

The image shows the cover of an annual report. The background is a photograph of an industrial facility with two prominent, tall, cylindrical smokestacks. The sky is a uniform orange color. The text is overlaid on the image in a bold, black, sans-serif font. The title 'ANNUAL REPORT 1947' is in the upper right. The company name 'SOUTHERN INDIANA GAS AND ELECTRIC COMPANY' is centered in the middle. The photograph shows various industrial structures, including buildings and a white lattice tower, under a clear orange sky.

**ANNUAL REPORT  
1947**

**SOUTHERN**

**INDIANA  
GAS AND ELECTRIC  
COMPANY**



**THE COVER PICTURE**

*The Ohio River Electric Generating Station at  
Evansville. Rated Capacity 72,500 Kilowatts.*

Evansville, Indiana,  
February 24, 1948.

TO THE STOCKHOLDERS OF  
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY:

The year 1947 witnessed a satisfactory growth in the services of your Company to the people of the Southern Indiana region in which it operates. Sales of electricity and gas to all classes of customers, and gross revenues received, were at new high levels.

The use of greater amounts of electric service in all fields, indicates that many thousand additional kilowatts of electrical energy will be required in the near future. To meet this continuing demand, the Company has under way the addition of a 20,000 kilowatt steam turbine-generator and two boiler units in its Ohio River Station, which will increase the rated capacity of the system by 25%. Engineering plans are also in progress for another turbine unit of equal size.

Underlying and pointing up the Company's program of construction work, the growth in the consumption of electricity in this area is told in the increase over the past ten years of total sales of kilowatt hours by 161%. The sale of gas in cubic feet has increased 129% during the last decade. To keep pace with this demand, the Company is working closely with the pipe line company for a greater supply of natural gas in 1948.

This great expansion is expected to continue and will require large expenditures of money for additional facilities to render the service. To raise this money in a market where it is necessary to compete with other demands for capital, will require that earnings be maintained. In the past, the growth of the business and the increase in efficiency of generating equipment have met the increase in operating costs and have permitted reductions in rates for service; but today, if the costs of operation continue their present upward trend, it may be necessary to adjust our rate schedules so as to provide adequate earnings.

Gross revenues for 1947 amounted to \$9,071,889, or 17% better than the previous year, despite a drop of 2% in transportation earnings.

Electric sales, which represent 60% of the year's gross revenue, were 19% better than in 1946. The sale of gas contributed 21% of the 1947 earnings, or 25% over the prior year; and transportation revenues amounted to 14% of the 1947 gross.

Costs of operation were \$869,742 higher than in 1946, reflecting the increases in most items required to provide the Company's services to the public, and can only be met from the revenues received from the sale of these services.

The cost of coal has gone up appreciably. The Company used 267,654 tons last year at a price which averaged 77 cents a ton higher than in 1946. Over the ten year period since 1937, the increase in the price of coal has amounted to 83%. Payroll charges, which exceeded \$2,000,000 in 1947, were more than 15% greater than last year, due for the most part to higher wages paid.

Payments to government for all taxes—federal, state and local—took 21% of the Company's gross revenues, or \$1,887,547, of which \$1,869,216 was charged directly to tax account and the balance to other costs.

The fine work of our employees in carrying on the Company's affairs in the past year and in meeting the larger needs of the public, together with the assistance given by the staff of the service company, merits the commendation of all concerned.

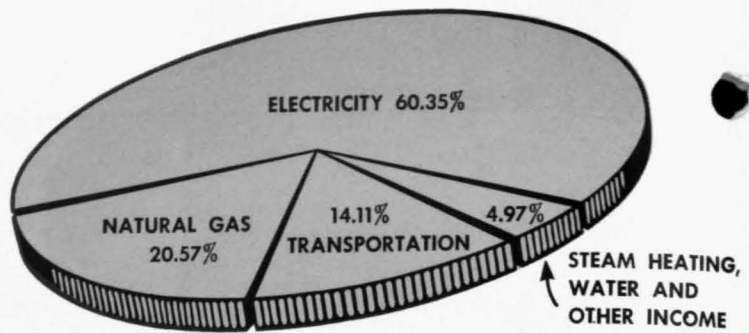
By order of the Board of Directors.

F. B. CULLEY  
*Executive Vice-President*

J. A. BROWN  
*President*

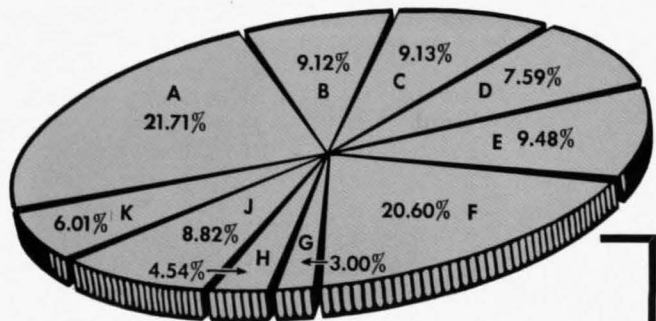
# THE 1947 REVENUE DOLLAR

## WHERE IT CAME FROM . . .



|   | 1947               | % of Total Revenue | 1946               | % of Total Revenue |
|---|--------------------|--------------------|--------------------|--------------------|
| Received From Sale of Electricity . . . . .     | \$5,474,934        | 60.35              | \$4,588,600        | 59.20              |
| Natural Gas . . . . .                           | 1,865,765          | 20.57              | 1,486,629          | 19.18              |
| Transportation . . . . .                        | 1,279,792          | 14.11              | 1,305,602          | 16.85              |
| Steam Heating, Water and Other Income . . . . . | 451,398            | 4.97               | 369,933            | 4.77               |
| <b>Total . . . . .</b>                          | <b>\$9,071,889</b> | <b>100.00</b>      | <b>\$7,750,764</b> | <b>100.00</b>      |

