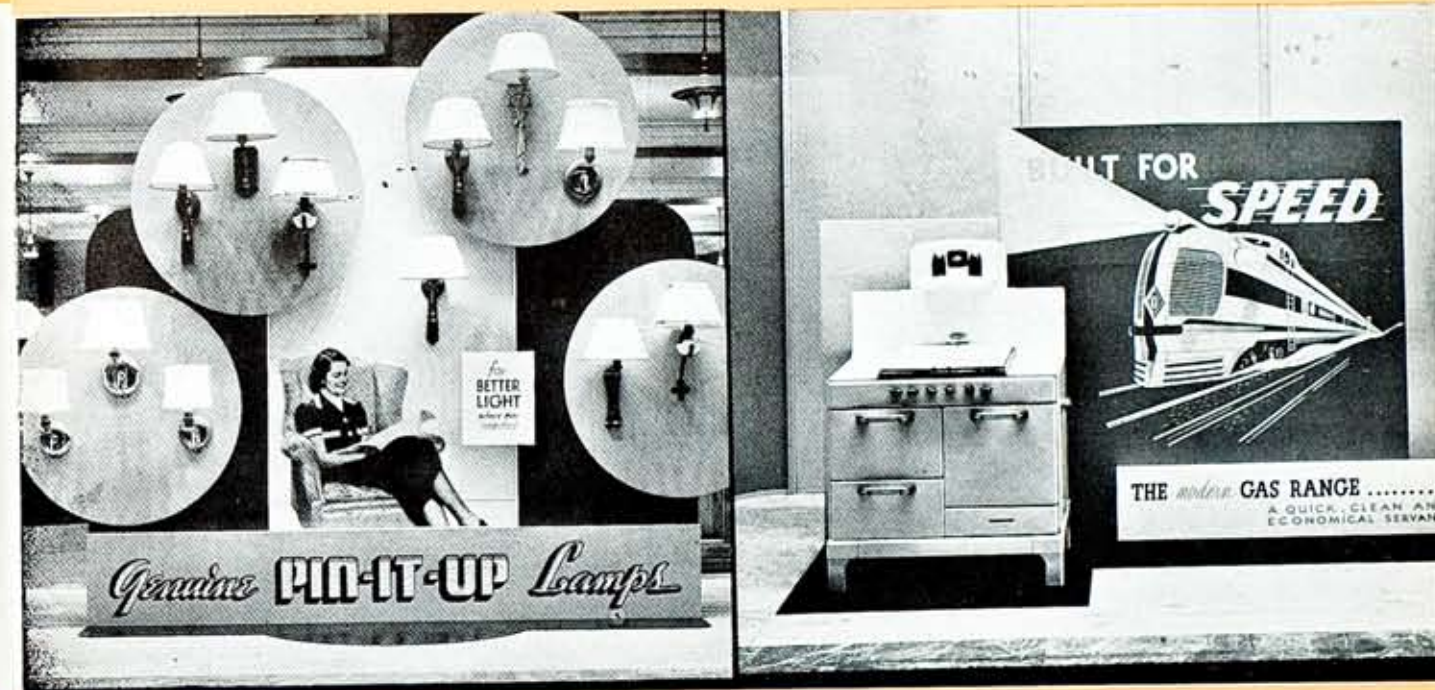
Colorful, attractive displays attract attention every week during the year.

A Big Gas Year

Last year was noteworthy for the stress placed upon modern gas appliances such as insulated gas ranges and automatic gas water heaters. There were 31 displays of gas ranges, 20 of gas water heaters and 14 of Electrolux (gas) refrigerators and other gas appliances. Lamps and the "Better Light Better Sight" activity, electric refrigeration, electric appliances and radio required 23 displays. Among the miscellaneous displays were those featuring foreign trade week, American Chemical Society, Orthomologists convention, WHEC anniversary, County Planning Bureau window, Retail Bakers' convention and numerous others of a special nature.

A Focus of Interest

The East Avenue displays, as well as those built for the Main Floor and basement of the Gas and Electric Building attract widespread attention. People in great numbers are seen about these displays almost every hour of the day. And as the Company cooperates with some of the gas and electric appliance dealers in promoting advertising campaigns, so does it collaborate with them in promoting the sale of their merchandise. Special sales activities of this nature which are stimulated by displays and advertising are mentioned in the domestic sales article in another section of this Year Book.



This Pin-It-Up Lamp window (left) created by the display department won a national prize in competition with the displays of other utilities.



This beautiful yuletide display accents the silent feature of ELECTROLUX, the fine GAS refrigerator.

Gas kitchen display which revealed the prevailing trend in modern, step-saving gas kitchens.



Purchasing Problems

THE year 1937, insofar as the Company's purchasing problems were concerned, was quite unusual. Invoices for material and supplies and services, amounted to approximately eight and one-half million dollars. This amount was much larger than was spent in any other recent year. The large amount of money spent for capital improvements, such as the Station No. 3 boiler and turbine units and the relatively large amount of rural electric line and gas main construction helped to swell the total.

Peculiar Conditions

Conditions were peculiar in 1937 in several respects. During the first part of the year numerous price advances on material were made. This tendency was due to increases in price of raw materials, increased taxes and labor rates and also the increases in prices placed on materials by manufacturers when a sellers' market prevails. With such a condition purchasers bought ahead to anticipate these advances and as a result of this delivery conditions became acute. For instance, at certain periods in 1937, purchasers had to wait as long as ten or 12 weeks for delivery on certain cables; at the present writing these same cables can be delivered in ten days. About the middle of the year prices leveled off as consumers had taken care of most of their forward buying and the volume of purchases at this point dropped considerably. Towards the end of the year price weaknesses in many lines became quite marked due to this reason and to the general political and economic uncertainty. To take the case of one important commodity, copper had advanced from 9¼ cents per lb. in the fall of 1936 to a high of 17 cents during 1937, but at the present time, is back to 10 cents per lb.

Our policy during the first part of 1937 was largely in line with the above and covered forward buying to avoid price advances to a considerable degree. Later, as prices became stabilized, purchases were confined to a hand to mouth basis. This policy was emphasized when price weakness prevailed.

From Coal to Canary Seed

Since this company covers all phases of gas and electric utility operations, naturally, a wide variety of materials are used ranging from coal, our largest item, to bird seed for the canaries which we have for safety work at the gas works. To mention a few facts, our coal consumption in 1937 was approximately 650,000 tons, representing 13,000, 50-ton carloads, or a solid

The Company's coal consumption for 1937 was about 650,000 tons, a very small section of the Ambrose Street coal pile being shown above. The year's supply represents 13,000 50-ton carloads, or a solid train load more than 100 miles in length. The amount spent for freight for varied materials was approximately \$1,500,000 and for express \$3,000,000.



Purchasing and stores record offices, 89 East Avenue. Among smaller items purchased last year were 25,000 pencils, 500,000 clips and 300 pounds of bands.

train load 100 miles long. The amount spent for freight on in-coming shipments of material was approximately one and one-half million dollars and, for express, \$3000.00.

Heavy Hardware

Equipment purchased for Station 3, ranged from a turbine unit costing over \$500,000. and the boiler and economizer unit costing approximately \$250,000 to hundreds of valves some of which cost as much as \$1500.00 each. Due to the large amount of rural electric line construction many poles, insulators and line hardware items as well as large amounts of wire were used. Our pole purchases, both cedar and pine, aggregated 7,000 poles and approximately 2,500,000 feet of aluminum wire and 1,250,000 feet of weather-proof copper wire were purchased.

More electric and gas meters were obtained in 1937 than were purchased in any recent year. Approximately 4,000 electric meters and 3,000 gas meters were purchased. Our transformer purchases also were greatly enlarged; a total of approximately 1,200 transformers, of all sizes, were obtained, costing a total of approximately \$175,000.

Various Materials

It would be impossible to mention in this article all of the various materials used and purchased. For the operation of our fleet of trucks and cars 300,000 gallons of gasoline were bought which were mixed with the benzol, that we manufacture, to obtain the motor fuel "Bengas". To mention some of the smaller items 25,000 pencils, 500,000 paper clips and 300 lbs. of rubber bands were purchased.

Front Street yards where hundreds of cars clear daily to deliver or receive supplies at the large storehouse. Over 286,000 gallons of gasoline were purchased to mix with Benzol in making "Bengas" the Company motor fuel.



Small section of one floor of the storehouse. Our total stock account carried in various storehouses is worth about one million dollars.



Varied assortment of materials carried in Front Street storehouse. Transformers alone last year totaled 1,200, costing \$175,000.



4,000 electric and 3,000 gas meters were purchased in 1937, more than were purchased in any recent year.



Domestic Appliance Sales

\$773,221 was sold in domestic appliances, lamps, farm electric equipment, etc. More than 2,928 water heaters were installed. Of these, 2,683 were placed on the newly inaugurated rental plan. Other items were: 2355 refrigerators, 1,795 ranges (1,482 were gas ranges), 362 radios, 329 washers, and other items.

Outstanding Rural Sales

The domestic division of rural sales accounted for \$61,841.90 including milk coolers, pumps and other farm-electric equipment which makes farm work easier and more profitable.

Dealer Cooperation

The department contacts electrical and gas appliance dealers in this area, cooperating in promoting the Lincoln-Alliance Finance Plan. About 86 dealers are regularly called upon, educational meetings and demonstrations arranged in cooperation with the Rochester Electrical Association, and advertising tie-ups arranged to coincide with sales efforts. Last August the "Old Range Round-Up" was conducted over a period of one month in which dealers alone sold 1,124 ranges and the Company about the same number. Dealers sales last year (from 90% of records available) included: gas and electric ranges 6,663; water heaters (in addition to rentals) 300; refrigerators 11,615 and 314 water heater rentals.

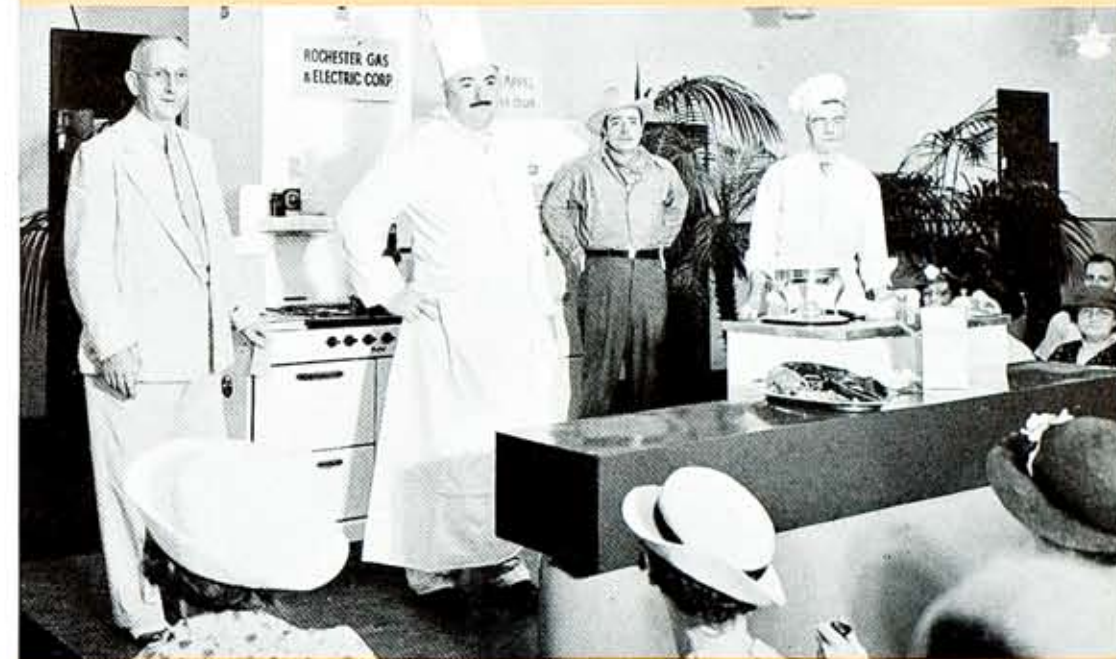
Sales school and pep meeting during "Rodeo Week" in "Old Range Round-Up."



A few of the hundreds of old gas ranges replaced by new ones.



Hotel and club chefs showed how good meals are prepared.



Three 4-H girls bake cherry pies for local housewives.



Above are shown some of the features of our "Old Range Round-Up." Center and top are entertainment specialties held during "Rodeo Week" at the Gas and Electric Building.

Home Service, Home Planning

Over 25,230 calls and contacts were made (exclusive of the work of the I. E. S. lamp section) at homes, demonstrations and in kitchen planning activities. About 14,212 were in connection with different, individual customers. A total of 2,626 I. E. S. lamps were sold. More than 5,500 telephone calls were made relating to home service activities. Other activities were: Chamber of Commerce committee work; electrical laboratory cooking tests; contest judging; classes for salesmen, and furnishing attendants for the Rochester Exposition and other local shows or displays. Twelve calls per day was the average for each home service worker, a total of 16,641 for the year. Attendance at the home service demonstrations was 8,128. These included demonstrations or classes throughout the territory and in Rochester, at electrical shows, churches, home bureaus, Girl Scout groups, radio meetings, kitchen planning groups and others for architects, home economic groups, the Dietetic Association and others.

More than 460 calls were made. About 193 of these resulted in plans made to modernize kitchens. Appliance data was supplied to 190 customers. Other work included: Articles for community papers (recipes, etc.) educational work, lighting talks, laboratory work, etc. About 75,000 sheets of recipes were distributed to customers, including refrigerator recipes, Christmas cakes and cookies and others.

Special Activities

"Rodeo Week" was the first week of the "Old Range Round-Up." It featured special demonstrations and entertainment in the Gas and Electric Building; cooking demonstrations by Rochester's club and hotel chefs and a floor show or parade of modern gas ranges participated in by Rochester electrical dealers, each being allotted space on the Main Floor of the main office building. Thousands of Rochester and vicinity housewives viewed the beautiful modern ranges and learned of their marvelous beauty and high standard of performance. Cooperative advertising participated in by Company, dealers and the Electrical Association was released during the month.

Every home needs lots of hot water. Photo courtesy Ruud Manufacturing Company.



Mrs. F. T. Vroman wins modern gas range in "Old Gas Range" contest.



2,928 gas water heaters and

1,482 gas ranges were sold

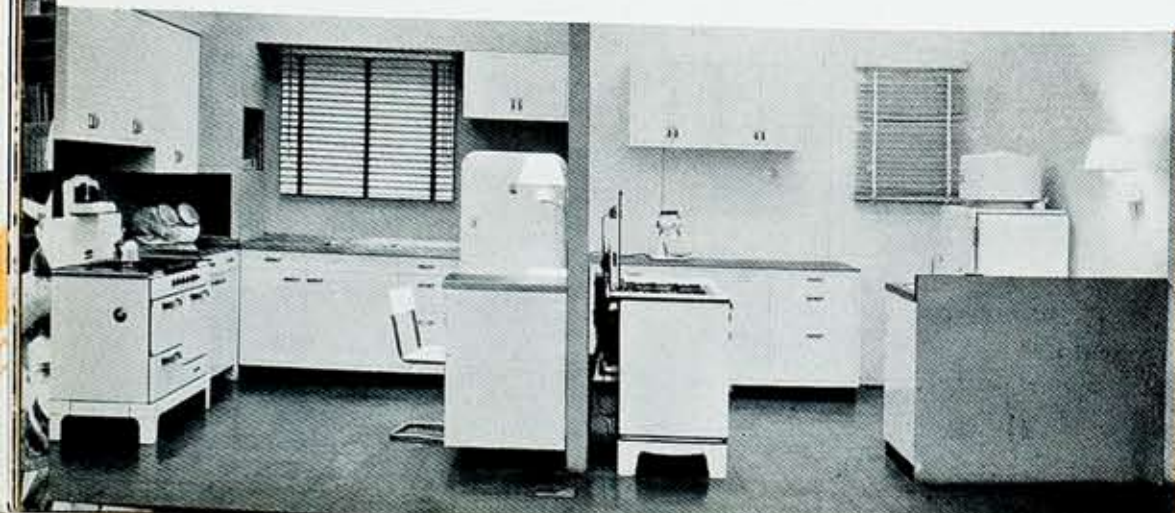


Bottom two photos, respectively, courtesy Ruud Company and Glenwood Range

Lighting Equipment Sales

On the basis of 100,000 meters one lamp was sold for every 10 customers. This is equivalent to 12 watts of added load per meter. A total of 3,029 I. E. S. lamps were sold, the largest month being December when 401 were sold. Other lamp sales brought the total lamp sales to 10,576 lamps, with 1,211 of added Kw. for a total of \$42,385. This record performance doubles that for the previous year.

