

*Gas and
Electric*

NEWS

JUNE 1947

ROCHESTER, N. Y.

Vol. 26—No. 4



**THE COMPANY REPORTS
TO ITS EMPLOYEES
FOR THE YEAR 1946**

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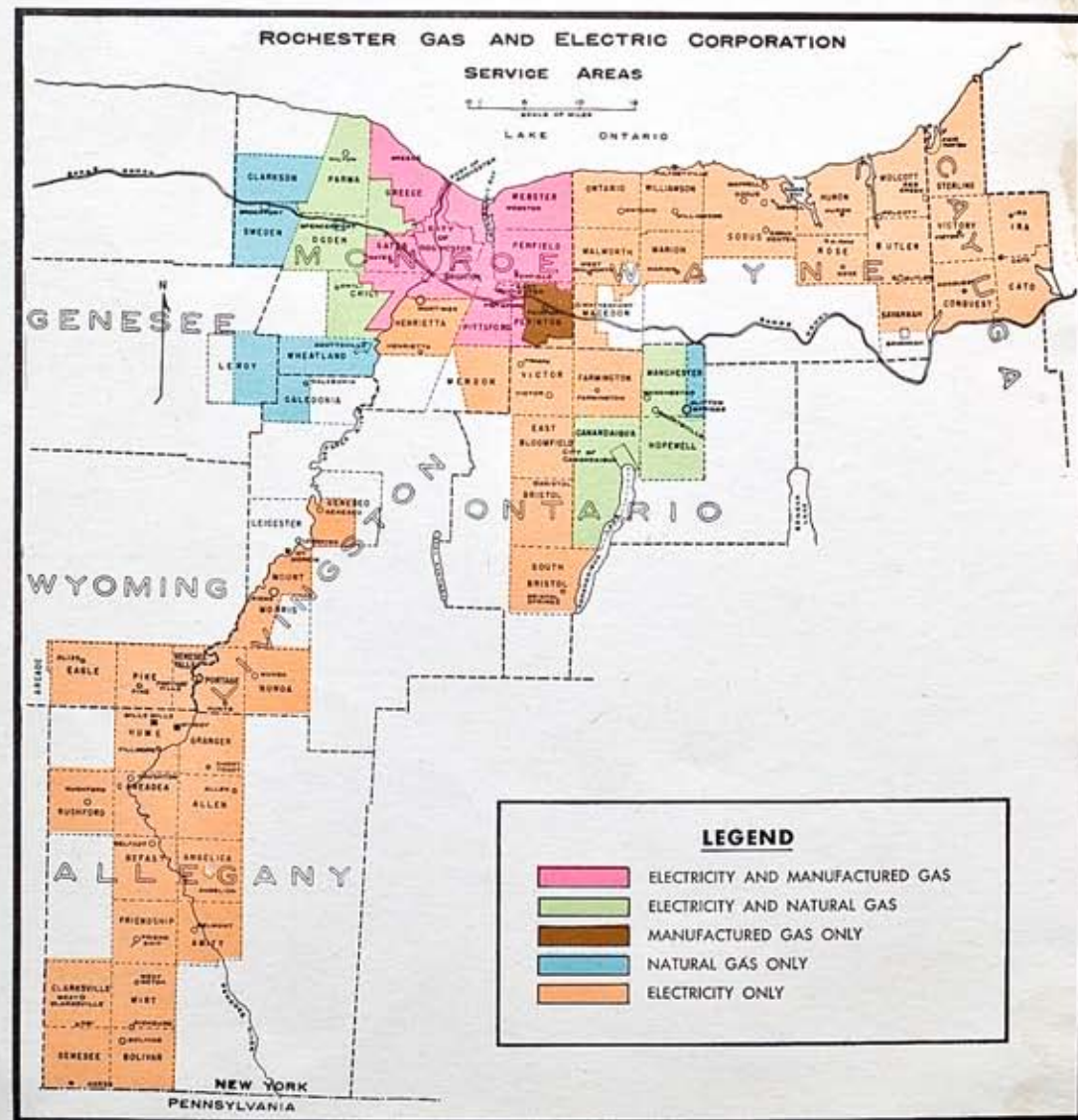
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Territory Served

By authority of the Public Service Commission and the communities served, the Rochester Gas & Electric Corporation has franchise rights, as shown on the map, covering an area of approximately 2,150 square miles.

Fronting on Lake Ontario, our northern service area extends 76 miles east and west with a shore line of 68 miles, and then south from the lake to the southern end of Canandaigua Lake, a distance of 42 miles. The southern area, Genesee District, is approximately 62 miles long by 24 miles wide at its widest point.

Service is rendered in 2 Cities, 165 Villages and Hamlets in 65 Towns and 8 Counties. Our electric service is used by about 150,000 customers, gas by 125,000 and steam by 350.



ROCHESTER GAS AND ELECTRIC CORP

ROCHESTER 4, NEW YORK

HERMAN RUSSELL	CHAIRMAN OF BOARD
E. G. MAYER	CHAIRMAN OF EXECUTIVE COMMITTEE
A. M. BEEBEE	PRESIDENT
E. R. CROFTS	VICE PRESIDENT
R. E. GONHA	VICE PRESIDENT
E. J. MCWEE	VICE PRESIDENT
F. H. PATTERSON	SECT. & TRSAL.
H. W. NICHOLS	ASST. TREASURER
F. J. W. MILLER	ASST. SECRETARY



JUNE 16, 1947

FELLOW EMPLOYEES:

THIS ISSUE OF "GAS AND ELECTRIC NEWS" IS A REPORT BY THE COMPANY TO ITS EMPLOYEES. BY THIS MEANS, WE HOPE WE CAN ALL GET BETTER ACQUAINTED WITH ONE ANOTHER SINCE THERE HAVE RECENTLY BEEN SOME SUPERVISORY CHANGES, AND MANY NEW EMPLOYEES HAVE COME WITH THE COMPANY. THIS REPORT ALSO EXPLAINS SOME OF THE DETAILS OF OUR "ANNUAL REPORT" COVERING LAST YEAR'S OPERATIONS, COPY OF WHICH IS ENCLOSED.