## HOW IT WAS SPENT . . .

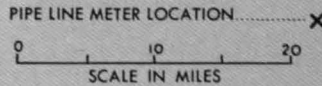


|  | 1947               | Cents Per Revenue Dollar | 1946               | Cents Per Revenue Dollar |
|--|--------------------|--------------------------|--------------------|--------------------------|
| A. Wages and Salaries, including cost of pensions and employee insurance . . . . . | \$1,969,226        | 21.71                    | \$1,718,452        | 22.17                    |
| B. Purchase of Natural Gas . . . . .   | 827,119            | 9.12                     | 598,287            | 7.72                     |
| C. Coal Consumed . . . . .   | 827,969            | 9.13                     | 487,808            | 6.29                     |
| D. Materials, Supplies and Other Expenses . . . . .                                | 688,673            | 7.59                     | 638,697            | 8.24                     |
| E. Depreciation and Amortization of Plant . . . . .                                | 859,893            | 9.48                     | 794,093            | 10.25                    |
| F. Taxes—Federal, State and Local . . . . .  | 1,869,216          | 20.60                    | 1,657,968          | 21.39                    |
| G. Interest and Other Income Deductions . . . . .                                  | 272,536            | 3.00                     | 261,006            | 3.37                     |
| H. Preferred Stock Dividends . . . . .   | 412,296            | 4.54                     | 412,296            | 5.32                     |
| J. Common Stock Dividends . . . . .  | 800,000            | 8.82                     | 800,000            | 10.32                    |
| K. Balance retained for future needs . . . . .                                     | 544,961            | 6.01                     | 382,157            | 4.93                     |
| <b>Total . . . . .</b>   | <b>\$9,071,889</b> | <b>100.00</b>            | <b>\$7,750,764</b> | <b>100.00</b>            |

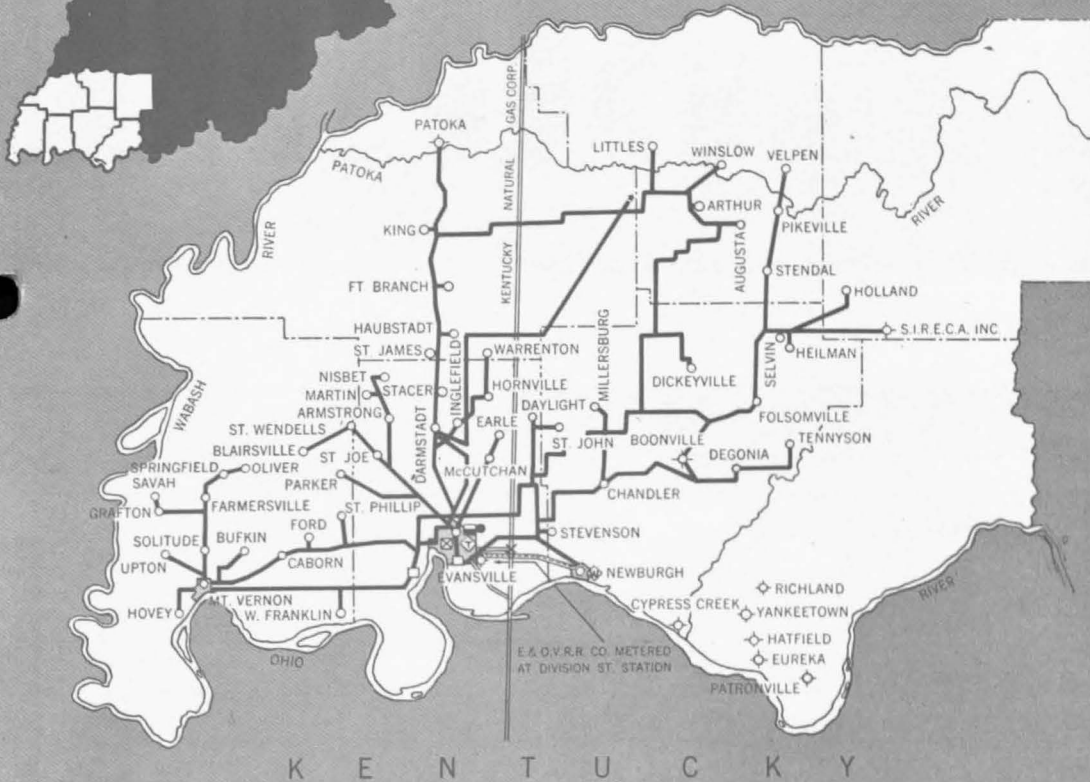
# INDIANA

## LEGEND

- |   |   |   |                        |
|---|---|---|------------------------|
| — | ELECTRIC TRANS. AND DIST. LINES                       | ■ | GAS PLANT              |
| □ | STEAM ELECTRIC PLANT                                  | ● | GAS SERVICE            |
| ○ | ELECTRIC SERVICE — RETAIL                             | ◇ | TRANSPORTATION         |
| ⊙ | ELECTRIC SERVICE — WHOLESALE                          | ⊖ | WATER SERVICE          |
| ⊠ | STEAM HEATING SERVICE                                 | — | NATURAL GAS PIPE LINES |
| ★ | EMERGENCY INTERCONNECTION WITH P.S. CO. OF IND., INC. | — | (Other Companies)      |
|   |   | — | (Company)              |



## TERRITORY SERVED BY YOUR COMPANY



Electric service is supplied directly to 55 cities and towns, and at wholesale to 4 agencies serving 32 communities and some 4,600 customers. The area approximates 1860 square miles; population 170,000.

Natural gas service is supplied in Evansville and Newburgh.