Model planned kitchen (left) and unplanned kitchens in Home Service Department



The Industrial Department

THIS department, with a personnel of 63, handles contracts involved in the use of gas, electricity and steam with all commercial and industrial customers; with farms for farm-electric equipment and with gas heating for all customers. Last year was the best in department history. Over \$566,000 of additional revenue was added as compared with \$466,000 for 1936, an increase of 21%. The following tabulation is self explanatory:

BUSINESS GAINED 1937				
		Kilowatts		
ELECTRICITY				
Power	6,774.9	9,074,363 KWH / Yr.	\$155,975	
Lighting	4,115.9	5,310,697 "	131,933	
Signs	569.6	1,685,794 "	49,108	
Refrigeration	98.3	432,366 "	12,578	
Rural Service	1,557.7	647,392 "	25,557	
Totals		17,150,612 "	\$375,151	\$375,151
GAS				
Industrial		96,887,000 Cu. Ft. / Yr.	\$ 38,474	
Hotels, Restaurants, Etc.		33,512,000 "	25,172	
Space Heating		131,170,000 "	71,756	
Totals		261,569,000 "	\$135,402	\$135,402
STEAM				
Commercial, Industrial, Etc.		81,260,000 Lbs. / Yr.	\$ 56,270	\$ 56,270
			Total	\$566,823

Commercial Refrigeration, Air Conditioning

A total of 122 Company installations, augmented by dealer sales, added a connected load of 80 H. P. in retail stores. Other applications were developed for thermometer testing, carbonated beverages, frozen foods, dough retarding, etc. New business increased 25% over 1936.

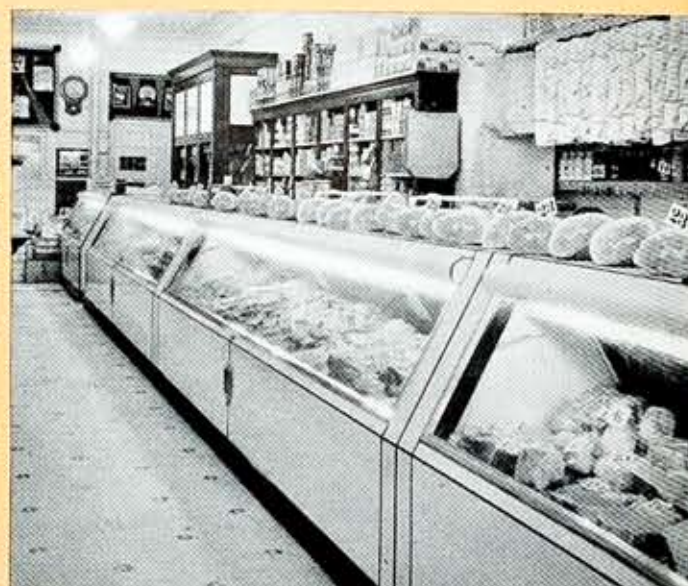
About 200 H. P. of connected load was added in air conditioning equipment, or 50 installations covering industrial, commercial and summer cooling. Of these, commercial and residential applications required 450 H. P. of motors, including restaurants, beauty parlors, offices, funeral parlors, neighborhood theatres and others.



Among the Industrial Department's night lighting jobs was Shortsville's new lighted baseball park.



Laying the steam line to the plant of the Pfaunder Company, Lincoln Park.



Modern refrigeration at the up-to-date O'Brien-Ritz Market, Front Street.



The Industrial Department's cooperative meeting for farm-electric dealers was a step forward in educational selling.

Exhibit of electrical farm equipment at the Ontario Firemen's field day last summer, put in by Farm Service Dept.



Power Business

A 36.8% increase was made in annual revenue from power business. Major installations were two gas-electric furnaces at the Pfaudler plant each requiring 500 Kw. Other equipment there added an aggregate connected load of 789 Kw. A new Rochester industry, the American Nepehline Corporation, required a connected load of 270 Kw. Substantial power additions were made at Stecher Lithographing Company, Bond Stores, Inc., The Rectigraph Company, Harold H. Clapp, Inc., Armour and Company and others totaling 920 Kw. Thirteen electric furnaces with a total capacity of 281 Kw. were connected.

ANNUAL SALES—ELECTRIC

Year	Commercial KWH	Industrial KWH
1933	68,496,520	79,056,794
1934	73,708,561	96,048,547
1935	79,031,540	103,757,307
1936	86,632,394	118,340,188
1937	99,104,489	137,539,627

ANNUAL SALES—GAS

Year	Commercial	Industrial	House Heating
1933	470,014,900 cu. ft.	470,914,300 cu. ft.	405,615,200 cu. ft.
1934	495,731,900	596,111,400	528,210,100
1935	485,462,000	618,325,100	617,051,600
1936	497,613,000	640,741,300	755,434,500
1937	511,022,800	1,032,284,700	785,431,800

Industrial and Commercial Gas

Improved modern furnaces and ovens were installed at Bausch and Lomb Optical Company, R. T. French Company, Rochester Lithographic Company, General Railway Signal Company, and the Anstice Foundry. Many commercial customers installed gas-fired ovens which do better baking more economically, and which replaced obsolete equipment in many cases.

Electric Signs

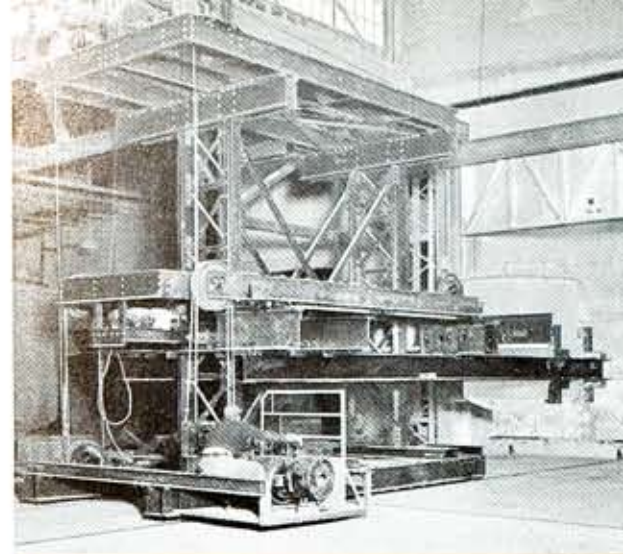
This business increased and there was increased demand for small illuminated interior signs. Many of these incorporate beauty and effectiveness with concealed illumination. Outside display signs improved in design and color combinations to harmonize with trends in buildings and store fronts.

Farm Service

Farm Service Representatives, located in the Rochester, Lake Shore, Genesee Valley and Canandaigua Districts, stimulate the use of electricity on the farm. The men of this department are constantly on the lookout for new electrical devices valuable to the farm and are thoroughly familiar with farm needs. They give new ideas directly to customers and work with Granges, Farm Bureaus, Dealers, etc. The Kodachrome Talking Movie, showing uses of electricity on the farm, has been presented to over fifty audiences. In addition, talks and demonstrations have been presented to Granges, Farm Bureaus, and Church and High School Meetings. We have also had booths at various Fairs and Shows. It is our purpose, rather than to sell directly to customers, to assist the dealers in selling the customer what he needs.

Gas Heating

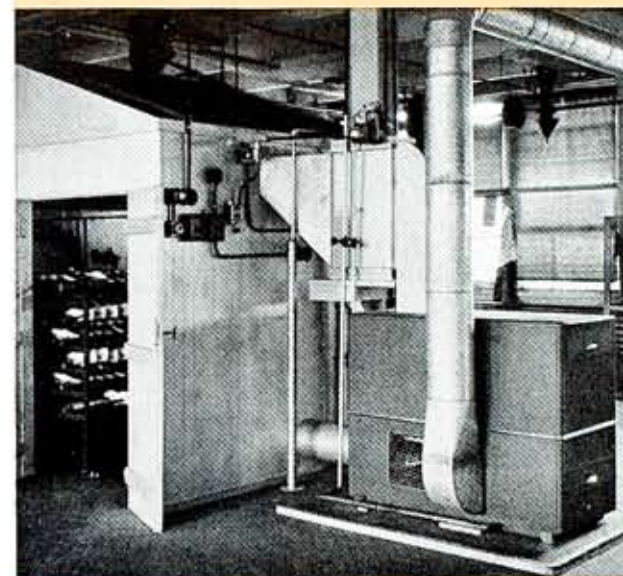
Gas house heating continues increasingly popular. Fan and filter systems of hot air heating meet with favor. They provide clean air, more uniform heating and in summer may be used to force cool air through the house at night and recirculate the air in the daytime, making possible a cooler home. The unit heater consists of a compact gas heating unit provided with a fan



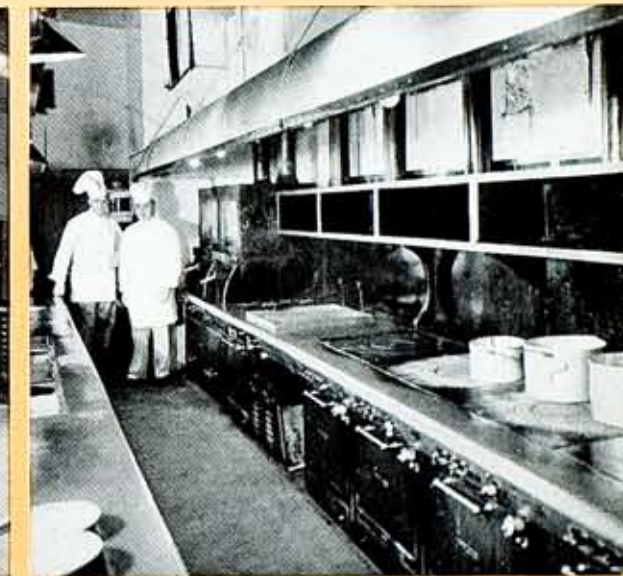
Large gas-electric furnace at the Pfaudler plant.



Unit gas heater (in cabinet) at Love's.



Silica-Gel dehumidifier at the Coon Shoe Company.



Some new gas hotel ranges at the Powers Hotel.

which forces the air over heated tubes. It has been installed in many stores and plants. Units may be hung on the wall, suspended from the ceiling or installed in a floor cabinet. Automatic control and convenient size fit this unit for auxiliary heating, or for locations where space is at a premium.

District Steam

The Company's district steam system is fifth largest in the United States, although Rochester is but twentieth in size among the country's cities. Our large industrial steam business includes three customers which use more than 100 million pounds of steam annually, seven using between 30 and 90 million pounds yearly, 35 using between 5 and 30 million pounds and over 250 other customers. Company uses for steam bring our total use (exclusive of steam used in electric generation) to over 1,250,000,000 pounds per year. This is equivalent to burning approximately 100,000 tons of coal, or the heating required by 10,000 homes for a year. New customers were added in 1937 using 81,260,000 pounds of steam per year.



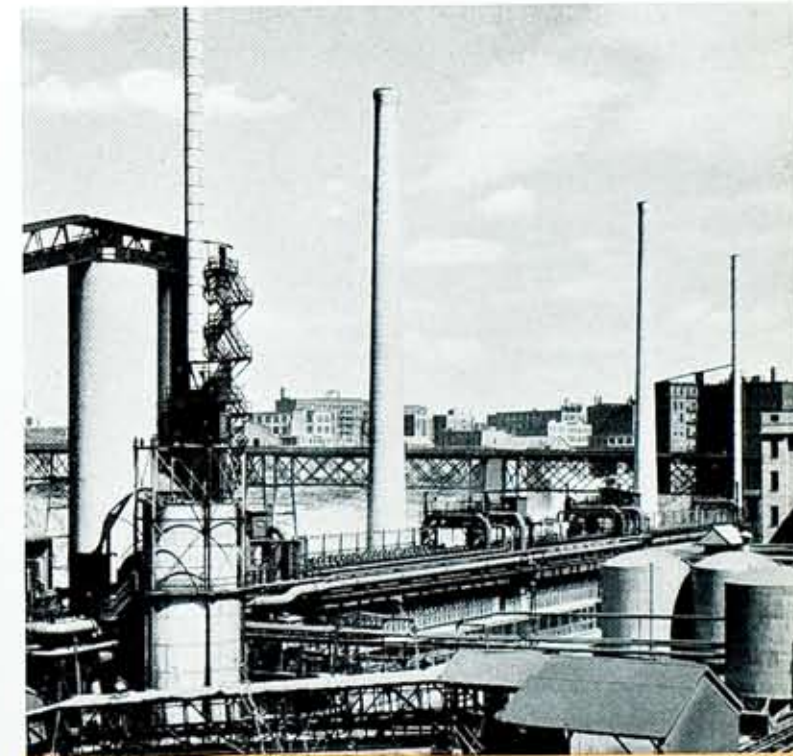
West Station gas manufacturing plant and East Station gas works of the Rochester Gas and Electric Corporation are ideally located along the Genesee River flats below the Upper Falls of the Genesee. Modern smoke consumers eliminate most of the smoke and grime formerly connected with such plants. This picture was taken from the top story of the State Street offices of the Eastman Kodak Company. It shows East and West Stations, respectively on the east and west banks of the river, and the tracks upon which cars of coal are awaiting delivery to West Station.

Gas Manufacture and Distribution Completes Successful Year

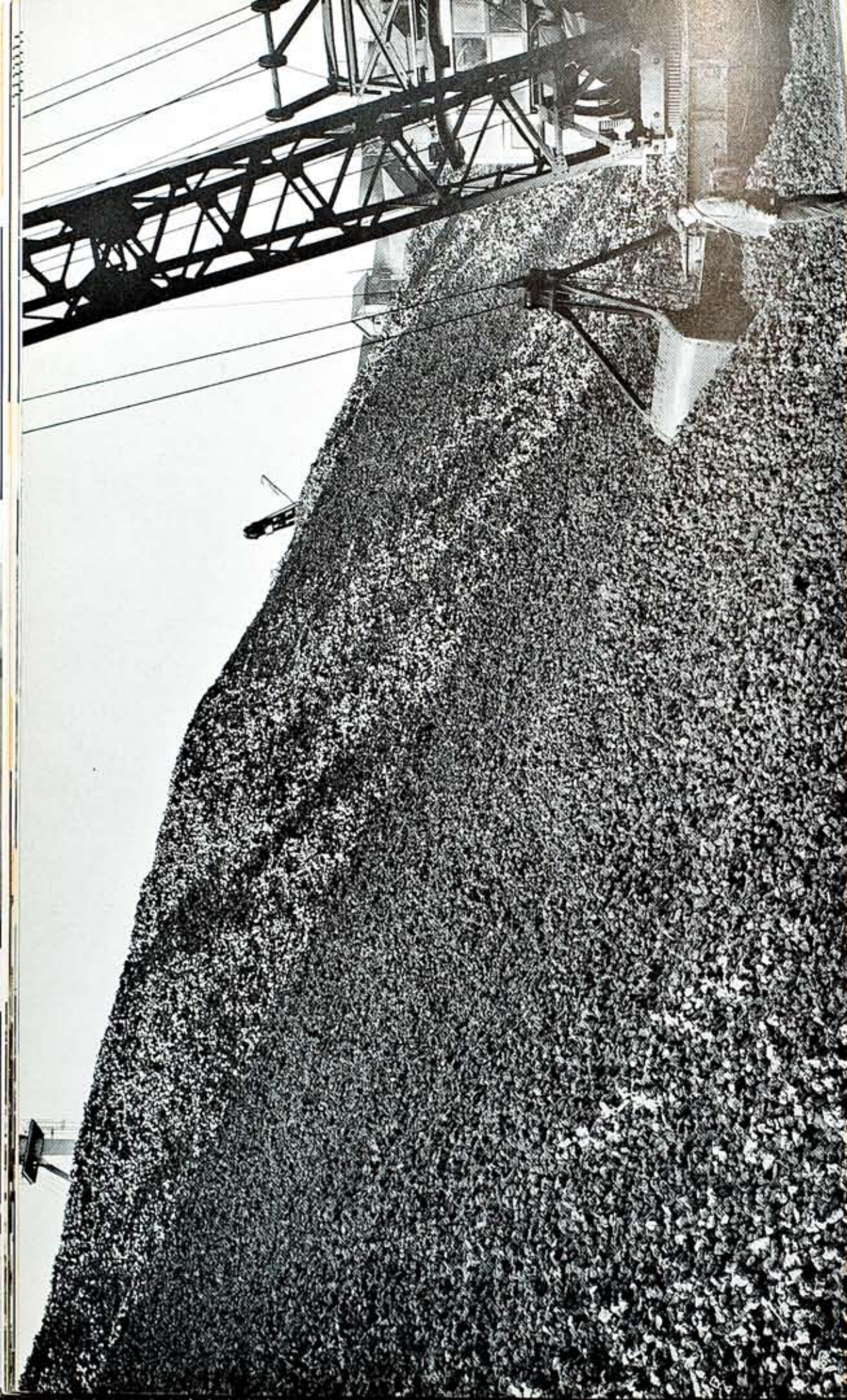
OPERATING at a somewhat better load factor our gas plants last year accounted for an increase in total sendout of some 300 million cubic feet over 1936, or a total of 4,962,058,000 cubic feet. R. G. and E. Dustless Dry-Quenched Coke continued in brisk demand as a modern, outstandingly clean domestic fuel. About 1,412,000 gallons of coal tar were fractionated in our tar still into cresosote, carbolic oil and pitch. Pitch is mixed with bituminous coal and recarbonized in the ovens. The cresosote and carbolic oil find a ready market. Ammonium Sulphate was provided to care for local agricultural requirements.