THE "ANNUAL REPORT" IS DESIGNED TO FURNISH AN ACCOUNTING OF OUR OPERATIONS FOR THE YEAR 1946 TO OUR SECURITY HOLDERS, WHO ARE THE PEOPLE WHO PUT UP THE MONEY TO BUILD OUR PLANTS AND EQUIPMENT. HOWEVER, TO MANY, SUCH A REPORT TENDS TO BE TECHNICAL AND USES WORDS WHICH ARE UNFAMILIAR TO MOST PEOPLE WHO DO NOT USE THEM EVERY DAY.

IT IS HOPED THAT THIS "EMPLOYEES' REPORT" WILL HELP US ALL TO BETTER UNDERSTAND THE PROBLEMS INVOLVED IN THE COMPANY'S OPERATIONS, AND THUS INSURE ITS CONTINUED SUCCESS.

WE HAVE SOME REAL PROBLEMS AHEAD IN RAISING THE HUGE AMOUNT OF FUNDS NECESSARY FOR AN EXPANDED CONSTRUCTION PROGRAM IN WHICH WE ALL ARE INTERESTED, AND WHICH WILL MEAN MORE JOBS AND INCREASED OPPORTUNITY FOR ALL. WE URGE YOUR CAREFUL STUDY OF THIS REPORT. WE SHALL WELCOME THE OPPORTUNITY TO EXPLAIN IN FURTHER DETAIL ANY POINTS THAT MAY NOT BE CLEAR, OR TO PROVIDE ANY ADDITIONAL INFORMATION.

IT IS OUR GOOD FORTUNE THAT MR. RUSSELL HAS CONSENTED TO ACT AS CHAIRMAN OF OUR BOARD OF DIRECTORS TO HELP US CARRY ON THE PRINCIPLES FOR WHICH HE WORKED SO MANY YEARS. FROM HIM WE HAVE THE HERITAGE TO PRESERVE—OF A PLEASANT PLACE TO WORK, GOOD SERVICE TO OUR CUSTOMERS, AND A WILL TO DO WHAT IS RIGHT.

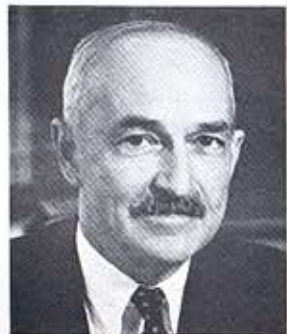
WE HAVE A GOOD COMPANY, AND WITH YOUR CONTINUED LOYALTY AND HELP WE SHALL KEEP IT SO.

SINCERELY YOURS,

Alexander M. Beebee

PRESIDENT

The Board of Directors Who Direct the Policies of the Company



HERMAN RUSSELL
Chairman of the Board

To the Employees:

In turning over the office of President to my successor, "Alex" Beebee, I do so with no misgivings. Mr. Beebee and his lieutenants are trained in this Company's ideals and policies. They are men of courage, initiative, tolerance and understanding. They are your friends. Under their able direction, with your aid and cooperation, our Company will continue to be a leader in the utility field and an asset to the community.

Herman Russell



EDWARD G. MINER
Chairman of the Executive Committee



ALEXANDER M. BEEBEE
President of the Company



RAYMOND N. BALL
President
Lincoln Rochester Trust Co.



JOHN P. BOYLAN
Chairman of the Board
Rochester Telephone Co.



HERMAN A. BUSCH
Comptroller
General Public Utilities Corporation



M. HERBERT EISENHART
President & Genl. Mgr.
Bausch & Lomb Optical Company



ERNEST J. HOWE
Vice-President of the Company



EDWARD W. MOREHOUSE
Vice-President
General Public Utilities Corporation



T. CARL NIXON
Attorney
Nixon, Hargrave,
Middleton & Devans



J. CRAIG POWERS
Vice-Chairman of the Board
Lincoln Rochester Trust Company



ROLAND O. ROBERTS
Vice-President &
General Manager
Weed & Company



ALBERT F. TEGEN
President
General Public Utilities Corporation



RAYMOND L. THOMPSON
Treasurer
University of Rochester



WALTER L. TODD
Chairman of the Board
The Todd Company, Inc.

Note that of the above 15 directors—12 are Rochester men and 3 are Company employes.

How the Board is Elected and Who Owns the Company

Our Board of Directors is elected by the common stockholders of our Company at the Annual Meeting held in June. The Board of Directors is the steering committee of the Company and is responsible to the stockholders for the operation of the Company.

WHO OWNS THE COMPANY?

In the growth of our business to its present-day standing, somebody had to furnish the large sums of money to buy the plants and equipment and thereby created the jobs we now have. In our case this meant that someone had to put up over \$40,000 per Employee. How was and is this money normally raised?

About half the money to build the Company was put up by the bondholders, who are similar to the person who supplies first mortgage money to help build or buy your home. We have many bondholders who live not only in and around Rochester but also throughout the country. Many of our bonds are held by life insurance companies.

The preferred stockholders, who put up about one quarter of the investment, can be compared with the person who also has helped you buy or build your home and holds a second mortgage for his investment. We have thousands of preferred stockholders who reside in almost every state in the country.

The common stockholders, who furnished the remaining quarter of the money invested, are similar to the owner of a home who has made a down payment or other equity in the property. The common stockholders, therefore, are the "owners of the Company" in the same way that you may be the owner of your home, even though someone else may have a mortgage on it.

WHO OWNS OUR COMMON STOCK?

THE common stock of the Company is entirely owned by the General Public Utilities Corporation which took over the operation after the old defunct Associated System was reorganized by the Trustees of the Federal Courts. The General Public Utilities Corporation should not be confused with the former Associated Gas and Electric Company and Associated Gas and Electric Corporation, which no longer exist. The new parent Company is staffed by new men and its Board of Directors is composed of outstanding business and professional men of national reputation who are entirely different from and independent of the former officers and management of the old company.

The General Public Utilities Corporation, which owns our common stock, is in turn owned by over fifty thousand stockholders throughout the United States, many of whom live here in Rochester and include a large number of our own Employees.

Thus some of the money paid to our common stockholders eventually comes home to our own Employees and to the people in the community who have invested their money in that Company. These people then are the real owners of our Company.

Your Operating Officers and Their Responsibilities



The operating departments make and deliver the commodities and services the Company sells. From all indications, this coming fall and winter are going to bring great demands upon your ingenuity to carry the loads that will be imposed upon our plants and facilities. I know we have the finest group of operators in the country. You have pulled us through before—you will do it again.