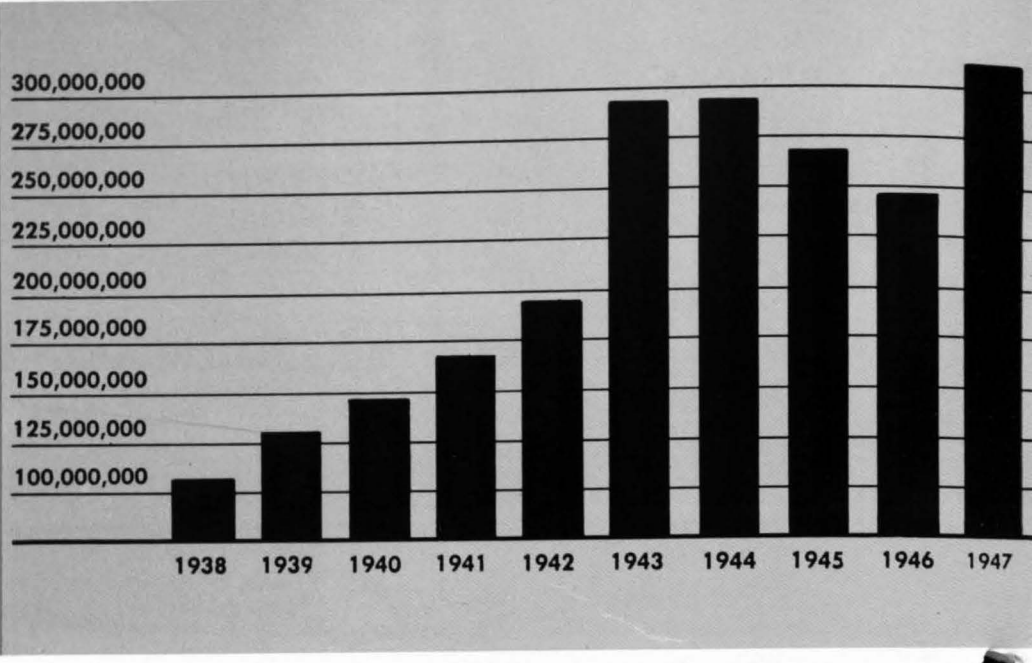
Bus transportation extends throughout Evansville and its immediate environs.

Steam heating service supplies stores and other buildings in Evansville's principal business district. Water service is supplied in Newburgh.