Recovered sulphur was marketed as sulphur paste, an excellent fungicide for horticultural purposes. Farm demand for it is steadily increasing. Ammonium Thiocyanate, as a weed eradicator, an inhibitor for certain chemicals and as a base for certain products had a ready market. Increased production of these byproducts is planned.

A record total of over 51 miles of gas mains and extensions were installed in 1937, 20 miles more than for the year 1936



Section of West Station where last year a total of 4,962,058,000 cubic feet of gas was the 1937 "sendout." This was an increase of 300 million cubic feet over 1936.



West Station coke pile which receives coke from endless belt conveyors as it comes from the huge dry quencher. As needed for sales the coke is again placed upon an endless belt by large mechanical shovels and transported to the Coke Bins. There it is sized and cleaned, sprayed with Calcium Chloride for dust prevention and dropped into waiting trucks, a Dustless Dry Quenched Coke product much appreciated for its cleanliness, and consistent quality as a domestic fuel.



Section of East Station gas works where a second large light oil scrubber was constructed last year. In parallel with the original scrubber it makes possible the scrubbing of our entire gas production efficiently enough to insure complete Naphthalene removal.

Construction Items

The West Station switchboard and two major circuits leading thereto were revamped and modernized. More power and greater reliability of service will result. A large light oil scrubber was constructed at East Station. Operating in parallel with the original scrubber our entire gas production can be scrubbed efficiently enough to ensure complete Naphthalene removal, so important in gas distribution. It is now possible to scrub for additional crude light oil when economic conditions permit.

Increased Purification Capacity

The liquid purification system for removing hydrogen sulphide from the gas was increased in capacity and modernized by installing a pressure thionizer. Up to 20,000,000 cubic feet of gas can now be handled per day. This will be especially advantageous during peak winter loads and will cut purification costs.

Employees' Smoking Room

At both East and West Stations a large room was furnished to be used as an employees' smoking room. This met with enthusiastic reception by the men working in these zones, where smoking is strictly forbidden excepting in these sanctioned smoking rooms.

Gas Distribution

A record total of 51 miles of gas mains and extensions were installed in 1937, 20 miles more than for 1936. Major installations were: Coldwater Road; Union Street, Chili; Jefferson Road, Fairport; Elmgrove Road, Greece; Cemetery Road, Webster and at Braddocks Heights. Along Elmwood Avenue more than 1400 feet of 4-inch pipe was renewed to 16-inch pipe.

Large Industrial Customers

Service from Company gas mains was provided for five large industrial customers, two of which may each require a possible supply of about 1,000,000 cubic feet of gas per day; The Pfaudler Company, Delco Appliance Corporation (General Motors), two plants of the Reed Glass Company and the Yawman and Erbe Manufacturing Company. Station 9 Steam Plant is also served from this line, as well as 62 customers in Scottsville and 19 in Wheatland and Chili through which the Cabot line extends to the Buffalo Road.

Service to Subdivisions

Gas last year was provided for the large Ellison Heights Park real estate subdivision on the east side. Many of these new homes are using gas house heating in addition to other requirements. The same is true of other tracts such as the Monroe Avenue Estates, Edgewood Estates, Highland Park Terrace, the Latonia subdivision, Cobbs Hill Terrace and others.

Varied Service

The Gas Distribution Department in 1937 made 62,607 service calls and inspections in the interest of good service to domestic, commercial and industrial customers. Of this number about 11,000 were made to inspect or service gas house heating installations, Electrolux (gas) refrigerators and restaurant and hotel gas equipment. The remainder were service calls of a miscellaneous nature. In cooperation with other safety agencies the department answered more than 94 calls of an emergency nature, where skilled inhalator operators, versed in the adequate handling of the Company Inhalator and in prone pressure resuscitations were needed at fires, drownings, electric shock and gas poisoning cases.



Tower of large light oil scrubber installed at East Station during 1937. It operates in parallel with the original scrubber there.

Reconstruction of gas mains in connection with the paving of Front Street gave the gas street Department a real job.



Section of Front Street Gas Shop where gas meters are inspected and repaired at intervals prescribed by state regulation.



A total of 51 miles of gas mains and extensions were installed in 1937, 20 more miles than for 1936.



We POINT with PRIDE and VIEW in PICTURES

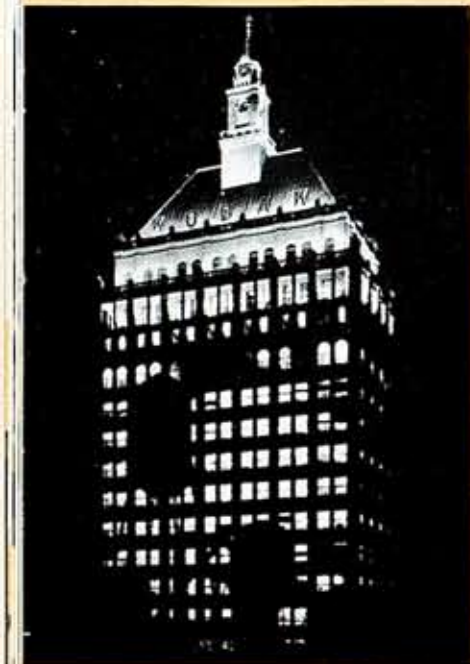
A Beautiful City is the Expression of a Cultured, Industrious People



Skyline vista of Rochester, one of the 10 most important cities in the U. S. A.



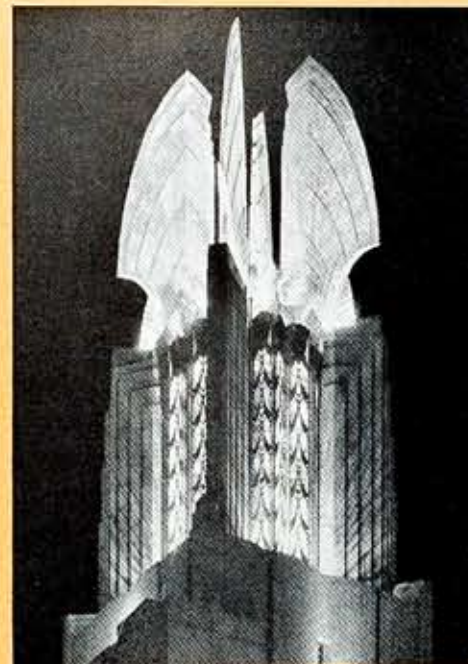
The quadrangle of College for Men, University of Rochester, on River campus.



New office tower at night, Eastman Kodak Company.



The Pillars, Rochester's new \$1,700,000 Post Office.



Winged tower at night, Genesee Valley Trust Building.



One of Rochester's new pools for night and day use.

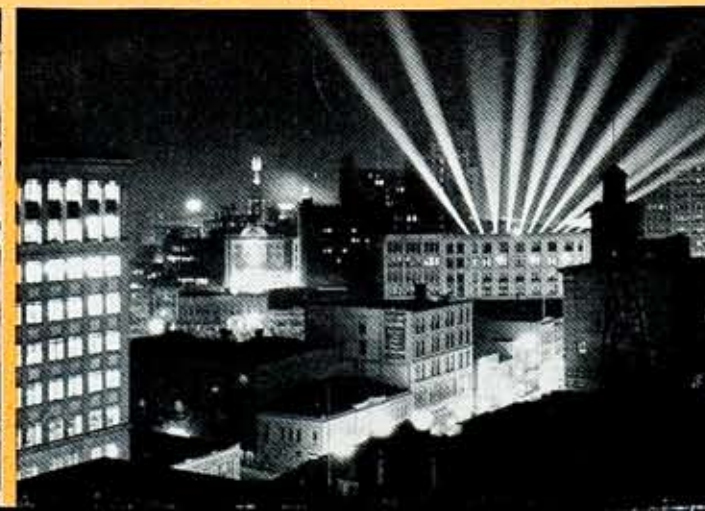


In beautiful Highland Park when the lilacs are in bloom.

1937 Christmas lighting, Clinton Ave. South.



McCurdy's at right, R. G. and E. Bldg., left.



Rundel Memorial Library



Air view, Durand Eastman Park, Lake Ontario



Progress in Electric Generation and Distribution

1937 saw an electric load of 475,014,908 Kw. Hrs., an increase of 10.5% compared with 430,005,751 Kw. Hrs. in 1936. This was an all time record in electrical output as well as an all time increase in peak demand. The 1937 one hour peak reached 95,803 Kw. compared with 87,179 Kw. for 1936.

Hydraulic Generation

This item was the largest in Company history, totaling 224,606,000 Kw. Hrs. an increase of 40% over 1936. A total of 214,900,000 Kw. Hrs. was generated in Rochester alone, and was 1,450,000 Kw. Hrs. over the previous high record of 1928.

Steam Generation, Purchased Power

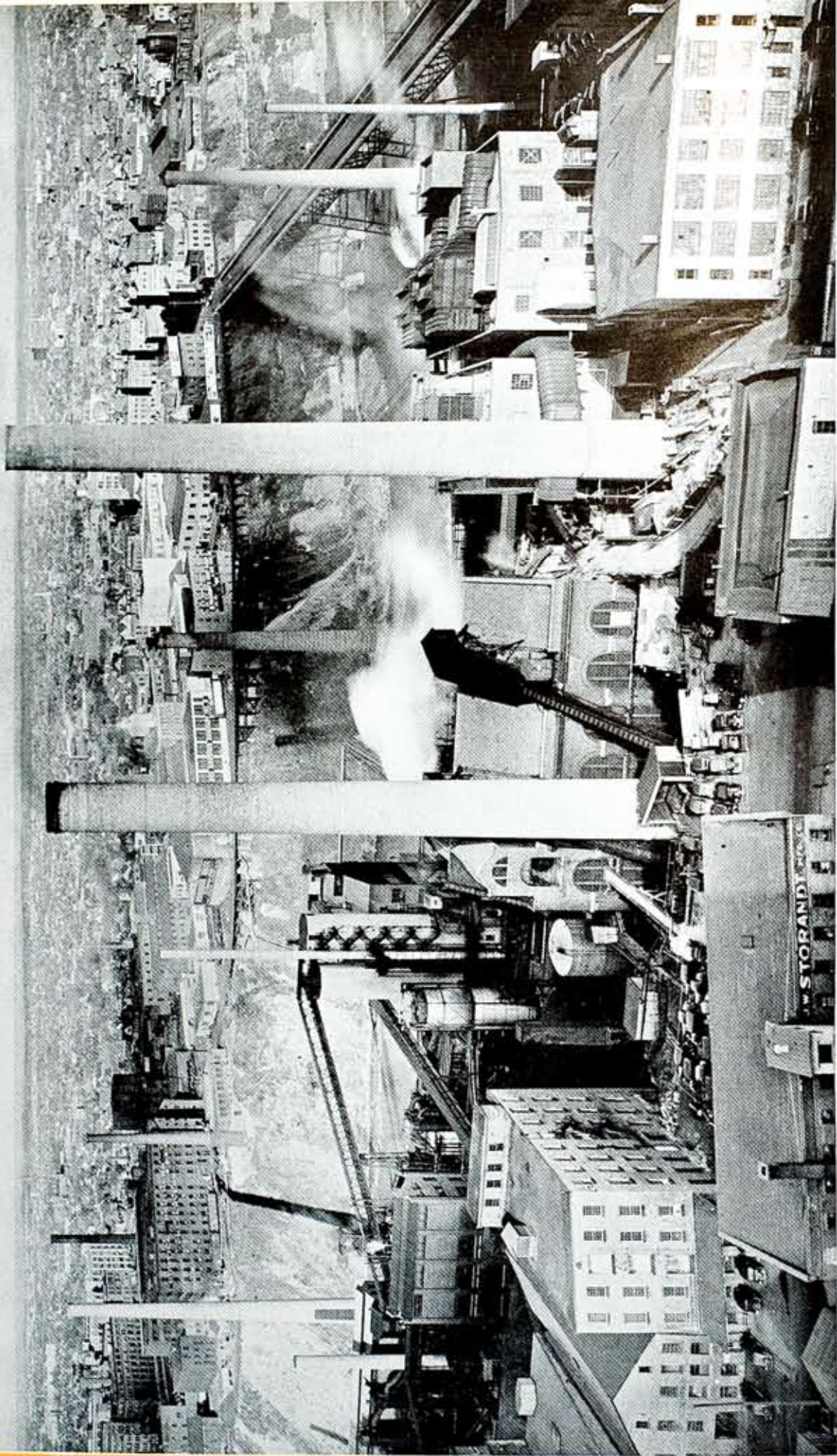
A vital addition to help carry system loads was the completion of the second high-pressure boiler and 6,000 Kw. turbine at Station Three. This station alone had hourly peaks of 62,400 Kw. in October and 61,600 Kw. in November. Increased efficiency in Company generating plants decreased the amount of power purchased by 54% over 1936.

Orders were placed for a third high-pressure boiler capable of generating 250,000 pounds of steam per hour at 650 pounds pressure; also a 25,000 Kw. condensing turbine. Construction has proceeded and this equipment will be available for the low river flow months of 1938, when hydro capacity is at a minimum.

Load dispatcher's office, where load conditions are constantly analyzed and power facilities are dispatched to make the most efficient use of steam, hydroelectric and purchased power.



Station Three section, right, where, during the past few years several millions of dollars were spent in new station extensions, equipment and facilities. Last year the second high-pressure boiler and 6,000 Kw. turbine was installed, and orders placed for a third high-pressure boiler capable of generating 250,000 pounds of steam per hour at 650 pounds pressure; also a 25,000 Kw. condensing turbine.



Many Improvements in Electric Distribution

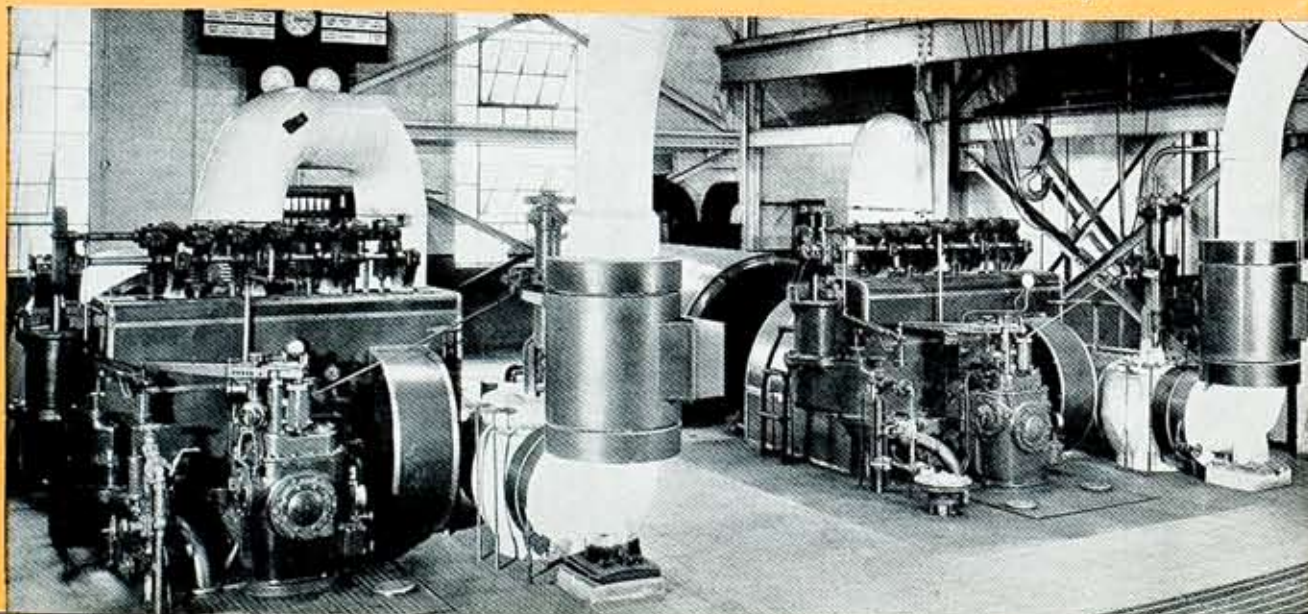
DURING 1937 additions were made to the 11,000-volt tie-line system. The first 11,000-volt circuit for underground network distribution was established. The East Rochester load increased noticeably and installations were made to ensure adequate service. To assure proper voltage and adequate service at the new General Motors plant, present and future, two 11,000-volt cable lines were extended from Station Five, underground to the sub-station on the roof of the plant. The 11,000-volt cables installed are the largest ever used to connect with customers' sub-stations.