E. R. Crofts

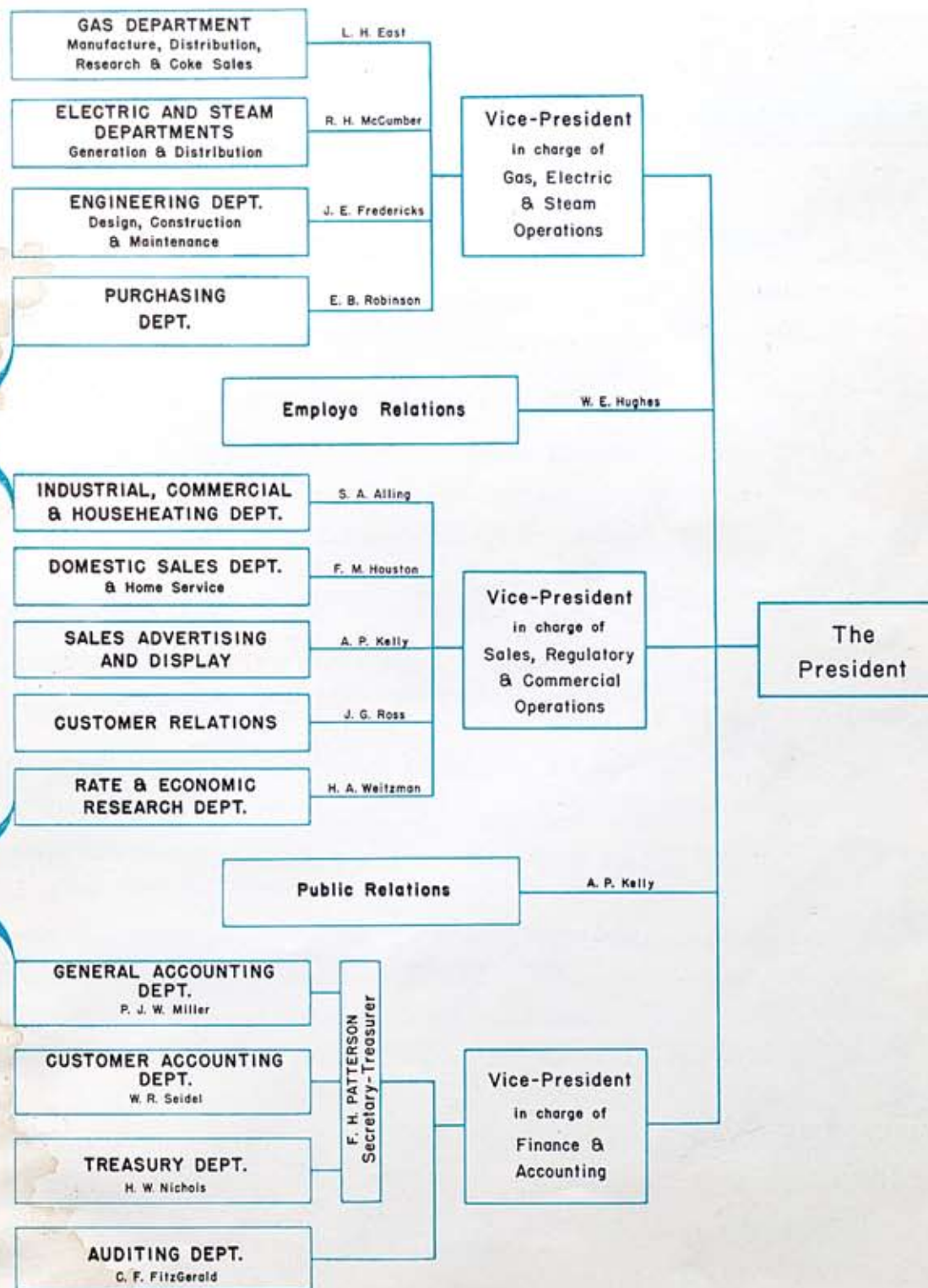
Our job, yours and mine, in the sales and customer activities of the Company, is to sell to our customers not only the Company's services and their value but also the means to use them. With customers served to the best of our ability and at fair rates for such services, I know your efforts will produce the necessary earnings to ensure the continued success of our Company.

R. E. Ginna



The Treasury Department is the custodian of the Company's dollars and the guardian of its credit. The Accounting Department records all transactions in dollar-equivalent terms and supplies the reports which are the basic tools for operating and financial analyses. The Financial and Accounting Division is conducted to facilitate the other operations of the Company and thus serves all employees.

E. J. Howe



Company Payments and Contributions in Addition to Your Hourly Pay

WHAT YOU GET BESIDES YOUR HOURLY RATE



VACATIONS AND HOLIDAYS



SOCIAL SECURITY



RETIREMENT PLAN



EMPLOYEES
BENEVOLENT
ASSOCIATION



LIFE
INSURANCE



MEDICAL CARE

EACH year the Company pays a lot of "extras" for the benefit of its Employees over and above the hourly rates of pay. These contributions by the Company averaged \$5.16 per Employee last year, which works out to a rate averaging 25¢ per hour per Employee.

<i>Items Paid by Company</i>	<i>Company Contribution Year 1946</i>
Vacations, Holidays & Excused Time	\$ 496,028
Social Security Taxes—Federal & State	183,914
Pension Premiums	171,835
Employee Benevolent Association	128,335
Ordinary Life Insurance	83,018
Extra Payments for Injury in addition to Workmen's Compensation and Pension Payments above Insurance	57,433
Group Life Insurance	54,802
Hospitalization & Medical Care	8,768
Total Welfare Costs for 2,296 Employees	\$1,184,133
The Average Welfare Cost Paid by the Company Per Employee Per Year	\$ 5.16

On An Average This Means
25¢ Per Hour
Above The Employee's Hourly Rate

Employee and Company Community Service

WHY ARE WE INTERESTED IN THE COMMUNITY?

WE are one of the largest and most necessary business-managed organizations in this area, and therefore are vitally interested in the welfare of the cities and communities we serve. Their growth and improvement mean progress for the Employees as well as the Company.

HOW DO WE ALL HELP?