# GROWTH IN SALES . . . . . AND

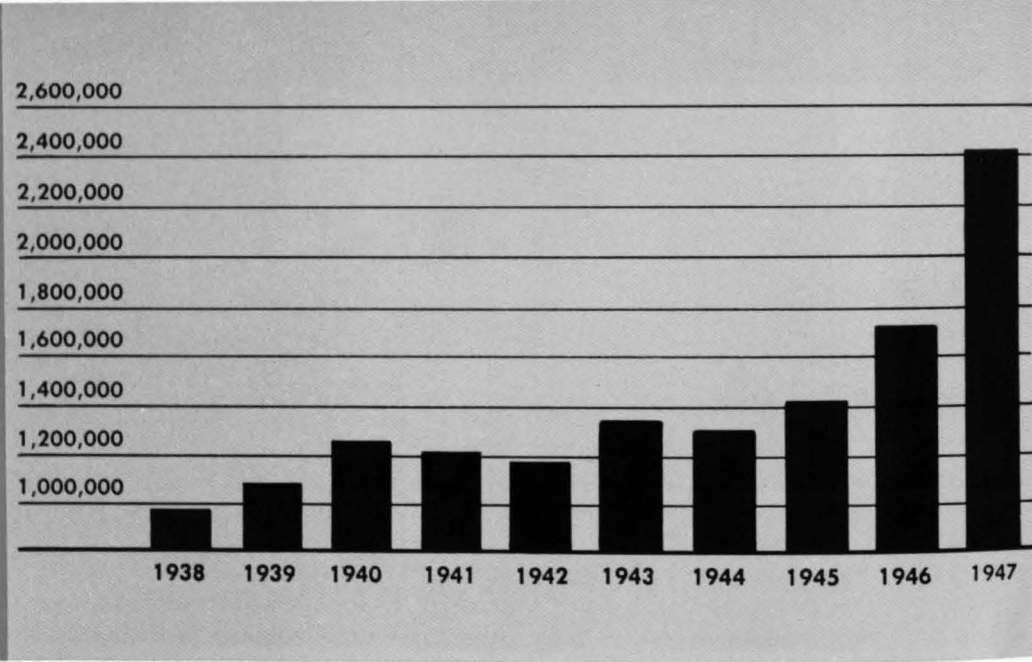
**ELECTRICITY**

SALES  
IN  
KILOWATT  
HOURS



**GAS**

SALES  
IN THOUSANDS  
OF CUBIC  
FEET



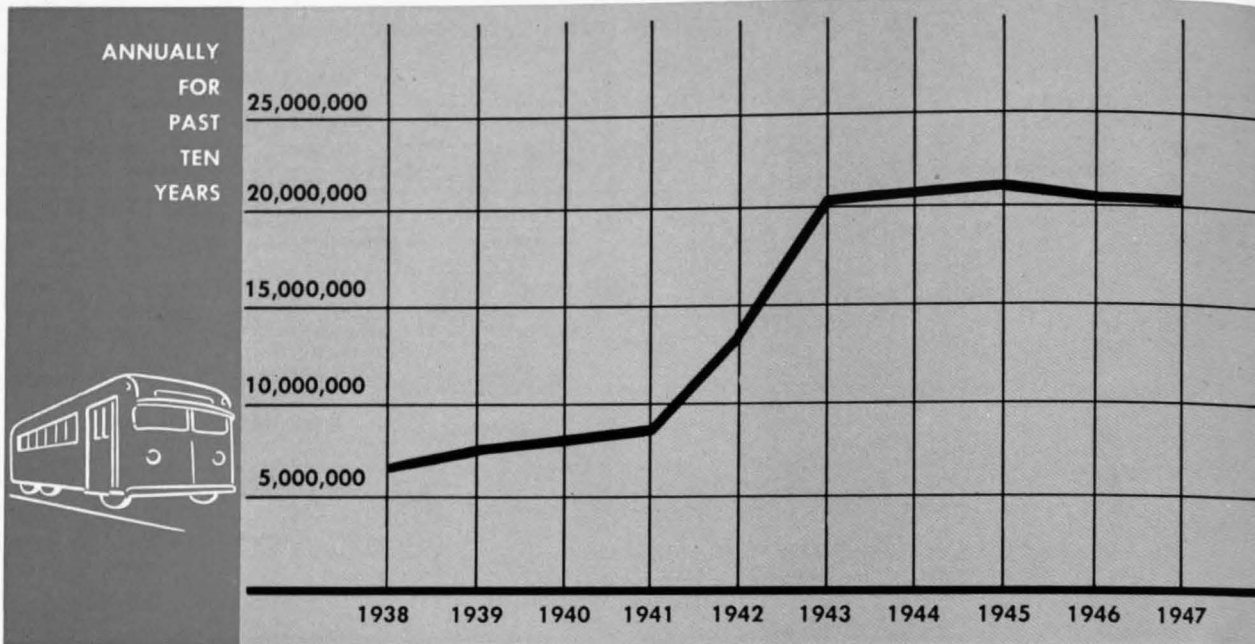
# OPERATING STATISTICAL DATA

| ELECTRIC:  | 1947        | 1946        | Increase   | Per Cent |
|--|-------------|-------------|------------|----------|
| <i>Sales in kilowatt hours—</i>                          |             |             |            |          |
| Residential.....   | 61,470,022  | 52,803,267  | 8,666,755  | 16.41    |
| Commercial Light and Power.....                          | 64,363,253  | 55,866,947  | 8,496,306  | 15.21    |
| Industrial.....  | 176,308,076 | 129,944,672 | 46,363,404 | 35.68    |
| Other.....   | 10,521,766  | 7,447,179   | 3,074,587  | 41.29    |
| Total.....   | 312,663,117 | 246,062,065 | 66,601,052 | 27.07    |
| <i>Revenue from Sales—</i>                               |             |             |            |          |
| Residential.....   | \$1,866,168 | \$1,693,683 | \$172,485  | 10.18    |
| Commercial Light and Power.....                          | 1,460,071   | 1,297,910   | 162,161    | 12.49    |
| Industrial.....  | 1,982,772   | 1,454,189   | 528,583    | 36.35    |
| Other.....   | 165,923     | 142,818     | 23,105     | 16.18    |
| Total.....   | \$5,474,934 | \$4,588,600 | \$886,334  | 19.32    |
| <i>Customers Served at end of Year—</i>                  |             |             |            |          |
| Residential.....   | 45,407      | 42,768      | 2,639      | 6.17     |
| Commercial Light and Power.....                          | 6,313       | 5,948       | 365        | 6.14     |
| Industrial.....  | 127         | 107         | 20         | 18.69    |
| Other.....   | 13          | 12          | 1          | 8.33     |
| Total.....   | 51,860      | 48,835      | 3,025      | 6.19     |
| Average kilowatt hour use by residential customers.....  | 1,393       | 1,263       | 130        | 10.29    |
| Average residential rate per kilowatt hour in cents..... | 3.04        | 3.21        | .17*       | 5.30*    |

\* Shows reduction

| GAS:                                     | 1947        | 1946        | Increase  | Per Cent |
|--|-------------|-------------|-----------|----------|
| <i>Sales in thousands of cubic feet—</i> |             |             |           |          |
| Domestic.....                            | 714,412.4   | 646,092.6   | 68,319.8  | 10.57    |
| Space Heating.....                       | 793,885.0   | 423,522.8   | 370,362.2 | 87.45    |
| Commercial and Industrial.....           | 887,124.4   | 637,280.0   | 249,844.4 | 39.20    |
| Other.....                               | 6,300.0     | 5,773.0     | 527.0     | 9.13     |
| Total.....                               | 2,401,721.8 | 1,712,668.4 | 689,053.4 | 40.23    |
| <i>Revenue from Sales—</i>               |             |             |           |          |
| Domestic.....                            | \$ 812,896  | \$ 794,617  | \$ 18,279 | 2.30     |
| Space Heating.....                       | 501,911     | 274,872     | 227,039   | 82.60    |
| Commercial and Industrial.....           | 547,626     | 414,057     | 133,569   | 32.26    |
| Other.....                               | 3,332       | 3,083       | 249       | 8.08     |
| Total.....                               | \$1,865,765 | \$1,486,629 | \$379,136 | 25.50    |
| <i>Customers served at end of year—</i>  |             |             |           |          |
| Domestic.....                            | 25,817      | 25,567      | 250       | .98      |
| Space Heating.....                       | 4,343       | 3,429       | 914       | 26.66    |
| Commercial and Industrial.....           | 1,522       | 1,473       | 49        | 3.33     |
| Total.....                               | 31,682      | 30,469      | 1,213     | 3.98     |

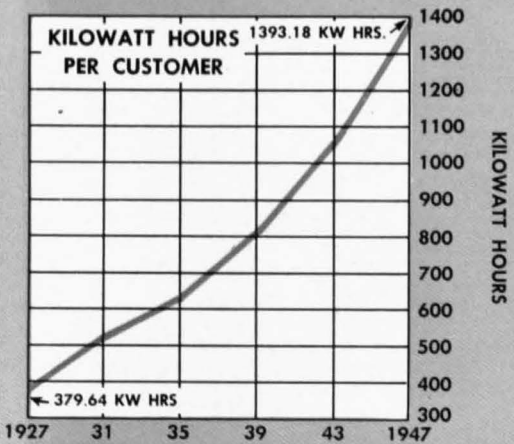
# REVENUE BUS PASSENGERS CARRIED



Revenue passengers carried on the Company's bus lines continued at nearly the same level as in 1946, numbering 20,057,179, or within 2% of the previous year.