Industrial and residential growth on the West Side required the supplementing of tie-line capacity to Station 37, Mount Read Boulevard. An 11,000-volt tie-line was installed from Station 3 to Station 37; also one from Station 3 to Station 35, Litchfield Street. A rearrangement of lines was made to provide a radial system of lines emanating from Station 3, to provide better operation and to minimize interruption to this large area. Pfaudler plant requirements necessitated new tie-line capacity which was supplied by 4,150-volt distribution circuits from Station 37. This required two underground 4,150-volt lines from 37 to the Pfaudler plant.

A. C. Network, Tie Lines

An 11,000-volt circuit to supply the A. C. network in the downtown area was installed. It was connected to transformer vaults on State Street, Clinton Avenue South and Chestnut Street, and extended to supply additional vaults on Cortland and North Streets. Each of the five vaults house 500-Kva. transformers with high voltage disconnecting switches and low voltage

New 7500-Kw., 3600-R.P.M. turbine which replaces old No. 3 turbine at Station Three. This is one of a number of replacements to follow in the interest of efficiency.



Water stored at Caneadea Dam increased river flow at Rochester 15%.

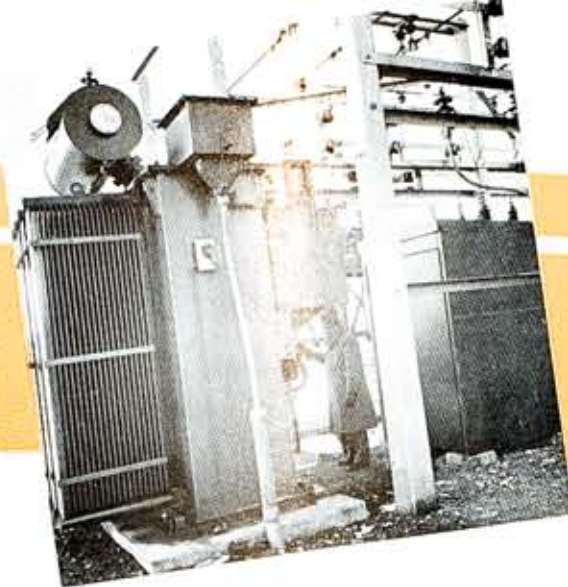
protective equipment. Total network transformer capacity was increased to over 11,000-Kva. on the 11,000-volt and the 4,150-volt networks, without greatly extending the network, due to large loads at Sibley's, at McCurdy's and increased air-conditioning and modern lighting loads. New underground and overhead lines for emergency ties and better routes for normal supply were installed in the north-west section. The pole line along Ridge Road was reconstructed and a larger conductor provided as far as Long Pond Road. Over \$100,000 was expended in relocating underground and overhead lines in connection with street and highway improvements, such as East Avenue widening, with new underpass at Blossom Road; Front Street improvements; sewer and pavement jobs and state and county highway work.

Street Lamps, Rural Lines

About 150 new street lamps were installed and fixtures changed on several hundred others. Three extensive installations were: underground fed ornamental lights on Clinton Avenue from Monroe Avenue to the city line, and the relighting of North Goodman Street and Clifford Avenue throughout their entire length. About 160 miles of rural lines were constructed, bringing the total to 580 miles. Leading was the Lake Shore District, followed by Canandaigua, the Genesee Valley and the Rochester section. A total of 300 customers in the Lake Shore district were changed over from 25 to 60-cycle service in Wallington, Sodus Center and Alton, extending this service from Sodus village to a point just east of Alton. A new sub-station was constructed at Manchester. New regulators were installed in Webster and Fisher's sub-stations. An 11,000-volt regulator was installed at Sodus which effects all the lines going east supplying Sodus Point, Sodus Center, Wallington, Alton and extensive rural territory. Regulators were installed in Nunda, Bolivar, Belmont, Friendship and Fillmore to compensate for long transmission lines between villages. New wire was installed from East Rochester sub-station to Pittsford four-corners, for better service and to minimize breakage.



5,000-Kva synchronous condenser installed at Station 1 on the 4,150-volt bus.



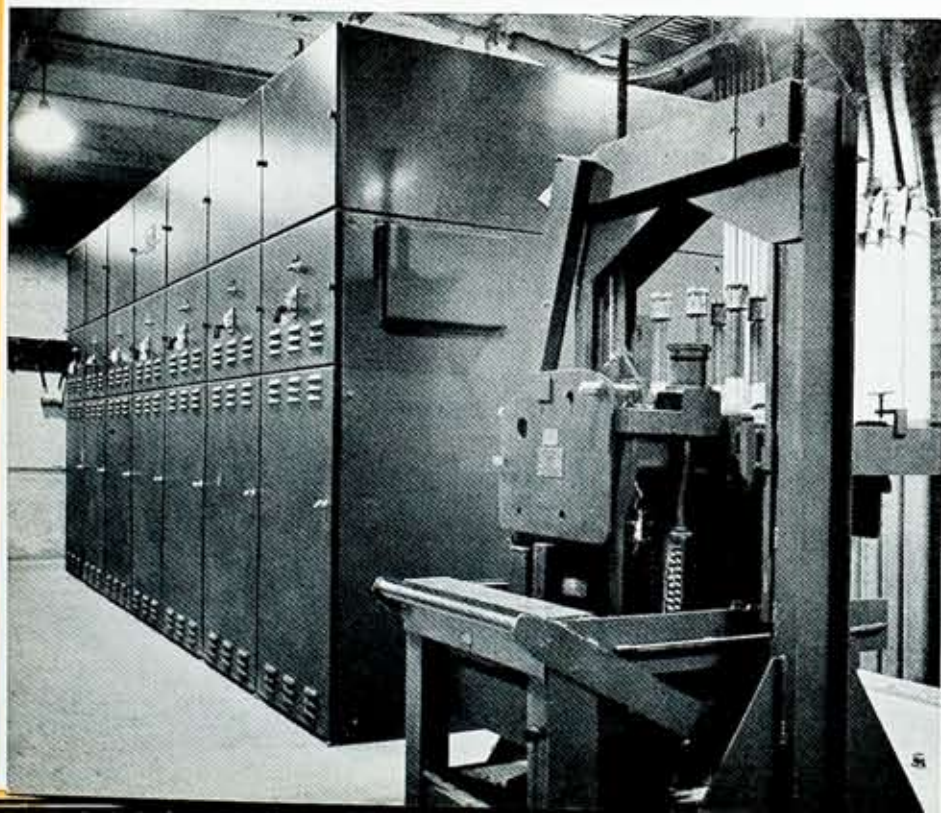
4,150-volt transformer, of 2,000-Kva capacity, added at Station 42.

Customer Substations, New Equipment

Customer sub-stations were put in at Bausch and Lomb's, at the Pfaunder plant and the new General Motors plant.

Increased load conditions in the Station 1 district required a new 4,150-volt transformer of 2,000-Kva. capacity to be added to the 11,000-volt equipment at Station 42. It is self-contained, permits tap changing under load and is easily moved to accommodate changing load requirements. It requires no oil circuit breaker on the 4,150-volt side. The one circuit breaker on the 11,000-volt side permits automatic reclosing in the case of fault on the one cable connected to this transformer.

A 5,000-Kva synchronous condenser was installed at Station 1 on the 4,150-volt bus. This machine reduces the total Kva which must be carried



New type metal clad oil switches at Station 3, mounted in steel houses.

over the lines between Stations 3 and 1 by about the capacity of one 11,000-volt cable. Tie-line capacity valued at over \$70,000 can be recovered through the service of a machine costing less than \$40,000. A new 11,000-volt tie-line between Stations 1 and 43, and two new 1,000-Kva. step-up transformers at Station 43 now provide a total of 6,000-Kva transformer capacity at the latter station, needed to care for increased load in the Lake Shore District.

Repairs, Metering, Maintenance

A major repair job was the rewinding of the rotor on the 8,500-H. P. motor on No. 2 frequency changer set at Station 33. Collaboration between the Electrical Laboratory and the Westinghouse Company solved a major problem in metering customers on the K. V. A. industrial rate. It came up in connection with the new 11,000-volt service to Bausch and Lomb's and the new A. C. network to Sibley, Lindsey and Curr Company's store. It provides accurate metering and will save on similar future installations.

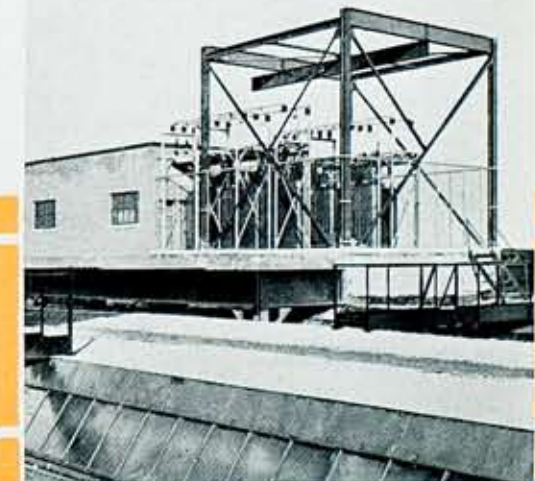
Efficient maintenance on relays and switch gear in Company stations was shown in actual practice. Of some 345 operations of protective equipment nearly 98% were correct. The equipment's prompt and efficient action in one instance prevented a serious interruption to the downtown power supply.

Engineering Studies

Engineering studies were made in the simplification of the entire 11,000-volt system in an attempt to determine how best to handle load growth and system disturbances. A new 25,000-Kw. generator made it necessary to carefully study facilities for the delivery of this additional power to the point of use. The system was set up in miniature at the Massachusetts Institute of Technology, at Schenectady on the Network Analyzer, and at East Pittsburgh on the A. C. Calculating Board, and various operating phases were studied, such as stability, load distribution over the 11,000-volt system and system disturbances due to failure in cables and other apparatus.

Increased generating plant efficiency decreased the amount of power purchased by 54% over 1936.

Large customer's sub-station on the 10-acre roof of the new General Motors plant.



Employee Activities . . Personnel and Public Relations

THE established policy of the Company in promoting and operating personnel activities has been continued, as described in some detail in previous issues of this Year Book.

A few significant facts deserve special mention at this time.

Accidents

In conformity with the general trend throughout industry and society, the latter particularly with reference to the operation of automobiles, the Company's accident record in 1937 was somewhat less favorable than in 1936. This record is measured by the experience rating credit on insurance premiums allowed by the New York State Insurance Rating Board. The credit for 1936 was 52.7% and for 1937 was 46.2%. For the past 10 years this credit has averaged 45.9%. During the year 1937 in an endeavor to further reduce accidents, the Company's accident program was materially strengthened.

Insurance Plan

The employee insurance coverage under the Insurance Plan now aggregates \$9,861,500.

The major employee welfare activities, viz. the E. B. A., the Pension Plan (mentioned on page 45) and the Insurance Plan are operated with very substantial contribution by the Company for the benefit of all employees.

R. G. and E. Women's Chorus party celebrating its fifth year of activity.



The riding class is an employee activity, with regular classes held at the 121st Cavalry armory.

Our baseball teams last year were runners-up in city championship finals. In 1936 they won the city championship, Industrial League.



The Men's Chorus in six years has sung before 50,000 persons in over 100 concerts.



F. W. Fisher, official radio spokesman for the Company in its appreciated Trooper Drama broadcasts, over Station WHAM.





The dramatic club contributes its services to worthy organizations, schools, churches, etc., and is much in demand.

Basement sales group in regular morning report meeting and pep session.



Dinner at the Chiselers' Club in honor of an employee celebrating fifty years service with the Company.



Regular weekly gathering of Company bowling group, who rank high in competition.



Education

Among the subjects presented at the regular employee meetings during the year were the following:

- Purchasing, Costs and Waste Economics
- Finances and Accounting
- Economics of Water Heating with Gas
- The Work of the Chemical Laboratory and its Relation to Company Operation
- Company's Activity in Modernizing Kitchens and Model Home Building
- Safety—Discussion of actual cases of accident
- Electric Distribution, Construction, Operation, Maintenance and Service

The Employees' Benevolent Association

The E. B. A. was enabled during the year to increase its sick and accident benefits from $\frac{1}{2}$ of pay for 10 weeks with a maximum of \$15.00 per week to $\frac{3}{8}$ of pay for 10 weeks with a maximum of \$25.00 per week because of the generous voluntary increase of the contribution made to it by the Company. The Company, which formerly contributed one dollar for each dollar contributed by the employees, now contributes two dollars for each dollar of employee contribution.

Pension Plan

The Company now has 38 employees retired under its Pension Plan. As was expected the pensions available during the earlier years of the plan are not adequate to provide all pensioners with a suitable standard of living, and the Company has, therefore, increased the pensions of 35 of these pensioners by special payments aggregating more than \$15,000 during the year.

The accrued liability under the Pension Plan has been further reduced during the year, and will be entirely liquidated by about 1940 provided the present rate of payments is continued.

The R. G. and E. Basketball team, one of the Company's numerous athletic organizations, which number some of the best local talent.



★
Rochester
Industry Carries
Commerce Round
the World

"If Its Rochester Made

GREAT CITIES RESULT FROM A FINE COLLABORATION OF MAN AND NATURE. ROCHESTER IS FORTUNATE IN HER GENEROUS ENDOWMENT OF NATURAL BEAUTY AND RESOURCES.

Its a Quality Product"

ROCHESTER'S AMPLE PARKS AND WATERING PLACES FORM A FINE SETTING FOR BEAUTIFUL STREETS, HAPPY HOMES, AND A RADIANT CIVIC, INDUSTRIAL, AND BUSINESS LIFE IN WHICH MUSIC AND CULTURE DOMINATE.

★
Utility Services
Lead the Way
Toward Industrial
Progress



Left, "A drop of mercury, a tube of glass." A step in the making of TAYLOR Thermometers.

Right, "There's Nothing Finer" than a Stromberg-Carlson, Rochester-made radio.



Right, Delco Appliance division of General Motors features electrical equipment.

Right, Spectacle lenses are one of Bausch and Lomb's chief products.



Left, Hickok sets style leadership in belts, braces, etc.

Left, Ritter Dental Company leads the way in dental equipment. Wilmot Castle Safe Light shown.

Below, Latest electric sheet model 33 Protectograph Checkwriter.



Above, Filing systems and equipment for business, plants, libraries, banks, schools, etc. make "Y and E" famous.

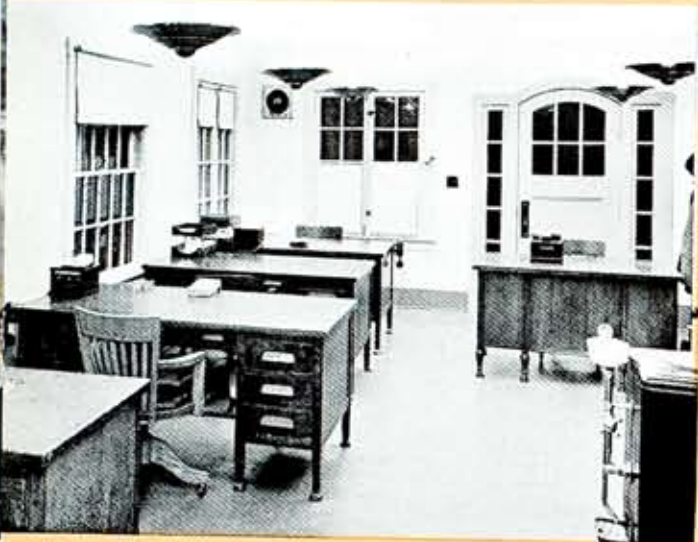
Right, Keller-Heuman-Thompson, makers of "Timely Clothes," are representative of Rochester's Clothing industry.

Right corner, There's always a "Picture Ahead" if you take your Eastman Kodak along on trips or vacations.