WITH approximately 2,300 Employees, we contribute much to community life by taking active part in community plans and projects. The Company is glad to have you take part in membership and money raising campaigns for Community Chests, Red Cross, Civic Music, Y M C A, C Y A and J Y M & W A drives, plus many others. Employees are encouraged to give freely of their time and energy to help in these vital community affairs. Your participation in community activities reflects credit on the Company and upon yourself.

HOW ABOUT OUTSIDE INTERESTS?

THE Company points with pride to the fact that many Employees are valuable and leading members of granges, churches, school boards, chambers of commerce, service clubs and many other important civic activities.

HOW DO WE HELP COMMERCE AND INDUSTRY?

THE Company buys many of its materials and supplies locally so as to help promote local business and industries. Through industrial development activities, the Company helps to advance the commercial and industrial life of the communities it serves.

HOW ABOUT THE STOCKHOLDERS?

IN addition to the donation of time for community services, the Company continues to make substantial cash contributions out of the stockholders' pocket. During the Year 1946, stockholder contributions totaled \$100,000 to the Red Cross, Community Chests, Community War Memorial, Civic Music Association, Rochester Hospital Fund, and to many other national and local appeals. **THIS MONEY DOES NOT COME FROM THE CUSTOMER** Since the Public Service Commission does not allow these contributions as operating expenses, the cost must come from what the stockholders would otherwise receive.

What We Collected... and Where It Went

We MUST Operate With A "Balanced Budget"

THIS SHOWS HOW IT WAS DONE

	Year 1946	Increases Or Decreases Over Year 1945
SALES REVENUES (What We Took In)		
Electric Dept.	\$14,719,272	\$ 586,951
Gas Dept.	6,323,398	545,418
Steam Dept.	1,589,804	51,418
Other Income	37,679	2,658
Total Revenues	\$22,670,153	\$1,186,445 ③
OPERATING EXPENSES (What We Paid Out)		
Wages, Salaries and Welfare	\$ 6,580,338	\$ 939,833
Coal, Materials, Services by Contractors, etc.	5,948,683	1,008,382
Taxes—Federal, State & Local	3,961,230	105,333
Replacement of Worn Out Equipment	2,237,824	96,864
Total Operating Expenses	\$18,728,075	\$2,150,412 ③
TOTAL REVENUES		
MINUS OPERATING EXPENSES	\$ 3,942,078	\$ 963,967 ①
Miscellaneous Income Deductions	69,184	21,302
Balance for Bond & Stockholders & Savings	\$ 3,872,894	\$ 985,269
Bondholders' Interest ("Pay" For Use Of Money)	① 1,329,742	4,980
<i>What We Have Left For Stockholders & Reserves</i>	\$ 2,543,152	\$ 980,289
"PAY" FOR USE OF MONEY TO PREFERRED AND COMMON STOCKHOLDERS	① 2,031,828	610,245
Remaining Balance	\$ 511,324	\$ 370,044
FUNDS REINVESTED IN THE BUSINESS	511,324	
<i>This Shows A "Balanced Budget"</i>	\$ 0	

PLEASE NOTE THE FOLLOWING SPECIAL POINTS

- ① Payments to security holders averaged an interest rate of 4.6% for our use of their money. (See Page 16, Paragraph 3).
- ② REVENUES up about \$1,186,000 but OPERATING EXPENSES ③ are up about \$2,150,000 of which
PAYROLL INCREASES ALONE AMOUNTED TO APPROXIMATELY A MILLION DOLLARS
or in other words nearly all our increase in revenue went out to our Employees in increased payroll.
- ③ Revenues minus Expenses leave us nearly one million dollars worse off this year as compared to a year ago.



WAGES AND WELFARE
\$6,580,338

TAXES
\$3,961,230

STOCKHOLDERS "PAY"
\$2,031,828

BOND INTEREST
\$1,329,742

COAL AND OIL FUEL
\$3,220,527

MATERIALS AND SERVICES
\$2,728,156

EQUIPMENT REPLACEMENT
\$2,237,824

REINVESTED IN THE BUSINESS
\$511,324

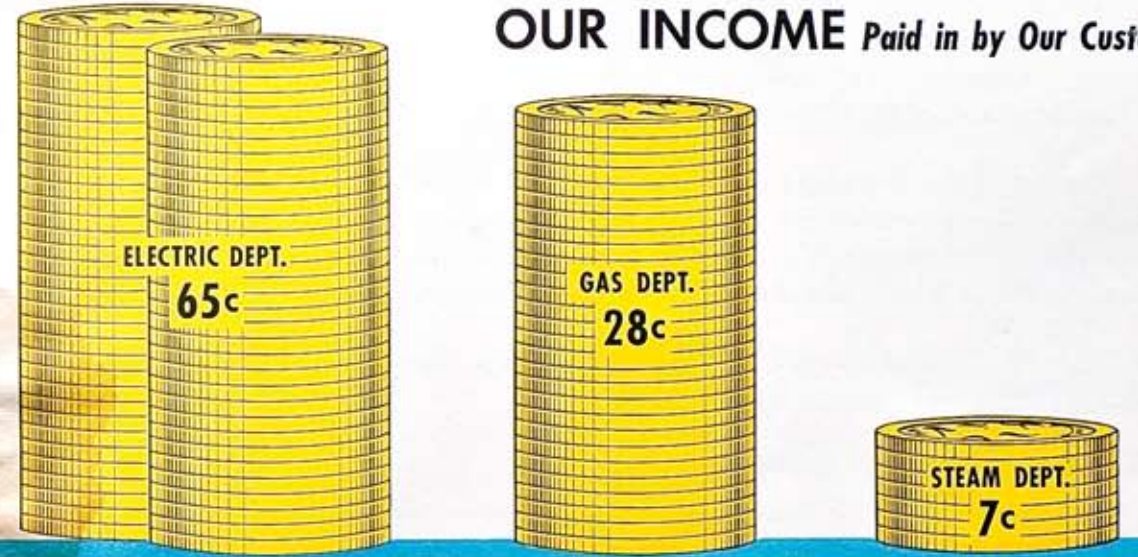
Note: Our Largest Items are Wages and Taxes