Service was supplied in 1947 by a fleet of 87 gasoline powered buses, including 23 new, large-capacity vehicles put into service in the past two years. Twelve additional new buses were added in January 1948.

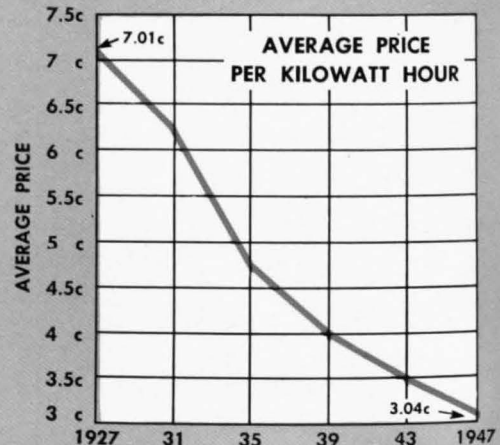
# AVERAGE ANNUAL USE OF ELECTRICITY AND AVERAGE PRICE PAID BY RESIDENCE CUSTOMERS



Customers have electric service in the home at a price that pays its way in usefulness and better living; and they prove it by buying ever larger amounts.

Average sale per customer in 1947 was 1393 kilowatt hours—over 3½ times more than it was, twenty years ago. The customer paid an average of 3.04 cents per kilowatt hour, or considerably less than half the price in 1927.

No other "living cost" is a bigger bargain.

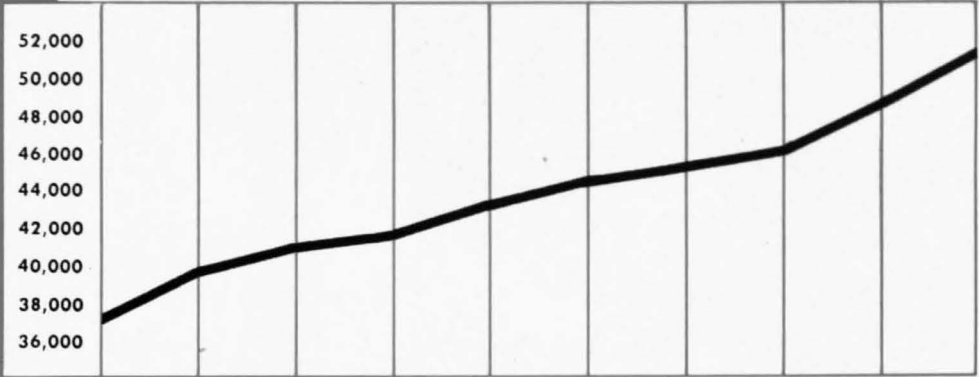




# 10 YEAR INCREASE IN CUSTOMER SERVICE

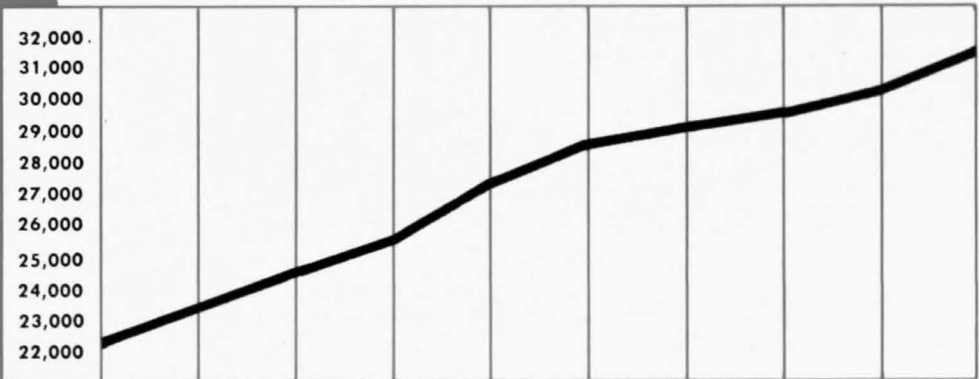
## ELECTRIC SERVICE . . . IN NUMBER OF CUSTOMERS

**ELECTRICITY**



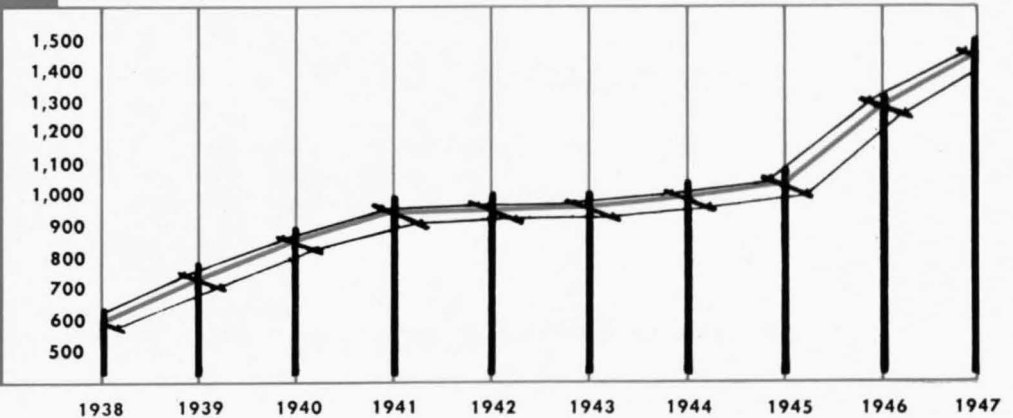
## GAS SERVICE . . . IN NUMBER OF CUSTOMERS

**GAS**



## RURAL ELECTRIFICATION . . . IN MILEAGE

**RURAL**



AIR VIEW OF THE CITY OF EVANSVILLE



**YOUR COMPANY**

**INDUSTRY**



**COMMERCIAL FACILITIES**



**HOME SERVICE**



**TRANSPORTATION**



**FARM IMPROVEMENT**



**RESOURCE DEVELOPMENT**



*Turbine-generator room at Ohio River station, showing four of the five present units.*

**T**HE TERRITORY served by the Company is continuing to benefit from the industrial development that followed on the termination of wartime work and brought new business with diversified and expanding operations. This has been a stabilizing influence during the last two years, making for steadier and more varied employment, and brings improvement in commercial business and in the standard of living.