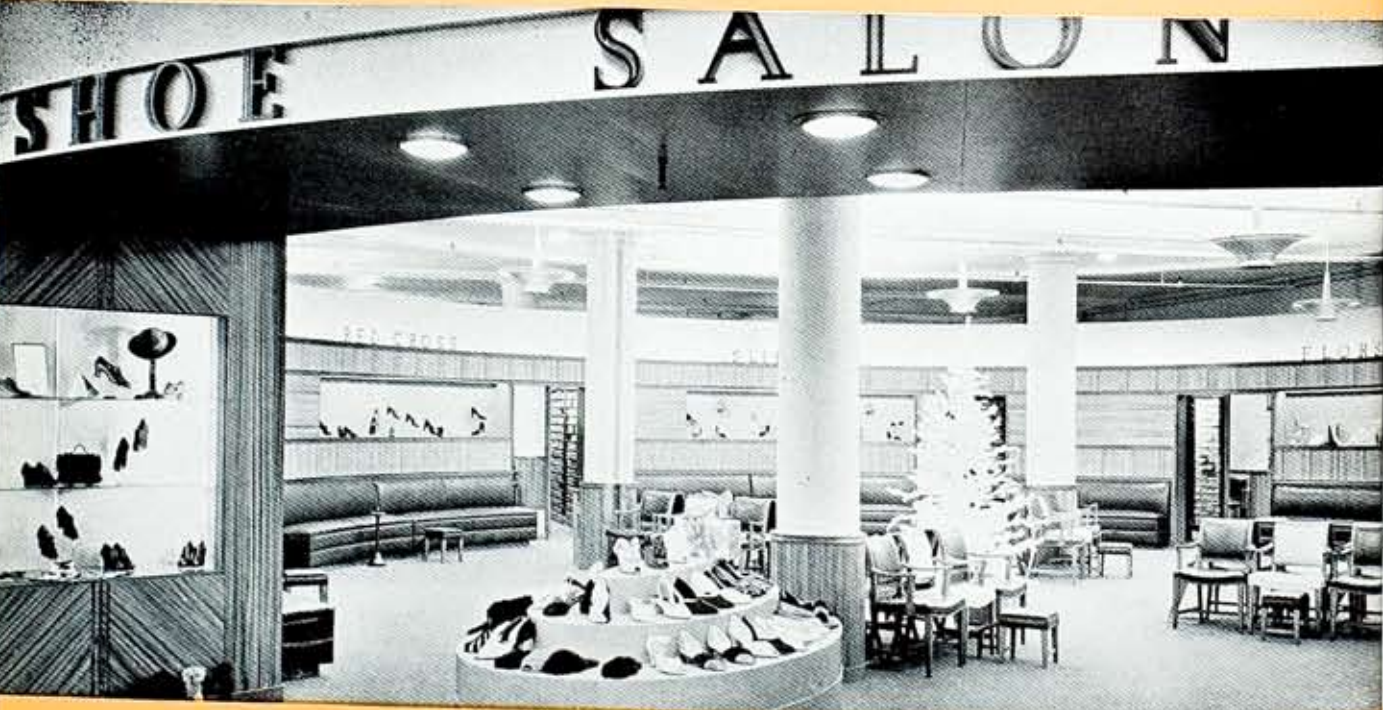
Love's new type silhouette sign, from design created by Industrial Department, Ridge Road and Lake Avenue.



Modern lighting, Tydol office, Pittsford, N. Y.



Board Room lighting, A. J. Wright investment house.



Small section of Sibley's modernized Fashion Floor equipped with indirect fixtures plus "down" lighting. Such lighting makes shopping easier.

Keeping Rochester Well Lighted

FOR many years Rochester has had the reputation of being one of the best lighted cities in this country. That reputation originally applied to street lighting and Rochester's great "white ways." Today, however, Rochester's business and industrial lighting ranks with the best as well. In a recent lighting brochure released by the General Electric Company, published for national distribution, 4 of the 11 illustrations selected to represent "tops" in lighting practice were from photographs of Rochester installations presented by the Industrial Department.

Industrial Lighting Doubles

During 1937, Rochester's industrial plants became more and more interested in better lighting because of their belief in its ability to bring about safer and better working conditions. Industrial lighting for last year just about doubled in volume that installed the previous year. The nine lighting men of the Industrial Department were successful in improving the lighting at many commercial and industrial establishments. A total of 557 installations were made with a total connected load of 4116 Kw.

Lighting a Recognized Safety Factor

Trends toward modernization of lighting installations in the City of Rochester and a more equitable distribution of light along traffic arteries last year resulted in a net increase of 132 lamps and a total net increase of 16,300 candlepower over 1936. This included the replacement of widely spaced 600-candlepower lamps with 250-candlepower and 400-candlepower lamps at closer spacings, coupled with an increase in candlepower in lamps in the 80-candlepower group.

Outside Rochester, five municipal lighting contracts were renewed with an added annual revenue of \$1,500. Higher candlepower and modern fixtures indicates the growing importance of lighting as a mark of civic enterprise and an effective agent for public safety and convenience. The villages of Hilton, Victor, Shortsville and Manchester and the Town of Manchester provide notable examples of improved lighting with a planned program for added improvement.



St. Paul Boulevard, Rochester, N. Y., one of the finest lighted thoroughfares embodying modern safety lighting. During the past year these Sodium Vapor lights resulted in effectively reducing loss of life due to motor vehicle accidents. It is called the "path of gold."

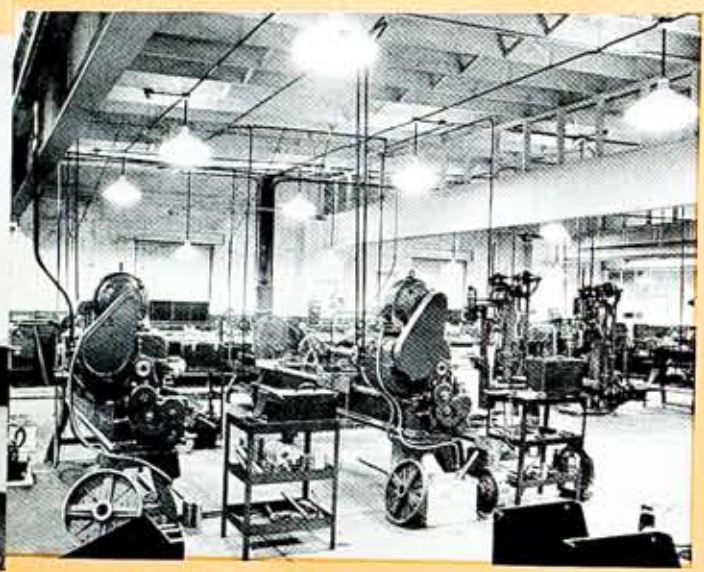


The Company for years has consistently pushed the "Better Light Better Sight" movement. This has resulted in better lighted homes, conservation of eyesight in homes, industry and business, better products, better working conditions and has decreased working and motoring hazards due to inadequate lighting conditions.

Lighting plays an important part in H. B. Graves' Modernization program. This is a view of the Main Floor furniture sales area.



(Below) Ideal combination of lighting and architectural design at the Frances Kitchens, which speaks for itself.



35 foot-candles of diffused lighting at Mixing Equipment Company helps create fine working conditions and an excellent product.



Good lighting at Sodus Point School conserves eyesight and makes studying much easier.



Section of McCurdy's Third Floor, where lighting varying from 20 to 45 foot-candles creates a pleasant shopping area. Down lights emphasize certain displays.



A Look Into the Consumers' Bookkeeping Department

THE Consumers' Bookkeeping Department embraces activities having to do with customer accounts. It is located on the second floor of the Gas and Electric Bldg. Associated in this important work are the related activities of billing, tabulating, credit and collection, meter reading, addressographing and other operations of a kindred nature. More than 250,000 readings of gas and electric meters are accomplished monthly and the varied clerical and bookkeeping, proving and checking done in connection with the thousands of customer's accounts. The necessary billing of these accounts is centralized in this large department which employs 300 men and women highly skilled in their respective tasks. This department is responsible for all accounting activities from the time a customer applies for service until the final bill for services is rendered and paid. The work of the department is divided among twenty different groups.

Section of files containing over 150,000 different names.



Tabulating Department

Tabulating and billing machines perform seeming miracles of mechanical billing, tabulating, checking and proving of bills and do much of the arduous work once done painstakingly by hand, with pen and ink. Like many other modern business activities, the consumers bookkeeping department is greatly aided in performing its routine work skillfully and accurately, by electrical helpers, which handle routine tabulating jobs electrically, at a speed of about 800 bills per hour.

Customers' History File

The large credit and collection file, referred to as the "history file" is of the very latest improved design. It contains over 150,000 cards carrying the complete history of every customer's business relations with the Company,

View of Consumers' bookkeeping department, which alone employs over 300 persons in varied activities.



purchases made and other items. Instead of making use of the usual alphabetical method of filing the new "Soundex" method is used. This brings together and makes easily and quickly available all names which sound alike, such as Smith, Smythe, Schmidt, etc. When a customer calls in for information or service requiring a review of his relations with the Company, or when some other transaction requires this information in the course of the department's routine, the information is instantaneously at hand. This obviates asking many questions over the telephone and saves the customer valuable time, while assuring him the quickest possible service. Direct telephone communication is maintained between the "history file" and the application and service desks and the coke sales department on the main floor, where many of the calls originate.

One of the unit desks which illustrates the slogan "A place for everything, and everything in its place," and simplifies customer accounting work.





Back of the unit desks in the new improved system which was installed during 1937.

The Unit Desk System

Customers' records are carried in a unit desk system comprising twelve desks with an operator for each. A handy telephone is available between each pair of desks for the operators' use. All records pertaining to a customer's account for gas and electricity are carried in these twelve desks, or units. The system was installed in 1937 and is the latest and most efficient method yet devised for handling these records with dispatch and efficiency. The unit desk system symbolizes the old slogan "A place for everything and everything in its place," and makes also for better working conditions which are much appreciated by the operators, each one of whom is always in direct telephone communication with the service department and other departments.

Each unit desk operator handles the accounts of about 10,000 customers, which comprise a safe cabinet with five drawers of tabulating cards, and another with sufficient capacity to receive 60 meter books, together with



Tabulating machine key punchers, a skilled unit in the efficient tabulating department.



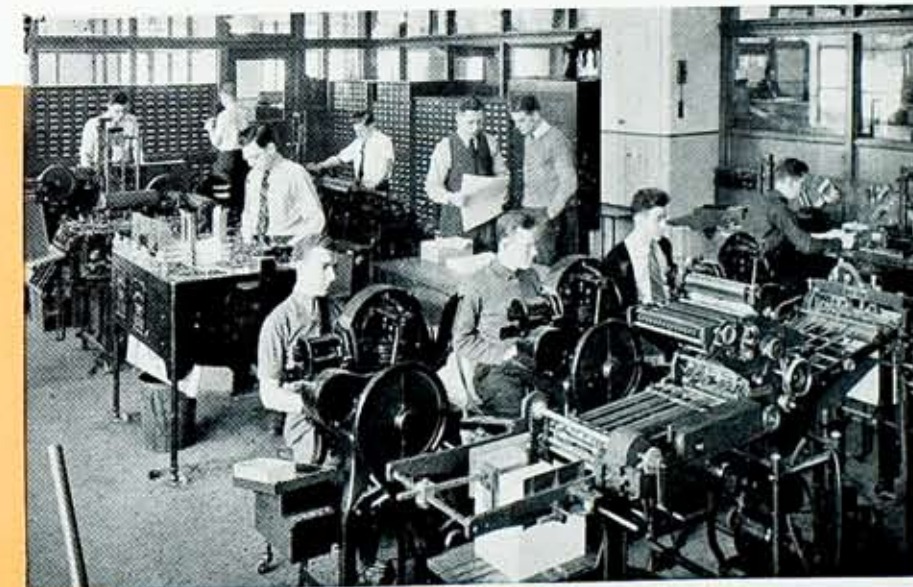
Another view in the tabulating department where bills are made up, and proved for accuracy and other tabulating routine is done.

corresponding meter orders and paid cash tickets. The unit desks contain the daily outstanding balance in the Company's accounts, amounting at the present time to a total of over one million dollars.

The Addressograph Department

Cabinets in this department contain the addressograph plates of about 140,000 gas and electric consumers. Equipment includes a Multigraph printer, Graphotypes, an inserting machine which automatically inserts up to four enclosures in a single envelope at a speed of about 3,000 insertions per hour, a large bill printer and numerous addressograph machines. The model 3700 Addressograph uses a roll of paper weighing 225 pounds, or 3,000 yards. It prints the rate shedule on the back of bills, cuts the bill off the roll, imprints name, address and account number four times on each bill at the rate of 6,000 impressions per hour. This wonderful modern machine also prints data on the face of the bill as it leaves the machine.

Addressograph department, where bills are addressed, printed and inserted in envelopes for delivery. The files contain the plates of about 140,000 consumers.



ROCHESTER GAS AND ELECTRIC CORPORATION

Ten Years' Growth

	For the Year of 1937 or as of Dec. 31, 1937	For the Year of 1927 or as of Dec. 31, 1927	Increase	%
Plant and Equipment	\$79,525,659.39	\$60,559,145.38	\$18,966,514.01	31.32
Gross Revenue	15,643,301.19	12,730,828.81	2,912,472.38	22.88
Total Wages	4,866,395.40	4,218,715.28	647,680.12	15.35
Total Taxes	2,580,630.86	1,423,897.64	1,156,733.22	81.24
Kw-Hr. Electricity Sold	380,025,183	276,679,209	103,345,974	37.35
Cubic Feet Gas Sold	5,110,718,700	4,206,355,300	904,363,400	21.50
Number of Employees	2,494	2,390	104	4.35
Electric Consumers	136,452	99,328	37,124	37.38
Gas Consumers	112,854	102,782	10,072	9.80
Steam Consumers	332	321	11	3.43
Total Consumers	249,638	202,431	47,207	23.32
Population of Territory Served	501,976	414,323	87,653	21.16
Hydraulic K. W. Capacity	48,460	46,530	1,930	4.15
Steam K. W. Capacity	89,975	72,095	17,880	24.80
Total K. W. Capacity	138,435	118,625	19,810	16.70
Coal Gas Capacity per day	16,000,000	8,670,000	7,330,000	84.54
Water Gas Capacity per day	12,890,000	12,710,000	180,000	1.42
Total Gas Capacity per day	28,890,000	21,380,000	7,510,000	35.13
Number of Street Lamps	27,931	21,267	6,664	31.33
Miles of Overhead Wire	9,768	4,568	5,200	113.84
Miles of Underground Wire	3,044	2,468	576	23.34
Miles of Subway Duct	2,051	1,732	319	18.42
Miles of Gas Main	907	705	202	28.65
Tons of Steam Coal Used	206,238	203,202	3,036	1.49
Tons of Gas Coal Used	412,166	299,908	112,258	37.43
Gallons of Gas Oil Used	308,455	1,981,278	*1,672,823	*84.43
Tons Coke made	274,707	210,850	63,857	30.29
Tons Coke sold	200,694	155,722	44,972	28.88

*Denotes Decrease

R. G. & E. Preferred Stock

HOLDERS of Preferred stock of the Rochester Gas and Electric Corporation totaled 7,812 on December 31, 1937—an increase of 900 during the past year.

Forty-two per cent of all stockholders are residents of Rochester or its suburbs and are therefore also customers of the Company for its gas and electric services.

Included in the Company's stockholders are seventy-six Insurance Companies with average holdings of 500 shares; thirty-seven banks or trust companies acting in a fiduciary capacity; eighty-eight religious and charitable organizations and forty-two educational institutions with average holdings of 272 shares.