Here's What Happened in 1946 To Each Dollar Paid Us

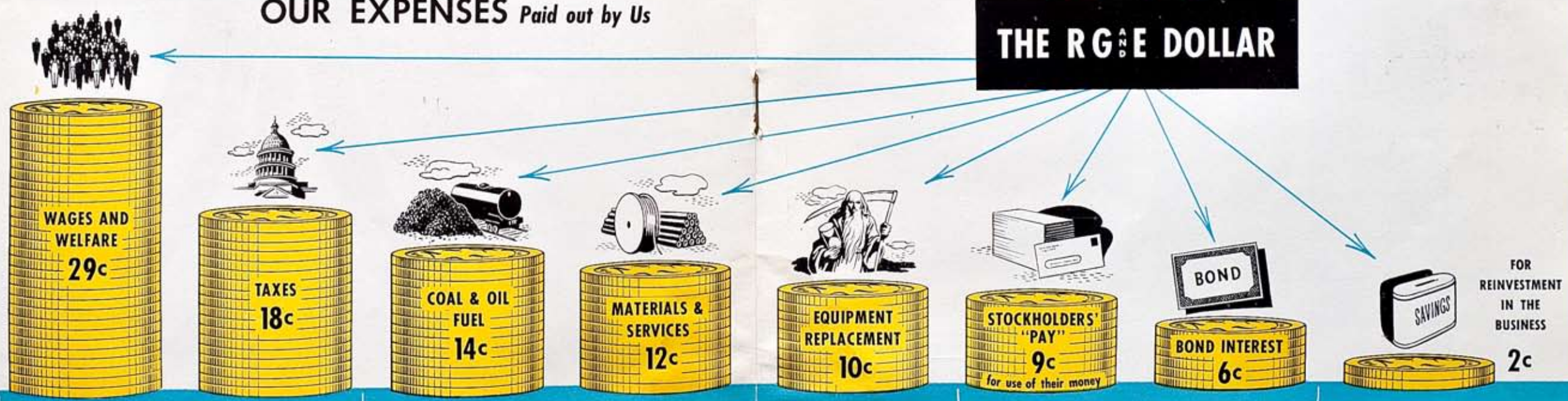
Here's Where Each Dollar Came From
By Classes Of Service

For Electric, Gas and Steam	Revenue Dollar
Residential Service	\$.45
Industrial Service	.24
Commercial Service	.22
Municipal Service	.07
Miscellaneous	.02
Total Revenue Dollar	\$1.00

OUR INCOME Paid in by Our Customers



OUR EXPENSES Paid out by Us



Almost 50% of our total expenses are in 2 single items Wages and Taxes

These items total only 4.6% on their money invested

Here Is The Company's "Cost of Living" on a Weekly Basis per Employee

The operations of the Company may be more easily understood if they are presented on the basis of an average week for the year 1946, with the weekly income and expense per Employee also shown. This will give a clear and easily understandable picture of the "Cost of Living" for the Company.

If we take the amount of money invested in the Company and divide it by the number of Employees we find that each man and woman on the Company payroll represents an investment of \$40,000. In other words, each Employee is a \$40,000 "business" for which somebody had to put up the money.

Here are the detailed figures showing how much the Company took in per Employee each week last year and what it went for:

WHAT WE TOOK IN (Per Employee each week)

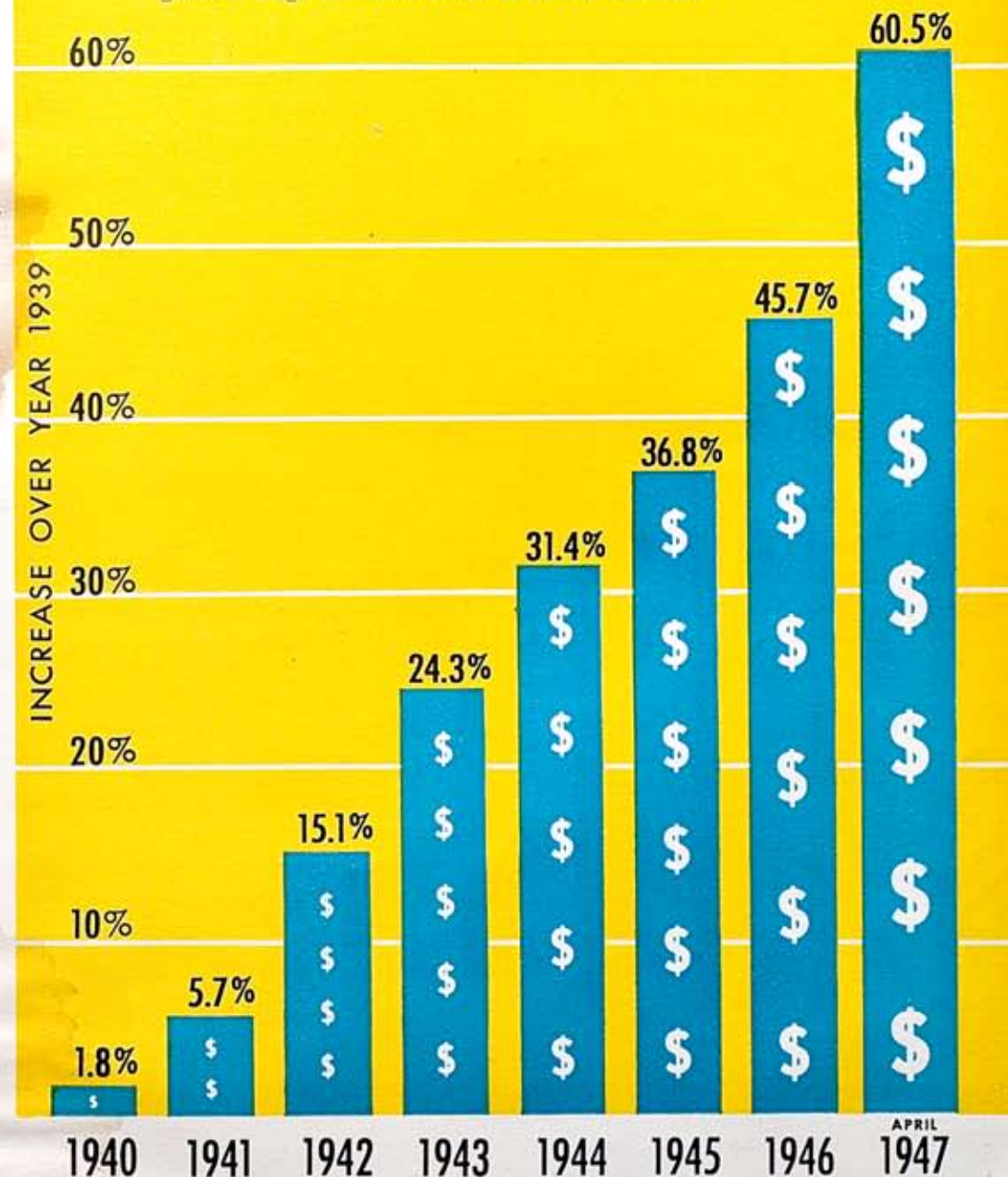
Sales of Electricity, Gas, Steam, Appliances and Other Income \$196.30