## **FEEDS THE KEY FACTORS**

## **THAT BUILD**

## **A PROGRESSIVE COMMUNITY**

As a part of Evansville's housing development, more than 1,300 building permits were issued in 1947 in Vanderburgh County, which includes Evansville and its environs. More homes are needed and, when built, will result in additional business for the Company. Electricity, gas and transportation open the way to advancement in industrial and commercial expansion and employment, and in more comfortable living in the home. In rural areas as well, electricity has brought new advantages to farm life and work.

The properties and resources of the Company are dedicated to furthering these benefits for the people of this region. Provision of these facilities through the past years, their availability in advance of growing needs, and the Company's plans for future progress are based on the right to operate as a business-managed, tax-paying organization. This privilege repays the community in better utility service which, in turn, makes its contribution to improved conditions for living and working.

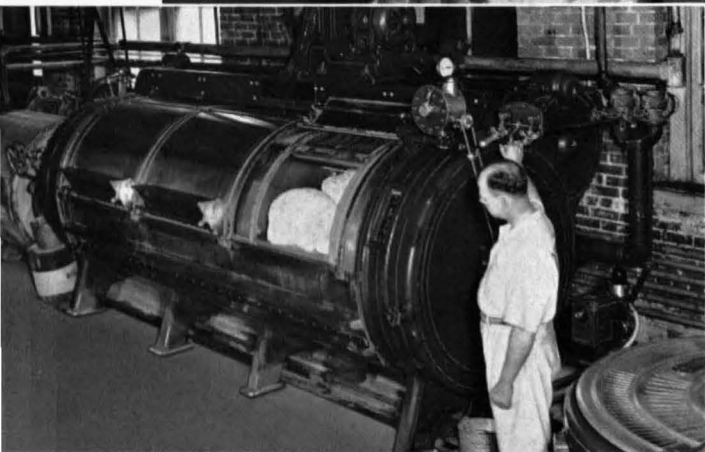
*Electric and gas sales to the home continue to increase, the gain in electric kilowatt hours being more than 16% over 1946, and for gas consumption (excluding house heating), more than 10%.*



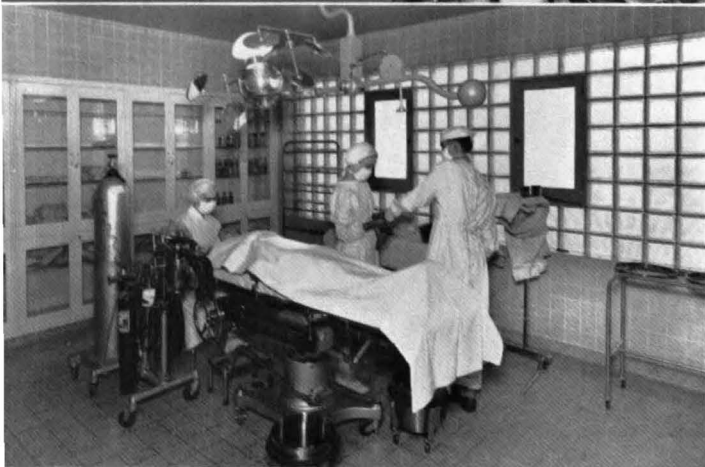
# SERVICE TO THE



*Modern business district lighting, such as this on Main Street, Evansville, Ind., promotes personal and traffic safety, stimulates business and indicates a progressive community.*

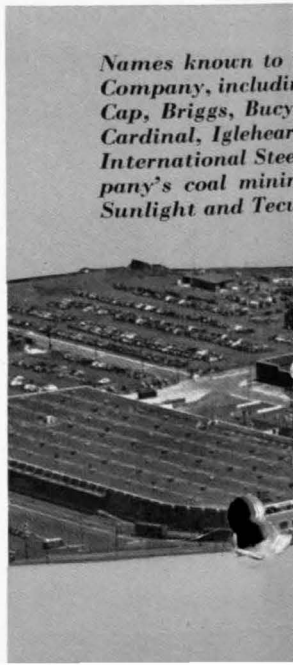


*Greater use of electricity and gas in commercial establishments aids in increasing business, helps cut costs, and improves working conditions. (View in one of Evansville's modern laundries)*



*Modern medicine and surgery depend in ever greater measure on electricity and gas for the operation of hospitals, clinics, doctors' offices and laboratories — with greater benefits to public health. (Operating room in one of Evansville's fine hospitals)*