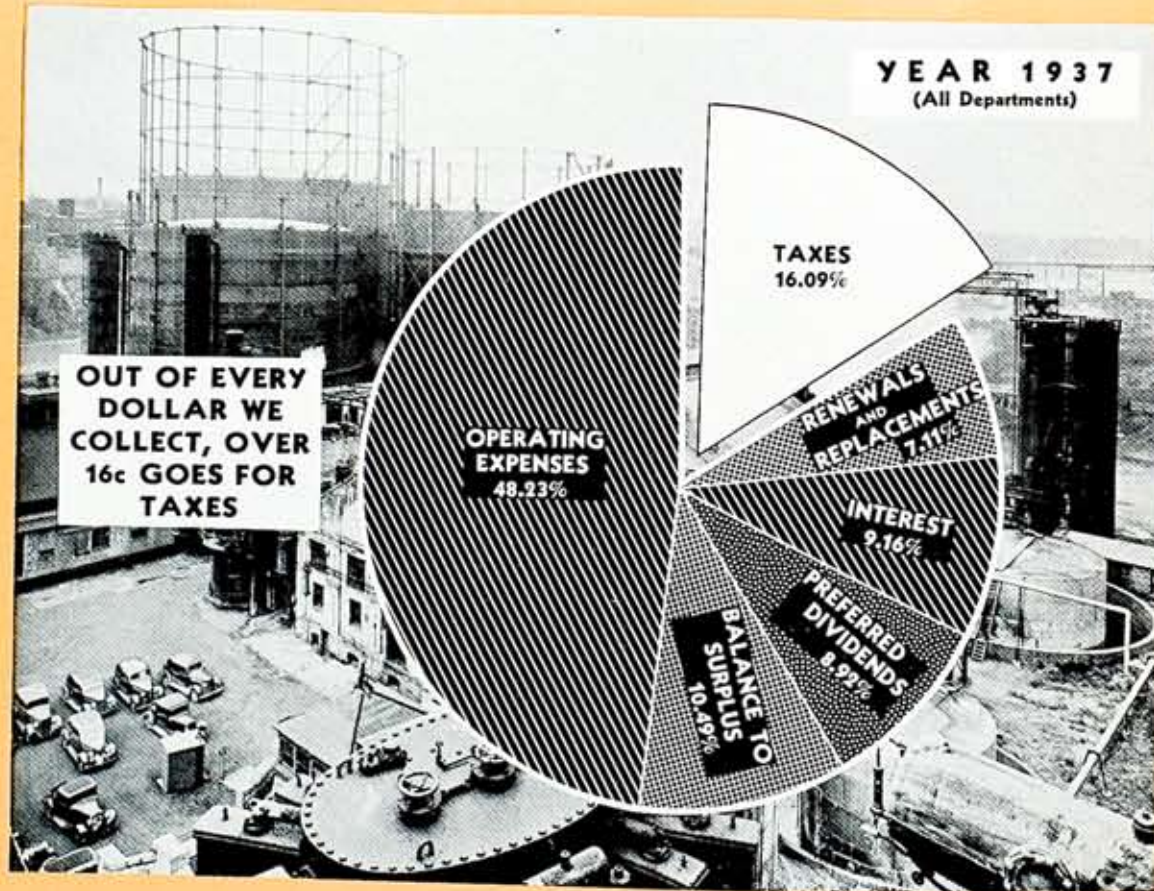
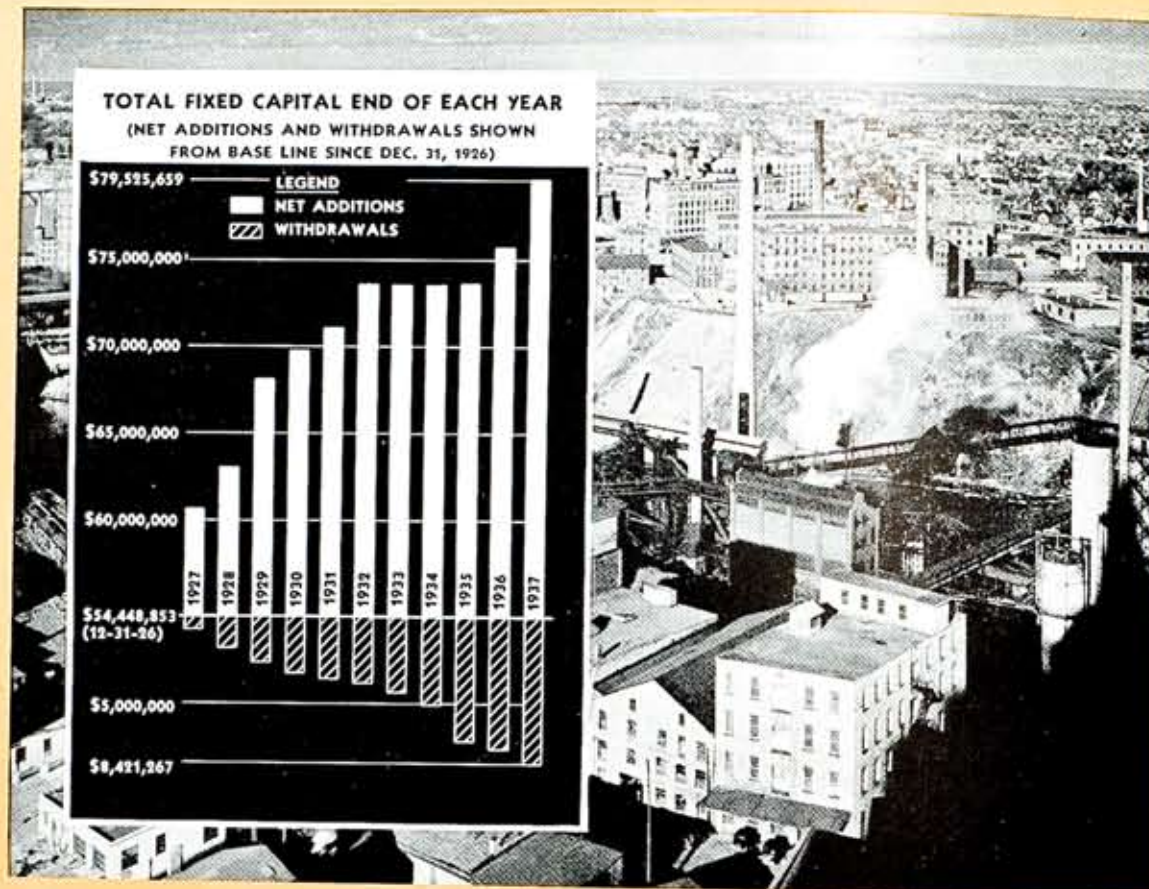
Preferred stock outstanding at the close of the year 1937 on which quarterly dividends were paid March, June, September and December 1 was as follows:

- 6% Cumulative Preferred Series "C"— 27,000 Shares
- 6% Cumulative Preferred Series "D"—171,871 Shares
- 5% Cumulative Preferred Series "E"— 40,000 Shares



Rochester is one of the best lighted cities in this country.

CHART
"A"



Ten Years of Service

THE management of a public utility has a responsibility to the public served to render good and adequate service at all times, at reasonable rates. This company's conception of this obligation is clearly and aptly defined in the March, 1937 issue of the company magazine, as follows:

"SERVICE is the cornerstone of usefulness, and the service of this company is dedicated to the emancipation of needless drudgery in the home, the promotion of industrial and civic progress and the happiness and prosperity of the community."

For many years the March issue of this magazine, called the "Year Book," has been devoted to portraying by pictures, charts and the printed word, as vividly as possible, the outstanding accomplishments made during the preceding year. Thus the public we serve, our security holders and others interested may know the major developments in operation, additions to plant and equipment, and other pertinent facts that have to do with the company's growth and the use of its service.

It has also been the custom to briefly show the increase in customers served, consumption of gas, electricity and steam, and other statistical information showing the growth or expansion over a ten-year period.

The motive or dominating thought in the preparation of the material going into the Year Book has been to place before the public and our security holders as complete a resume as possible of the activities of the company in our desire to promote a better understanding between the company and all those affected by its operations.

In addition to this responsibility to the public served, the management of a public utility is responsible directly to the Board of Directors and through them indirectly to the owners of the securities of the Company, to the many thousands of investors who have expressed their faith in the Company through the purchase of its preferred stocks and bonds, and to the owners of the common stock of the Company, who also have invested money in it (all of whom are represented by the Board of Directors).

THE FINANCIAL STATEMENT

The financial statements in the Annual Report to Security Holders show in condensed form how the Company has met this responsibility from year to year, but space does not permit the inclusion of the mass of detail that would be required to thoroughly analyze the figures. By charts and explanatory notes we are presenting herewith a ten-year picture of the operations of the Company, to supplement the financial statements which we trust will be interesting and instructive.

Utilities are constantly faced with the necessity of making additions to plant and equipment to meet increased demands for service. In order to be ready to serve, the demand must be foreseen and the investment in additional facilities made well in advance. Chart "A" (top page 58) shows the net amount invested in Fixed Capital at the close of each year from 1927 to 1937, inclusive, above the base line, and the amount of withdrawals for each year below the base line.

The total of gross expenditures during the ten-year period was \$26,672,631. The withdrawals of fixed capital, which was replaced by new capital during the period, amounted to \$7,706,117. The net additions, amounting to \$18,966,514, increased the total amount invested in Fixed Capital, (which at the close of 1927, was \$60,559,145), to \$79,525,659 at the close of 1937. The \$26,672,631 expended on gross additions was secured from the sale of \$12,000,000 of bonds, and \$689,300 from the sale of preferred stock, a total of \$12,689,300 invested by the public; \$5,500,000 additional investment by the owners of the common stock, and the balance, \$8,433,331, was expended from the Replacement Reserve and from surplus earnings.

The capital structure of the company consists of Funded Debt, which has first claim on the assets of the Company and on income for the interest it is entitled to receive, followed by the Preferred Stock, which has second claim on assets and income, and lastly by the Common Stock. The owners of the Common Stock are entitled to the balance of earnings after all expenses, taxes, interest charges and preferred dividends have been paid, but, because they can only receive a return on their in-

HOW WE SPENT WHAT OUR CUSTOMERS PAID US FOR SERVICE

	IN 1937		IN 1927	
	AMOUNT	%	AMOUNT	%
We Received	\$15,643,301	100%	\$12,730,829	100%
Paid Out For WAGES ^(A) <small>(PAID FOR COMPENSATION OF EMPLOYEES—INCLUDES PEN- SION, LIFE INSURANCE, ETC.)</small>	\$ 4,694,541	30%	\$ 3,123,787	25%
Paid Out For MATERIALS, CONTRACT WORK & SERVICES	2,838,872	18%	2,468,308	19%
Paid Out For TAXES ^(B)	2,513,628	16%	1,413,921	11%
Put Into REPLACEMENT RESERVE	1,111,347	7%	967,059	8%
Paid Out For INTEREST	1,430,348	9%	1,437,917	11%
Paid Out For PREFERRED STOCK DIVIDENDS.	1,393,226	9%	1,338,003	10%
Balance For COMMON STOCK AND OTHER CORPORATE PURPOSES ^(C)	1,661,339	11%	1,981,834	16%
TOTAL	\$ 15,643,301	100%	\$12,730,829	100%

NOTE: (A) DOES NOT INCLUDE \$632,187 CHARGED TO CONSTRUCTION ACCOUNTS.
(B) DOES NOT INCLUDE \$67,003 CHARGED TO NON-OPERATING ACCOUNTS.
(C) NO DIVIDENDS PAID ON COMMON STOCK IN 1937

CHART "C"

COMPARISON YEARS 1927 AND 1937 FOR ENTIRE COMPANY

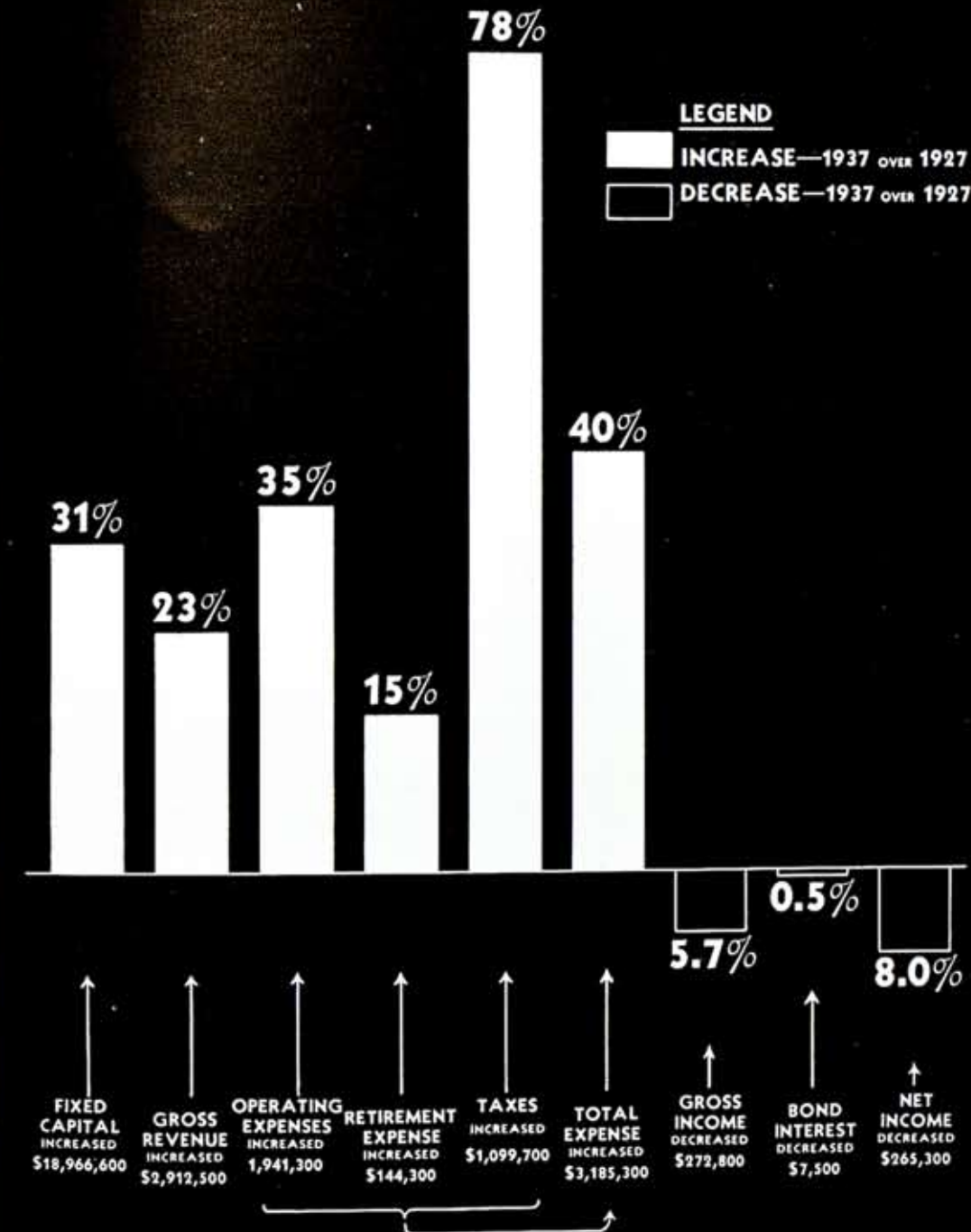


CHART
"B"

Ten-Year Condensed Income Statement

	1927	1928	1929	1930	1931
Gross Operating Revenues	12,608,488.83	13,572,585.85	14,729,497.89	14,937,797.97	14,418,340.23
Operating Expenses	6,559,154.56	6,501,727.44	7,023,081.00	8,259,555.71	7,176,868.66
Taxes	1,413,920.89	1,758,006.66	1,889,163.93	1,617,786.12	1,711,163.69
Total Expenses & Taxes	7,973,075.45	8,259,734.10	8,912,244.93	9,877,341.83	8,888,032.35
Balance	4,635,413.38	5,312,851.75	5,817,252.96	5,060,456.14	5,530,307.88
Other Income	122,339.98	72,857.03	59,850.54	121,589.87	197,774.63
Gross Income	4,757,753.36	5,385,708.78	5,877,103.50	5,182,046.01	5,728,082.51
Income Deductions	1,437,916.91	1,608,604.89	1,655,303.15	1,633,166.29	1,653,031.18
Times Earned	3.31	3.35	3.55	3.17	3.47
Balance for Dividends	3,319,836.45	3,777,103.89	4,221,800.35	3,548,879.72	4,075,051.33
Preferred Dividends	1,338,002.88	1,445,791.64	1,594,907.45	1,473,226.00	1,473,226.00
Times Earned	1.42	2.61	2.65	2.41	2.77
Balance for Common	1,981,833.57	2,331,312.25	2,626,892.90	2,075,653.72	2,601,825.33
Stock Dividends & Surplus					
Common Stock—					
Shares Outstanding	756,070	770,914	775,914	775,914	775,914
Per Share	2.62	3.02	3.39	2.68	3.35

vestment after all other claims have been satisfied, they take a very much greater business risk than do other security holders. The Funded Debt of this Company, including \$155,000 of bonds in the treasury of the Company at December 31, 1937, is \$35,550,500 and represents 44.7% of the \$79,525,659 total Fixed Capital. The Preferred Stock of \$23,887,100 represents 30% of Fixed Capital, and the balance of Fixed Capital, \$20,088,059 or 25.3%, is the equity of the Common Stockholders.

In presenting these figures, no consideration has been given to the working capital, calculated at approximately \$3,000,000, required to carry accounts receivable, materials and supplies, prepaid expenses, etc., which is as essential to the operations of the Company as is the investment in plant and equipment.

Any shrinkage in value because of depreciation or for any other cause must be made up from the equity of the Common Stockholder, as bondholders and preferred stockholders are entitled to receive dollar for dollar without any loss, in the event that bonds or preferred stock are redeemed or retired. It is evident that the Common Stock owner does have a prominent place in the capital structure of the Company and is entitled to and should receive due consideration in its earnings.

CONDENSED INCOME STATEMENT (See Tabulation Above)

In the year 1937 gross revenues show an increase over 1927 of \$2,912,472 or 23%; operating expenses and taxes show an increase of \$3,185,312 or 40% and gross income a decrease of \$272,839. Income Deductions were \$7,568 less in 1937, making the net reduction in Corporate Income for the year \$265,271 less than in 1927, with \$18,966,514 net additional investment in the property required to serve the public (Gross expenditures \$26,672,631 less withdrawals \$7,706,117).

The foregoing income statement shows the changes that have taken place from year to year in gross revenues, expenses, taxes and corporate income, and Chart "B" shows the percent of increase and decrease in 1937 as compared with 1927.