WHAT WE PAID OUT (Per Employee each week)

Paid to Employees in Wages, Vacations, Pensions, Life Insurance, Company EBA Dues, Hospitalization, Sickness, etc.	\$ 58.31	
Salaries for Officers and Superintendents	2.04	
Fuel (Less By-Products Sold)	30.15	
Purchased Power and Gas	5.32	
Other Materials, Supplies and General Expenses (Less Payroll and Taxes Charged to Plant Construction)	15.73	
Taxes (Federal, State, City, County & Town)	33.79	
Funds to Replace Worn Out Equipment & Other Losses	20.19	
Paid for Use of Bondholders' Money	11.14	
Paid for Use of Preferred and Common Stockholders' Money	17.02	
Total Paid Out	\$193.69	
Net Receipts Reinvested in Business	2.61	<u>\$196.30</u>

What Has Happened To Hourly Earnings?

Using the average hourly earnings of all Employees during the year 1939 as a base, the chart below shows the steadily rising earnings per hour in terms of percent. The data for the month of April 1947 is included to show the effect of general wage increases made in recent months.



Are Public Power Programs Any More "Non-Profit" Than We Are?

THE ANSWER IS NO.

HERE is why the answer is "No." When Public Power Plants are built, somebody must put up the money for their construction. Interest must be paid on this money either by the operations or the taxpayers. In case of business-managed utilities, we too must borrow funds on which we must pay a return. How is this done in our case?

THE PUBLIC SERVICE COMMISSION REGULATES

As mentioned earlier, on Page 5, thousands of individuals put up the money to provide the plants and other equipment owned by the Company and which we as Employees operate. The Public Service Commission regulates the rates charged for the service delivered to the public, and limits the amount above expenses that can be used as "pay" to the stockholders for the use of their money. The Commission does not allow the issuance of securities in excess of the value of the property.

HOW ABOUT "WATERED-STOCK?"

THUS there can be no so-called "watered-stock." Nor can our rates be excessive since they too are based on the value of the Company's properties. Our security holders can only earn a fair rate of "pay" on the money they invested in our business. **In 1946, as shown on Page 10, the Company's operations produced an average return of only 4.6% for our security holders. There is no guarantee to our stockholders that they will receive this "pay" for the use of their money. They must take their chance that the operations of the Company will provide enough funds to pay them after all other expenses are paid. In the case of our common stockholders, sometimes they get it and sometimes they do not.** Should we earn above the allowable rate, the Public Service Commission requires us to reduce our rates if we do not do so ourselves. We have often made voluntary rate reductions.

WHY DO SOME OF THE PUBLIC POWER PLANTS HAVE LOWER RATES?

THUS, our Company and so-called "non-profit" projects must both pay for the use of the money invested, but with a difference. It is true that Public Power Plants are usually able to obtain their funds at a lower rate of return than we can, but they do so only by using the credit of the taxpayer. Public Power Plants have lower rates mainly because they pay only a small portion of the taxes we must pay, and often do not pay the interest charges or replace the taxpayers' money. These "forgotten items" however must be paid by the taxpayer. Note on Page 12 that taxes are our second largest item of expense. If companies like the R. G. & E. were given the same tax and other exemptions accorded public plants, we could better their lowest rates.

SO WHAT?

THE "pay" to our security holders for the use of their money therefore is an item in the cost of service to our customers. Since we are regulated by the Public Service Commission, our operations are strictly on a "Cost of Service" basis, and show no "profit" that is not included in so-called "non-profit" enterprises.

How Has The Stockholder Fared?

OUR properties, plants and equipment total \$92,400,000. This investment, related to the total electric, gas and steam revenues of \$22,700,000 for 1946, is equal to an investment of \$4.07 for each \$1.00 of revenue. Thus, 4 years of revenue is necessary to equal the investment needed to provide us with jobs and to serve the public. This is much higher than most other businesses require.

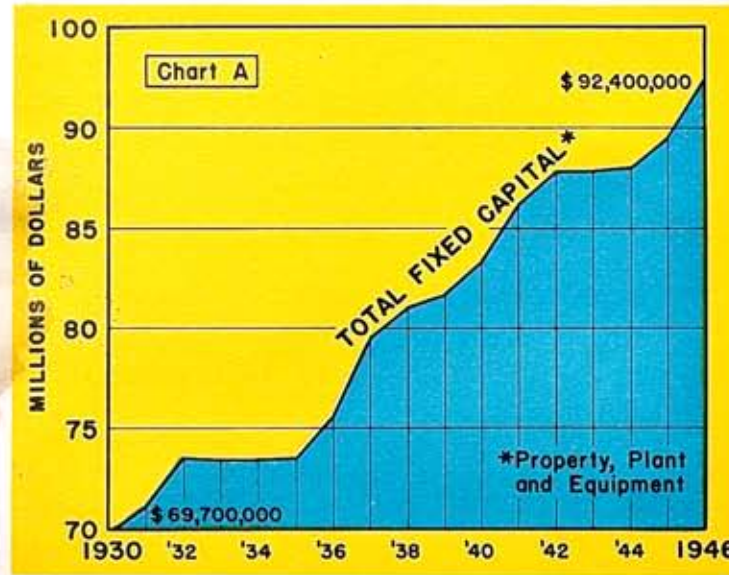


Chart A shows the remarkable growth in the amount of money invested in the property, plant and equipment.

In the 16 years since 1930, the Company's property increased about \$22,700,000 or 33%.