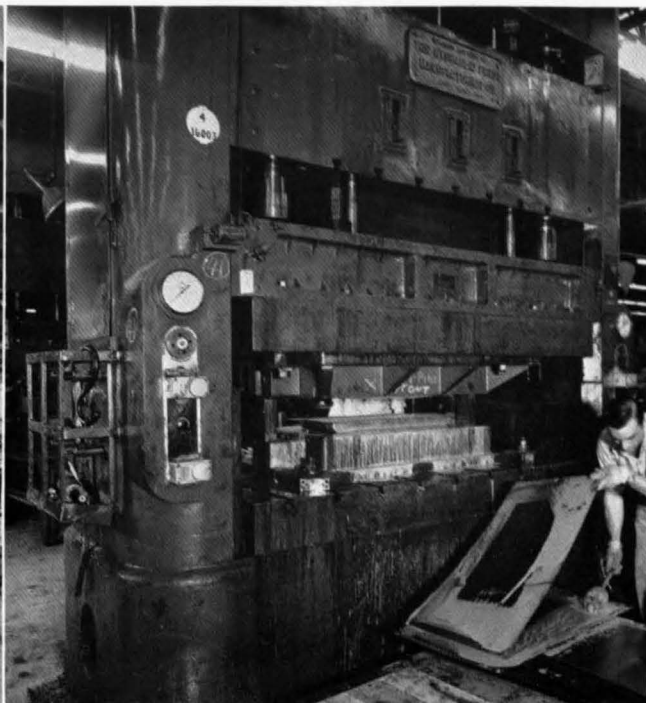
*Names known to the Company, including Cap, Briggs, Bucy Cardinal, Iglehear International Steel pany's coal minir Sunlight and Tecu*



# HOME...COMMERCE...INDUSTRY

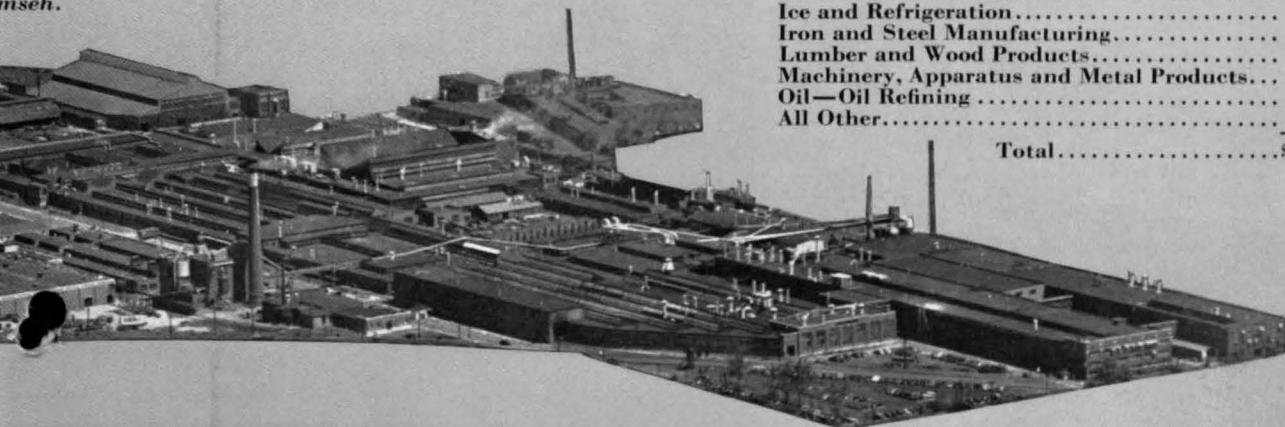


*Efficiency and economy of natural gas is a key to developing new production methods such as continuous heating processes, furnace and oven operations. (Gas fired oven bakes enamel on cabinets in the plant of an Evansville Refrigerator Manufacturer)*



*The use of electric power goes hand in hand with increased industrial production, new processes and new products, and backs the jobs of thousands of local workers. (A giant Stamping Press in one of Evansville's industrial plants)*

*The nation are among the customers of this g: American Fork and Hoe, Bernardin Bottle us-Erie, Chrysler, Faultless Caster, Hoosier (General Foods), International Harvester, , Servel, Seeger and Swift. Among the Com- g customers are Ayrshire, Blackfoot, Ingle, mseh.*



The sources of the Company's industrial electric revenue for 1947 are shown in the following tabulation of the kinds of business served:

|   |                    |
|---|--------------------|
| Automobile and Automobile Equipment . . . . .     | \$ 134,382         |
| Coal Mining . . . . .                             | 400,796            |
| Electric and Gas Refrigeration Mfrs. . . . .      | 640,038            |
| Food Stuffs and Tobacco . . . . .                 | 244,881            |
| Ice and Refrigeration . . . . .                   | 60,246             |
| Iron and Steel Manufacturing . . . . .            | 37,888             |
| Lumber and Wood Products . . . . .                | 57,898             |
| Machinery, Apparatus and Metal Products . . . . . | 251,960            |
| Oil—Oil Refining . . . . .                        | 43,067             |
| All Other . . . . .                               | 111,616            |
| <b>Total . . . . .</b>                            | <b>\$1,982,772</b> |

# ... ON THE FARM ... IN THE FIELD

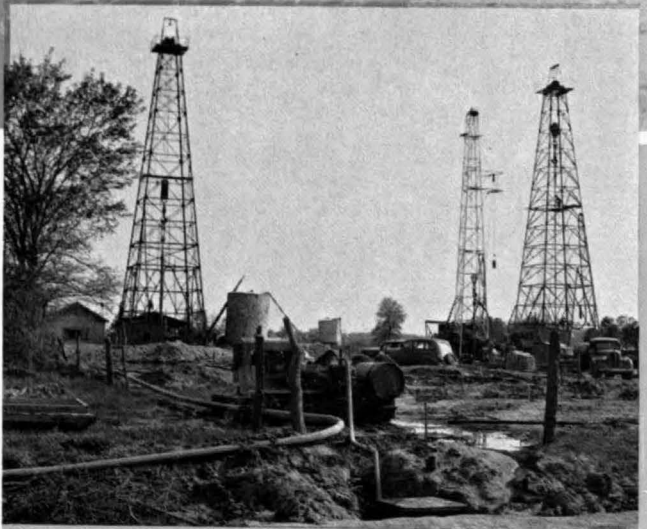
*With the nation and the world needing greater farm production, and with hired help expensive and hard to get, electricity takes over more and more of the jobs on the farm and in the farm home, and brings many of the city's living advantages to the rural areas. (Photograph shows an electrified operation on one of the many progressive farms in the company's territory).*