Many changes have taken place in the past ten years. Some of them have been beneficial but more have been detrimental to the financial results of the Company's operations. Space will not permit a detailed analysis of all these changes but a study of the major changes enumerated will bring out sufficiently the effect of all the changes over the ten-year period. In each year there have been changes in our rate schedules, which have been beneficial to our customers. The cumulative effect of these changes amounts to approximately \$1,675,000 saved to the customers of the Company in the year 1937. Of this amount, \$1,363,000 is in the Electric Department and \$312,000 in the Gas Department. For CHART "B" (See page 61)

Ten-Year Condensed Income Statement

	1932	1933	1934	1935	1936	1937	Increases or Decreases 1937 Over 1927
	13,839,603.43	13,173,151.10	13,624,671.76	14,117,799.71	14,722,949.45	15,602,699.25	3,012,210.42
	7,060,124.92	6,687,926.55	7,380,403.21	7,923,175.17	8,492,537.06	8,644,759.32	2,085,604.76
	1,862,195.15	1,916,691.81	1,914,968.00	1,923,919.88	1,857,865.10	2,513,628.28	1,099,707.39
	8,922,320.07	8,604,618.36	9,295,371.21	9,847,095.05	10,350,402.16	11,158,387.60	3,185,312.15
	4,917,283.36	4,568,532.74	4,329,300.55	4,270,704.66	4,372,547.29	4,462,311.65	173,101.73*
	73,869.16	37,409.57	62,246.37	43,412.59	31,183.41	22,601.94	99,738.04*
	4,991,152.52	4,605,942.31	4,391,546.92	4,314,117.25	4,403,730.70	4,484,913.59	272,839.77*
	1,580,708.14	1,504,006.21	1,489,720.53	1,507,566.15	1,532,105.19	1,430,348.53	7,568.38*
	3.16	3.06	2.95	2.86	2.87	3.14	
	3,410,444.38	3,101,936.10	2,901,826.39	2,806,551.10	2,871,625.51	3,054,565.06	265,271.39*
	1,473,226.00	1,473,226.00	1,473,226.00	1,473,226.00	1,499,340.93	1,393,226.00	55,223.12
	2.31	2.11	1.97	1.91	1.92	2.19	
	1,937,218.38	1,628,710.10	1,428,600.39	1,333,325.10	1,372,284.58	1,661,339.06	320,494.51*
	775,914	775,914	775,914	775,914	775,914	775,914	
	2.50	2.10	1.84	1.72	1.77	2.14	

*Denotes Red Figures

CHART "C" (See page 60)

Chart "C," showing the amount of gross earnings and the percentage of the total amount received which was expended for wages, taxes, replacement reserve accruals, interest, dividends and the balance for surplus for the year 1937 and the year 1927, tells the story concisely. The chart shows that 30% or 30c out of each dollar received was expended on wages in the year 1937 as compared with 25c in the year 1927, an increase of 5c in the amount required out of each dollar of gross revenues. There was an increase of 104 employees at the close of the year 1937 as compared with the close of the year 1927. The Company's service is continuous and a great many departments of the Company must operate every hour of the twenty-four. In 1934 a large part of the organization was affected by the change from forty-four to forty hours per week. We have calculated that, theoretically, there should have been an increase in the operating force of 228 employees due to the shorter hours per week. The actual increase, however, has been only 104 employees, a saving which reflects increased efficiency on the part of the employees of the Company and increased efficiency obtained by the installation of larger units of equipment. These figures have to do with the regular employees of the Company and do not reflect temporary employees during heavy construction periods. There is no violent fluctuation in the number of employees in the utility industry that obtain in so many trades and other industries, where seasonable conditions enter in. It has been the policy of this Company to endeavor to keep its employees steadily employed and to find other jobs in the Company for those employees who are no longer required because of improvements in equipment or methods. It should be borne in mind that the figures reflect the dollar cost of wages and contain the cost of increased rate of pay, due to shorter hours and to normal increases, as well as the increased number of employees. The Company has recognized the loyalty and efficiency of its employees together with the increased cost of living and has endeavored to make the rate of pay commensurate with present day costs and the quality of service rendered.

The next item on the chart—materials, contract work and services—shows a decrease of one per cent in the amount of gross revenue expended in 1937 as compared with 1927. The increased efficiency effected in the operation of the generating plants in the Electric Department and the Gas Manufacturing Plants is reflected in the cost of materials and contract work. For instance, in 1927 it required 2.51 lbs. of coal per k.w.h. generated, whereas in 1937 is required only 1.29 lbs. of coal, a saving of 1.22 lbs. or almost 100% in the pounds of coal per k.w.h., a material factor in overcoming other increases too numerous to mention.

Wages and the cost of materials do, to a certain extent, reflect the efficiency of

management and operation and are more or less within the limited control of management. Taxes are imposed on the Company by the taxing authorities and are beyond the control of the management. The ten-year income statement shows that taxes have increased \$1,099,707 or 78% in 1937 over 1927. Chart "C" shows that it required 16c out of each dollar in 1937 as compared to 11c out of each dollar in 1927 to pay taxes, an increase of 5c out of each dollar of revenue received. This is paid by the consumers and, in turn, paid out by the Company. The Company is only the tax collector, collecting from our consumers 16c out of each dollar received and paying it over to the various tax authorities.

REPLACEMENT RESERVE

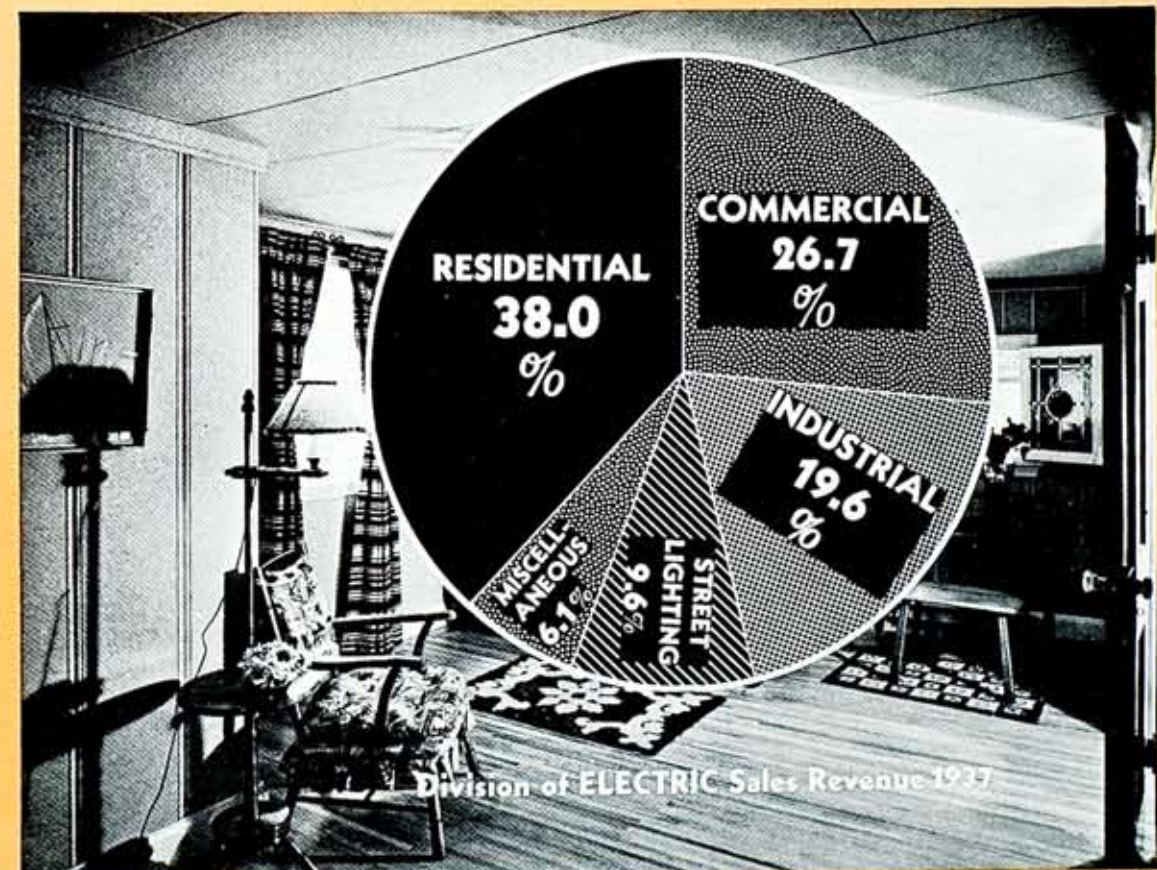
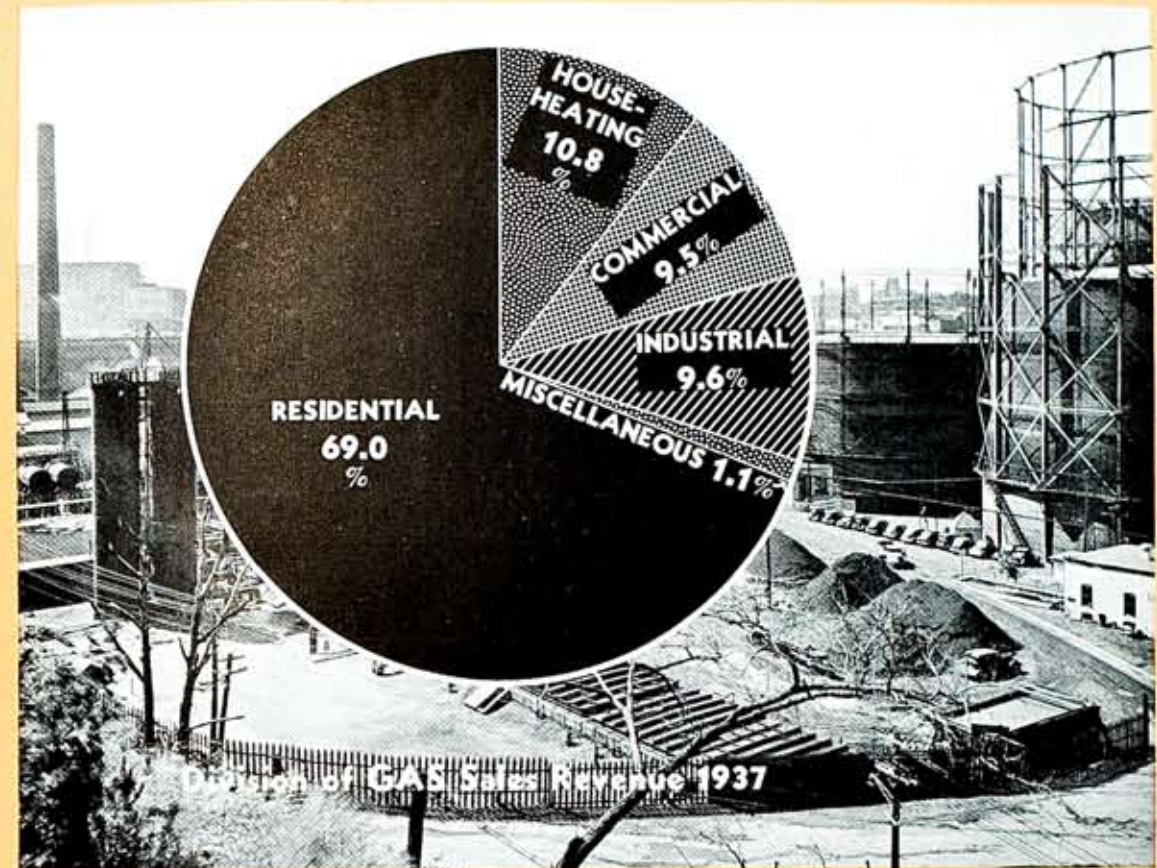
The amount put into replacement reserve is based on the percentage of gross earnings. The change from 8% in 1927 to 7% in 1937 reflects a slight reduction made in the Electric Department in the ten-year period. The Company's policy for a great many years has been to create a reserve sufficient to replace property as it became worn out or obsolete. The amount required is based on experience over years and on a survey at intervals of the existing property, to determine as accurately as possible the possible retirements which are likely to occur in the following five years. The Company believes that this policy is practical and adequate, as proven by the fact that the reserve has been built up from \$2,674,926 at the close of 1927 to \$5,654,878 at the close of 1937, an increase in the reserve of \$2,979,952; and in addition there has been writen off property withdrawn from service to the amount of \$7,706,117. It is the firm conviction of the Company that a reserve based on the estimated life of property would unnecessarily increase this item of expense and, as all costs must be reflected in the rates charged for service, this method if followed would in time, become unnecessarily burdensome to our consumers.