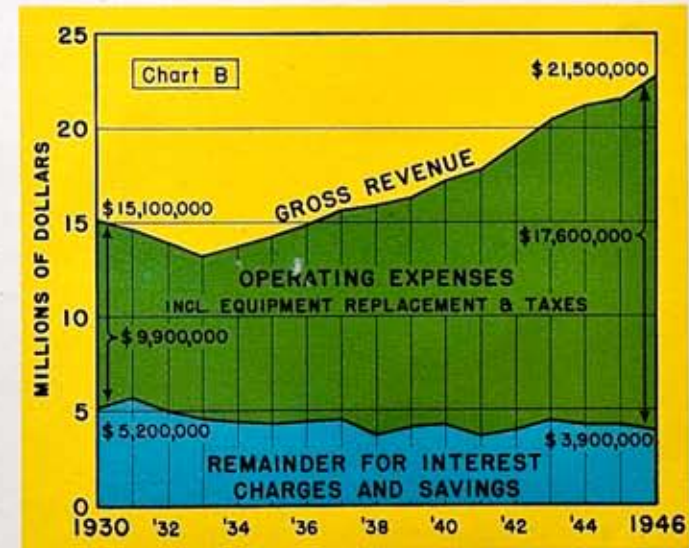
WHAT HAS HAPPENED TO THE SECURITY HOLDER WHO PUT UP THE MONEY?

Chart B shows that in the 16 years since 1930, total revenues increased \$6,400,000 or 42%; but operating expenses, including equipment replacements and taxes charged to operations, increased \$8,870,000 or 90%.

In the same period, the amount available for interest charges to the bond and stockholders and for savings decreased about \$1,300,000 or 24%.

IN OTHER WORDS, THE INVESTORS IN OUR OPERATIONS PUT \$22,700,000 MORE INTO THE COMPANY AND YET THEIR "PAY" HAS BEEN REDUCED BY ABOUT \$1,300,000 A YEAR.

It is in this respect that the stockholder is a "forgotten man."

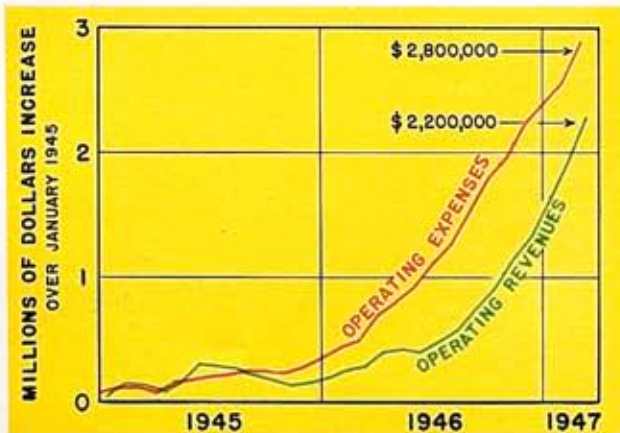


What Of The Company's Future?

Here's What's Happening

Here's How We Plan To Meet It

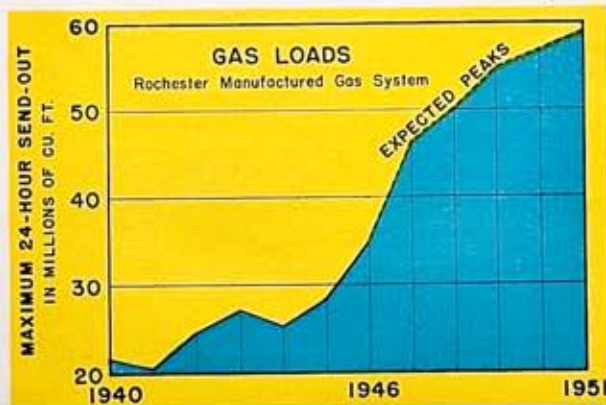
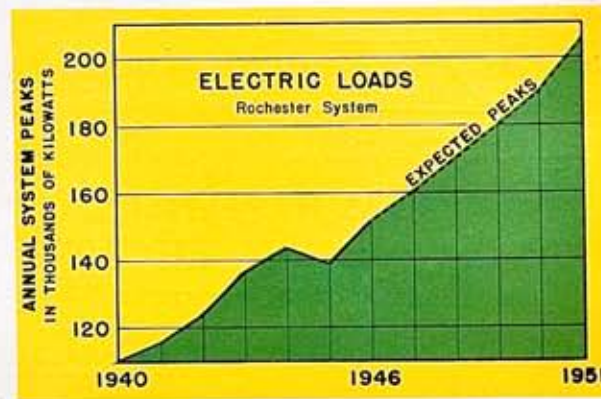
Expenses Increasing Faster Than Revenue



Our operating costs (wages, fuel, supplies, etc.) have been increasing at a faster rate than our increase in revenues. This is cause for great concern and is one of our problems ahead.

Load Growth Requires New Plants and Equipment

In the increase in our electric loads, which may help to solve some of our problems, we will need all our skill to meet the demands until new facilities are ready.



Greater acceptance of automatic heating and rising costs of fuels have boosted the demand for gas house-heating and means new peak loads. With thousands of new gas heating jobs still to come, we have a real operating job ahead of us.

OUR CONSTRUCTION PROGRAM

OUR increased gas, electric and steam loads, and the Company's desire for even greater reliability and continuity of service, will mean a construction program in the next 5 years totaling \$52,000,000 as follows:

Year	Electric	Gas	Steam	General	Total
1947	\$14,600,000	\$2,600,000	\$1,300,000	\$ 500,000	\$19,000,000
1948	5,200,000	2,300,000	1,000,000	200,000	8,700,000
1949	10,600,000	2,300,000	700,000	800,000	14,400,000
1950	2,400,000	1,500,000	100,000	300,000	4,300,000
1951	3,200,000	800,000	1,100,000	500,000	5,600,000
Total	\$36,000,000	\$9,500,000	\$4,200,000	\$2,300,000	\$52,000,000

OUR FINANCIAL PROGRAM

THE Company has already started on a program to raise the \$52,000,000 needed in the next 5 years. The following table indicates approximately how the money may be obtained:

Year	By the Company			Total
	By Sale of Securities	From Depreciation Accruals*	From Stockholders' Savings	
1947	\$16,000,000	\$ 2,500,000	\$ 900,000	\$19,400,000
1948	-	3,000,000	900,000	3,900,000
1949	16,000,000	3,000,000	900,000	19,900,000
1950	-	3,500,000	900,000	4,400,000
1951	-	3,500,000	900,000	4,400,000
Total	\$32,000,000	\$15,500,000	\$4,500,000	\$52,000,000

*From funds set aside for replacement of worn out equipment and used to build new equipment.