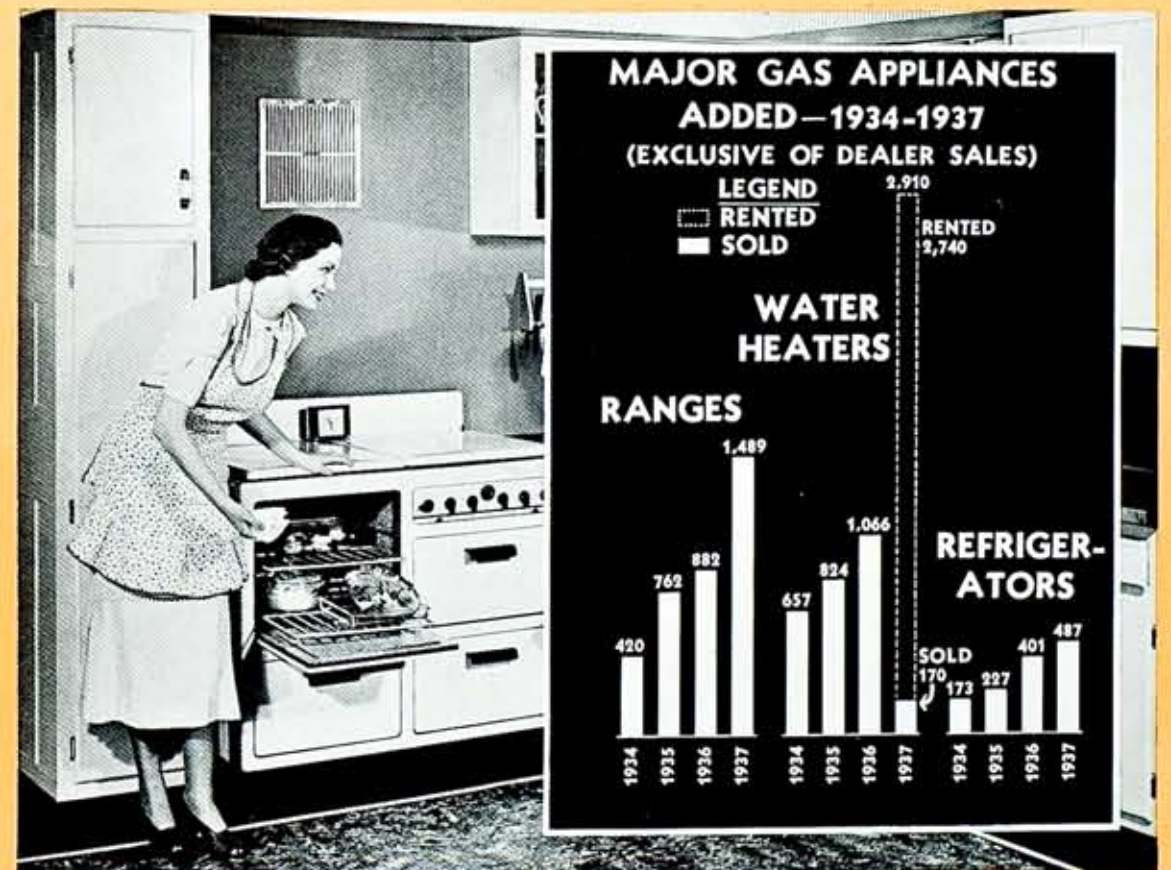
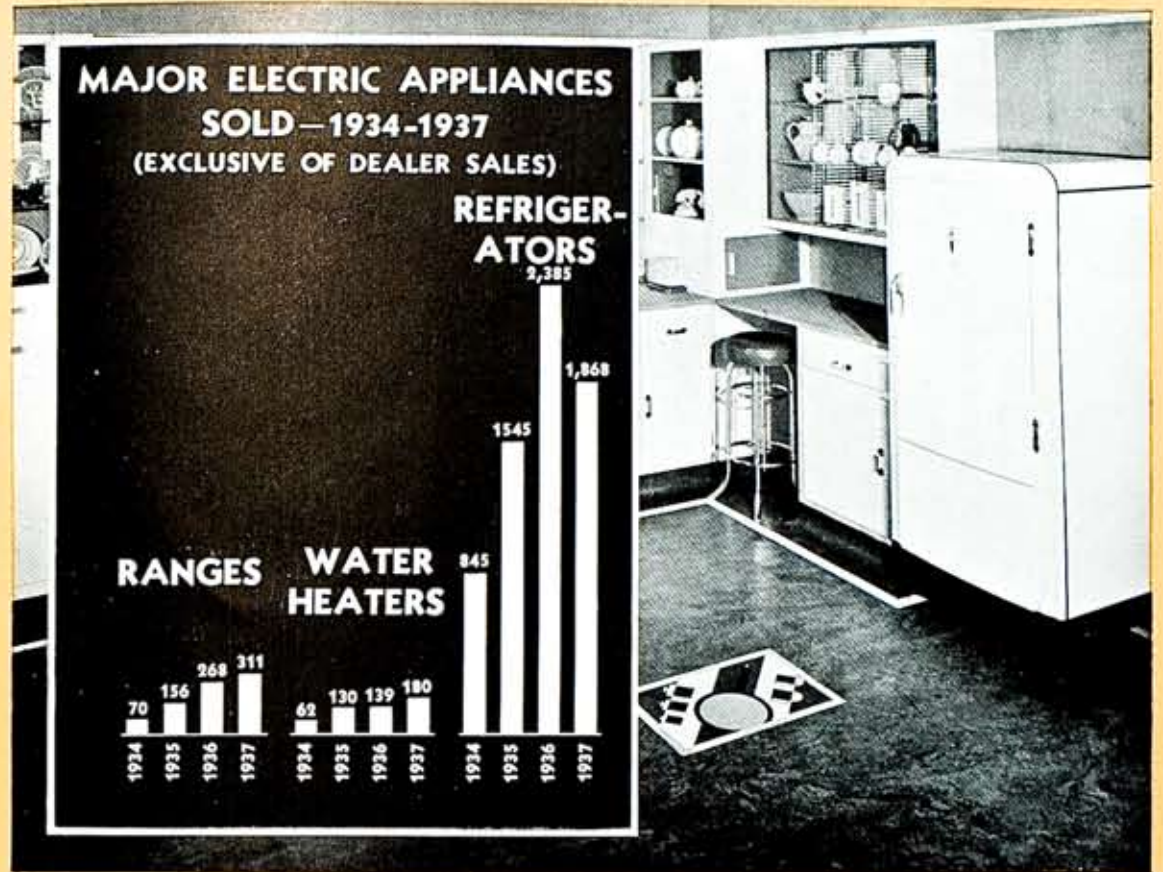
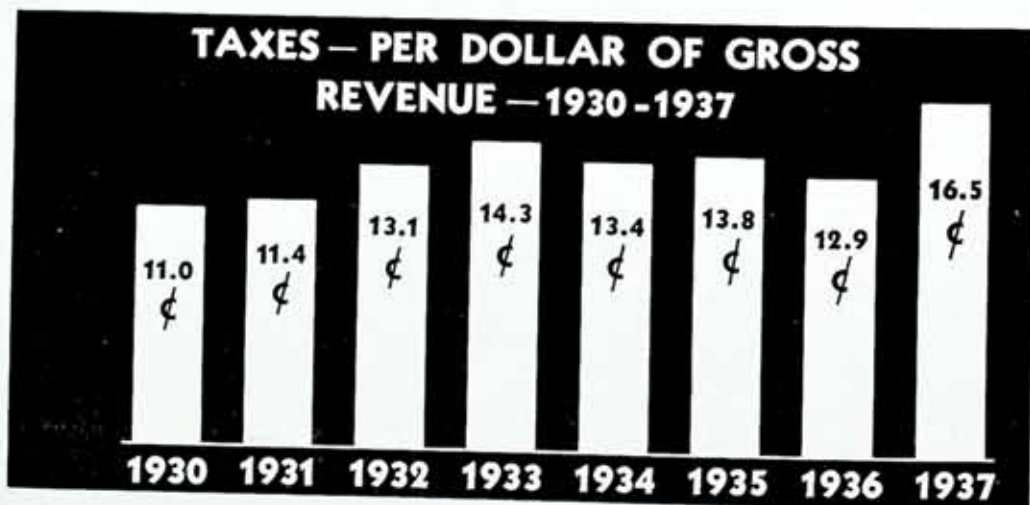
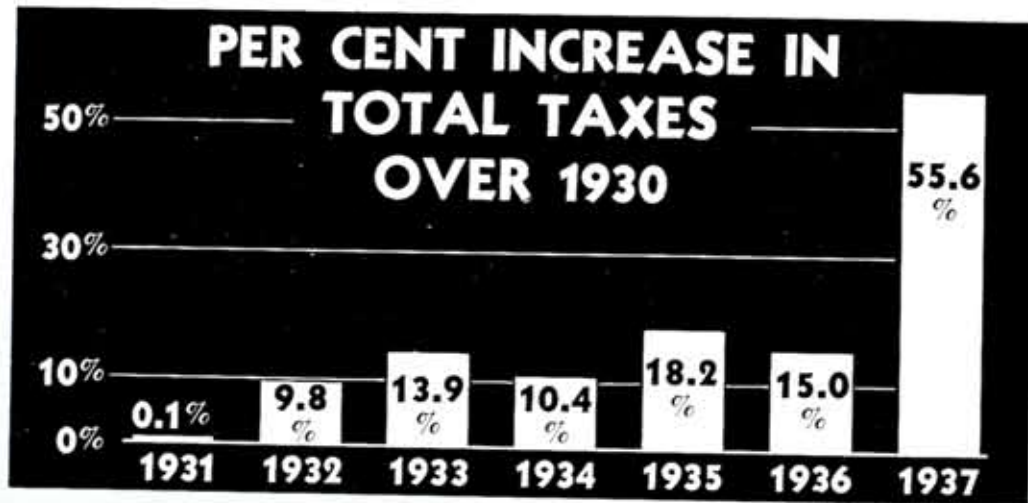
The amount required to pay interest on funded debt, consumers deposits and, at times, on notes payable, is shown upon Chart "C" to be 11% of gross revenues in 1927 and 9% in 1937. The saving which is the result of refunding the bond issues of the Company carrying a higher rate of interest with issues carrying a materially lower rate of interest is reflected in the interest charges. The amount of this saving is illustrated by the fact that the interest charges for the year 1937 on the \$35,395,500 of bonds of the Company outstanding at the close of 1937 are \$7,568 less than the interest charges in 1927 on the \$23,321,000 of bonds outstanding at the close of 1927. If it were not for the saving effected by this refinancing, the net corporate income would have been approximately \$450,000 less in 1937 and the actual decrease in net in 1937 as compared with 1927 of \$265,271 would have been in excess of \$700,000.

The balance remaining after paying all expenses, taxes, interest and preferred dividends for the year 1937 amounts to 11c or 11% of each dollar of gross revenues received as compared with 16c or 16% of each dollar received in the year 1927. The ten year condensed income statement shows clearly that the balance available for common dividends and surplus has not been excessive in any one of the ten years and the fluctuations in the earnings per share of common stock bring out the fact, previously stated, that it is the common stockholder who assumes the risks of the business. If the present business recession is prolonged or becomes more severe and with the known increase in taxes and other expensess for the year 1938, it is not inconceivable that the entire surplus earnings over and above preferred dividends could be almost, if not completely, wiped out. Such a contingency would make it necessary to curtail service, and contributions to community activities which the Company has made in the past would have to be reduced or discontinued.

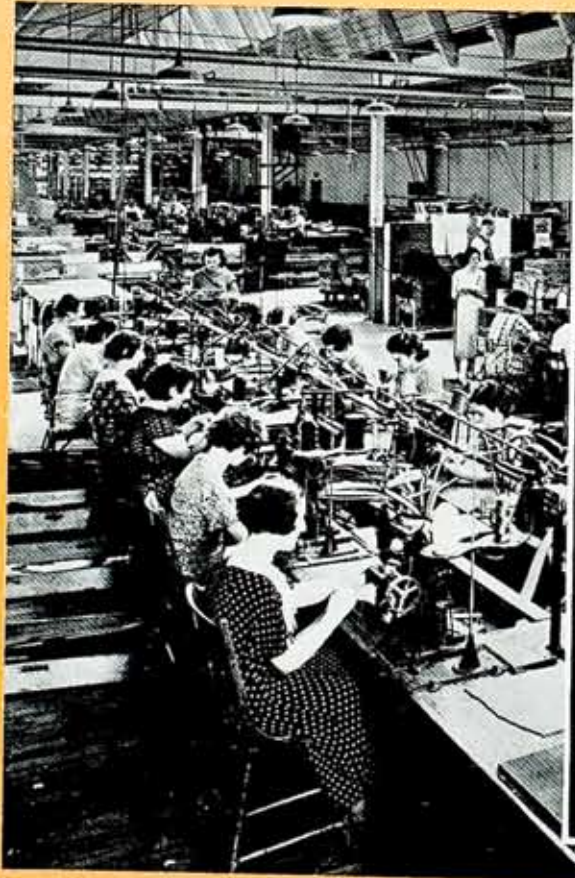
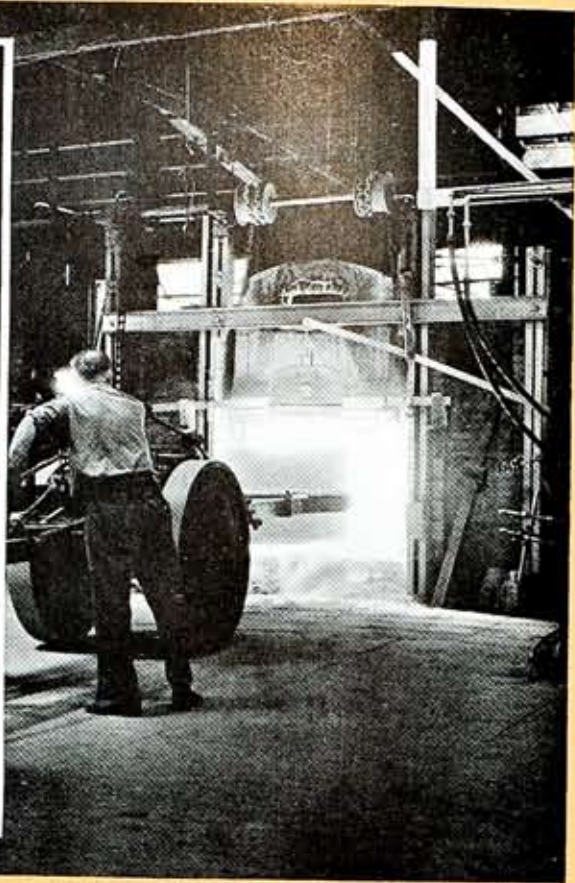
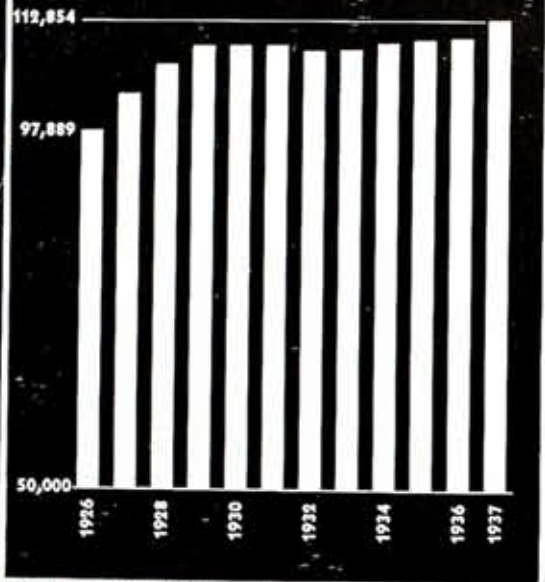
CONCLUSION

In view of the rate reductions that have been made in the past years and the great many complimentary letters and statements the Company has received on its service, we feel the Company has met its obligation to the public it serves, and to owners of its bonds and preferred stock. The depression years, abnormal increases in taxes and other hazards of the business, some of which have been enumerated and which are beyond the control of the Company, have made serious inroads on its earnings and have mitigated against the interests of the owner of the common stock.

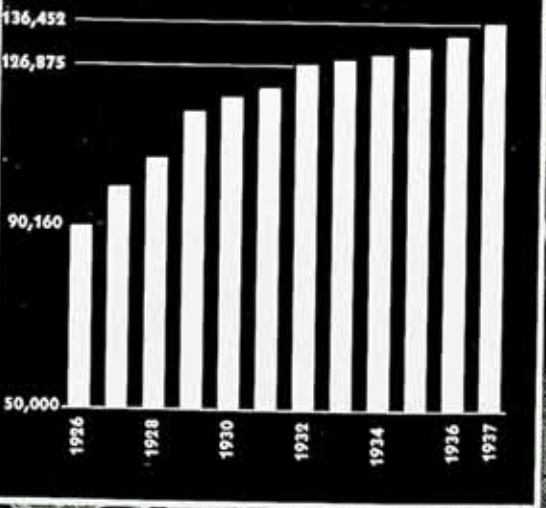


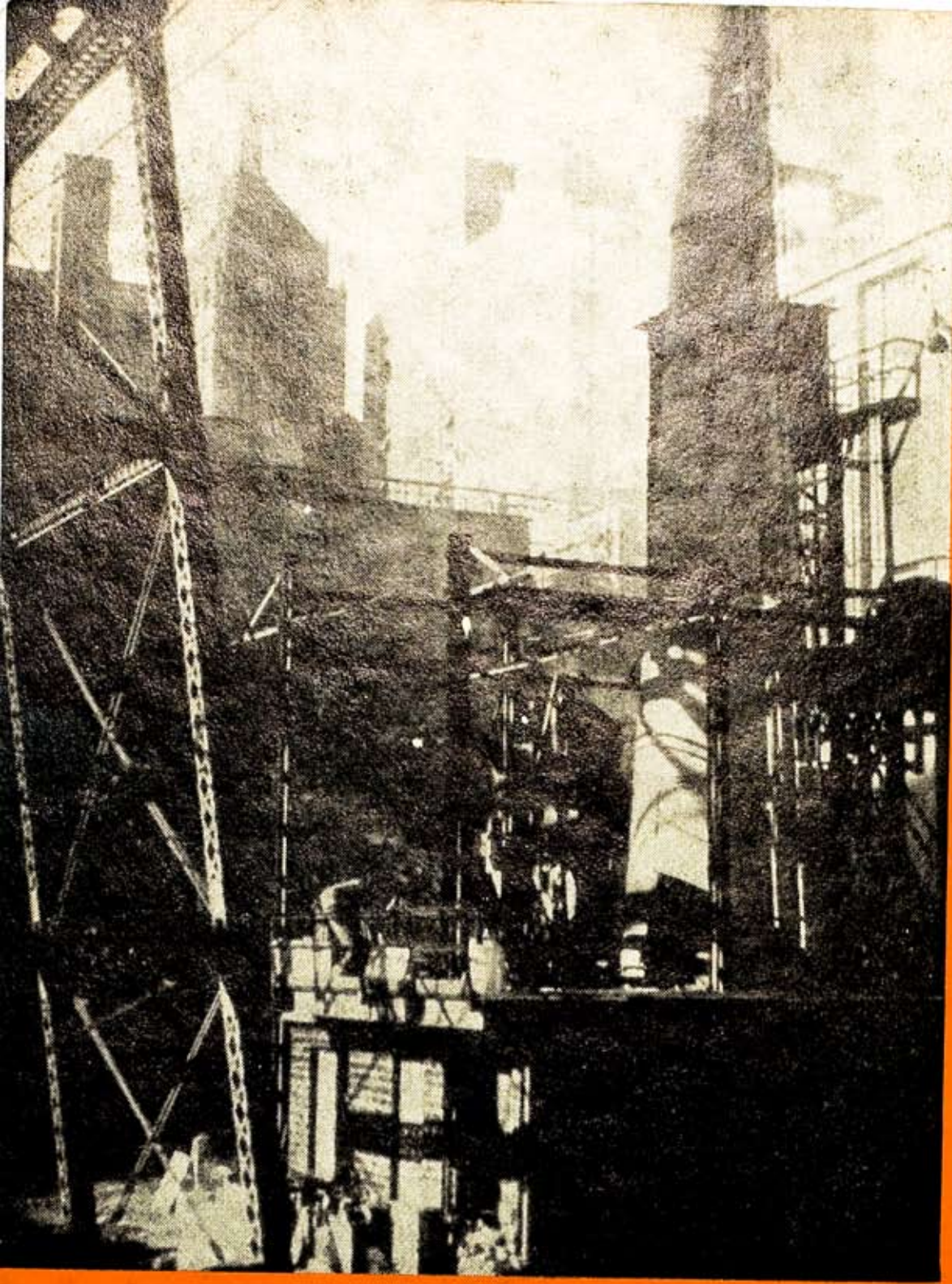


**GROWTH IN
GAS CONSUMERS
(METERS)
SINCE 1926**



**GROWTH IN
ELECTRIC CONSUMERS
(METERS)
SINCE 1926**





Kodak Tower From West Gas Station

ROCHESTER GAS and ELECTRIC NEWS and YEAR BOOK

ROCHESTER GAS and ELECTRIC CORPORATION • Rochester, New York