What of Your Future?

HAVE WE A GUARANTEED ANNUAL WAGE?

In effect we do have a guaranteed annual wage. The proof is that for many years no one has been laid off except for failure to properly carry on his or her work.

DO EMPLOYEES STAY WITH THE COMPANY?

Yes, there is job security with the Company. Look at this table of Employee service:

990 Employees have been with the Company over 10 years
560 Employees have been with the Company over 20 years
450 Employees have been with the Company over 25 years
400 Employees have been with the Company over 30 years

HAVE YOU A COMPLAINT?

If so, please bring it to the attention of your foreman or supervisor or feel perfectly free to discuss it with any of your superiors or the Employee Relations Department. If not satisfied, any member of the Management will be glad to discuss it with you.

DO YOU NEED ANY HELP?

The Employee Relations Department will be glad to help advise you on confidential or personal problems or on any other matters.

WHAT ABOUT THE E. B. A. ?

The Employees Benevolent Association in 1946 paid out in benefits to Employees every penny contributed by both the Employees and the Company. Of a yearly net income totaling about \$183,000, the following payments were made:

Sick and Off-Duty Accident Benefits Paid To Employees	\$141,000*
Hospitalization and Medical Expenses Paid For The Employees	42,000**
Total Benefits Paid Out	\$183,000

* The Company paid for \$128,300 of this \$141,000

** The Company paid for \$ 10,300 of this \$ 42,000

In other words, the Company contributed \$138,600 and the Employees paid \$44,400 in dues and fees in order to enable the E.B.A. to pay \$183,000 in benefits to our Employees.

HOW ABOUT THE PENSION PLAN?

The value of the Company's retirement plan is best understood by its costs and benefits. Of \$5,700,000 paid in by both the Company and the Employees, about \$4,000,000 was paid for by the Company alone since it began in 1931. Two hundred thirty retired Employees (about 10% of the present number of Employees) now benefit from the plan. Benefits paid to date already total \$900,000.

DO YOU KNOW ABOUT THE SURGICAL PLAN?

In addition to the health and welfare expenses for the Employees at an annual cost to the Company of \$554,000, the Company liberalized hospitalization benefits to include surgical service at no added cost to the Employees but at an additional cost annually of \$13,000 to the Company.

WHAT DO WE MEAN BY "SAFETY"?

ACCIDENT prevention measures are of constant concern and cost the Company over \$50,000 a year, including the service of nurses, materials, supplies, educational programs and personnel time.

3 WEEKS VACATION WITH PAY?

Yes, vacations of 3 weeks with pay were recently extended to all Employees with 15 or more years of service.

HAVE YOU SENT IN ANY SUGGESTIONS?

It pays to do so. The suggestion system offers rewards for specific suggestions and also makes possible future opportunities. In 1946, the Company paid \$1,755 for 71 accepted suggestions. Half of the awards were for safety measures and the balance were mostly for improvements in operations.

HAVE YOU BEEN TO MILE-WOODS CAMP?

The building and grounds of the Mile-Woods Camp (off Scottsville Road) are owned by the Employees themselves and are available for Employee social programs. Did you know that the Company pays a portion of the cost of Employees' recreational activities such as bowling, softball and basketball leagues, as well as certain departmental social events?



WHAT OF THE FUTURE...? FROM this report you see we have many problems. However, we are fortunate in having a splendid organization of capable and experienced Employees. With your continued loyalty and help we will assure the progress and prosperity of both workers and Company in the years to come.

THE FUTURE OF THE EMPLOYEES AND THE COMPANY IS BRIGHT



RG&E EMPLOYES PARTY AT EASTMAN THEATRE, APRIL 18, 1947



SOME OF THE HIGHLIGHTS

EVERYONE in the audience that packed the Eastman Theatre for the R. G. & E. Employees Party on April 18th will tell you that it was the biggest thing we have ever staged. First there was the dedication of the Memorial Plaque, described on another page. Then followed the presentation of a beautifully engrossed, framed Scroll by the Board of Directors to Mr. Russell, extolling his years of service. Edward G. Miner, chairman of the Executive Committee of the Board, made this presentation. From the Employees came the gift of a whole new modern kitchen ventilation system for the Russell kitchen on Brookside Drive; also a reel and line for the Hardy fishing rod which Mrs. Russell contributed. W. E. Hughes voiced the Employees' appreciation of Mr. Russell's interest in their welfare.

Then came the show...and what a show! The R. G. & E. Kiloettes made a sensational hit with their two dance numbers. Twenty of our prettiest girls, attractively costumed, performed with a precision and flair that would have done credit to the famous Radio City Rockettes. Their Reddy Kilowatt Fantasy brought down the house. The R. G. & E. Male Chorus in a dramatic musical background for the plaque dedication; Alvera Sarson in an exotic Spanish dance; Art Steffen and Mary Andrews in songs; Syl Novelli and Gene Zacher in a two-piano specialty and June Lorraine, petite New York star, in impersonations, all came in for sustained applause. Charles Siverson and his 30-piece WHAM Orchestra were rhythmic tops.



EDWARD G. MINER AND MR. AND MRS. RUSSELL WITH SCROLL FROM DIRECTORS "INDICATING OUR ESTEEM AND CONFIDENCE"



RAY MYERS AND SOME OF THE ATTRACTIVE USHERS



(ABOVE) DIRECTOR FRANK HOUSTON AND R. G. & E. MALE CHORUS

(BELOW) THE R. G. & E. KILOTTES MAKE THEIR DEBUT



MR. RUSSELL THANKS YOU...

I would like to thank each of you personally for your fine gifts to me but it can't be done that way so I will use a little space in the magazine to tell you how pleased I am.

The Scroll from the Board of Directors is beautiful and the kitchen remodeling from the employees really is something. It can now be used for demonstration purposes without Ed Nelson and Harold Brown having to apologize for the layout. Mrs. Russell asks me to tell you that she will be glad to welcome any of you who would care to visit our home.

The rod, reel and line are tools that will be in constant use. They are the finest made and now there will be no excuse for the "big ones" getting away.

Again, I thank you.

Sincerely,

Herman Russell

Chairman of the Board of Directors