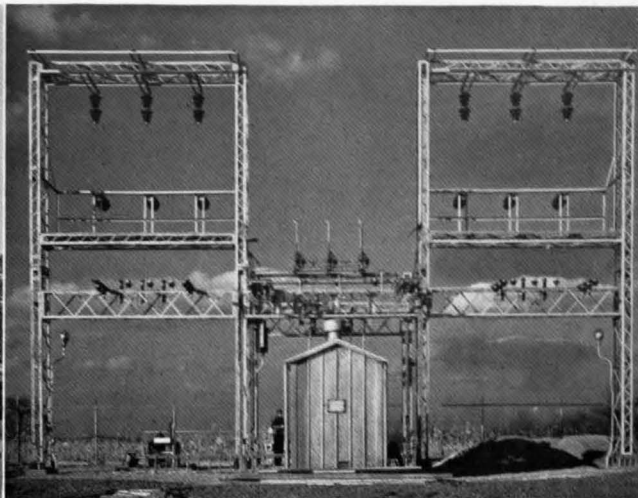


*Coal production is an important part of the economy of this region, and among the Company's customers are some of the world's largest strip mining operations. The Company buys most of its coal from its customers.*



*There has been a rapid development of oil resources, with resultant greater use of the Company's electric service for pumping and refining operations. (View of a drilling operation in an oil field near Evansville).*





*(Above Left) Service building recently acquired, adjacent to present service building providing 62,000 additional square feet for garage and warehouse use.*

*(Above Right) 69,000 volt substation under construction—part of the Tell City project.*

## **ADDITIONS TO PROPERTY**

Expenditures for property additions and improvements in 1947 amounted to \$2,289,393 of which \$1,545,149, or approximately 68% was for electric; \$295,416, or 13% for gas; \$168,567, or 7% was for transportation, and the balance for steam heating, water and general purposes. Property retirements for the year amounted to \$229,839.

Extensive engineering and construction work was undertaken during the year, including engineering on two additional boilers, a building extension and the installation of a steam turbine generator of 20,000 kilowatt rated capacity at the Ohio River Station. This unit is scheduled for operation in the summer of 1949.

Electric transmission and distribution work was continued on the 69,000 volt power supply network for Evansville; the 45 mile, 69,000 volt line to Tell City and rural areas in Spencer and Perry Counties; increased power supply to large industrial customers and to strip mine coal operations; and for general commercial and residential extensions and connections.

Rural electric line construction approximated 164 miles for the year. A total of 936 farms and other customers were connected to these and existing rural lines.

In the gas department, principal expenditures were for the extension of gas mains to serve new customers and improve distribution facilities.

Fourteen new buses were added to the transportation system in 1947, replacing older equipment and providing increased seating capacity.

*One of the 14 new passenger buses added to the Company's transportation fleet in 1947.*





*One of the fleet of 108 trucks and cars used in daily service to our customers.*

## **"SIGECO" EMPLOYEES ARE AT YOUR SERVICE**

The tradition of this Company's service in its communities, is "On the job 24 hours every day."

The trucks and cars of the Company travelled more than a million miles in 1947.

Services of SIGECO employees are many and varied. The training and experience of the organization extend from industrial work to home and farm service.

In the home, the Company's helpfulness is turned to good account. The women of the Home Service Department demonstrate to customers the newest and most effective ways to make use of household equipment—in cooking, food preservation, lighting and the other conveniences that appliances bring.

A more varied supply of approved electric and gas appliances made it possible for the Company to enlarge its merchandise sales program during 1947. At the same time, cooperative work was carried on with appliance merchandise dealers for better development of the appliance business.

New business included 8,500 kilowatts increase in customers' demands for power, and additional lighting, and also replacement or supplementing of several isolated generating plants with the Company's service. The Company is working with industrial customers in the application of its service to new processes such as infra red and high frequency heating operations and electronic techniques, and in the use of electricity and gas for manufacturing new products.

There were 767 men and women employed by the Company at the end of the year.



*One of the Company's Home Service representatives demonstrating in a customer's home the best ways to make use of a new appliance. Many home service calls were made in 1947, in addition to classes and group meetings in the Company's stores, in schools and elsewhere.*



*Trained industrial and commercial specialists advise with customers on new and improved uses of electricity and gas in the customers' business.*



## GENERAL

At the close of 1947, the Company served 51,860 electric customers, an increase of 3,025 for the year. There are 5,313 farm and 4,650 other rural customers. Residential electric customers numbered 45,407.

Gas customers served, totalled 31,682, a gain of 1,213. The total includes 25,817 home customers using gas for cooking, refrigeration and water heating, and 4,343 space heating customers, principally homes.

In December 1946 and in March 1947, it became necessary to place restrictions on connecting additional installations for space heating. This was done in accordance with orders of the Public Service Commission of Indiana, for the protection of present gas customers, pending the availability of a greater supply of natural gas.

On August 30, 1947, emergency connections were made to furnish the electric requirements of the City of Boonville, following the destruction of the municipally owned power plant by explosion. Electricity is now being supplied by the Company to the municipal distribution system on a wholesale basis under a five year contract.

The 1946 report noted that the Transportation Department had received an award from the American Transit Association for the traffic and passenger safety record achieved. It is a pleasure to report that the Company received in 1947 the highest safety award conferred by this Association. This citation was for high achievement in 1946 among transit companies of the United States and Canada serving urban populations of 100,000 to 250,000.

The Company's Group Life Insurance Plan was liberalized to provide greater protection for employees. Under the revised Plan, eligible employees who have been with the Company for a six-month period receive \$1,500 of non-contributory insurance paid for by the Company; and they may also subscribe for additional contributory insurance in amounts depending on annual earnings, for which the Company pays part of the cost. Over 95% of the employees took advantage of the contributory plan, and the amount of employee life insurance now exceeds \$2,600,000.

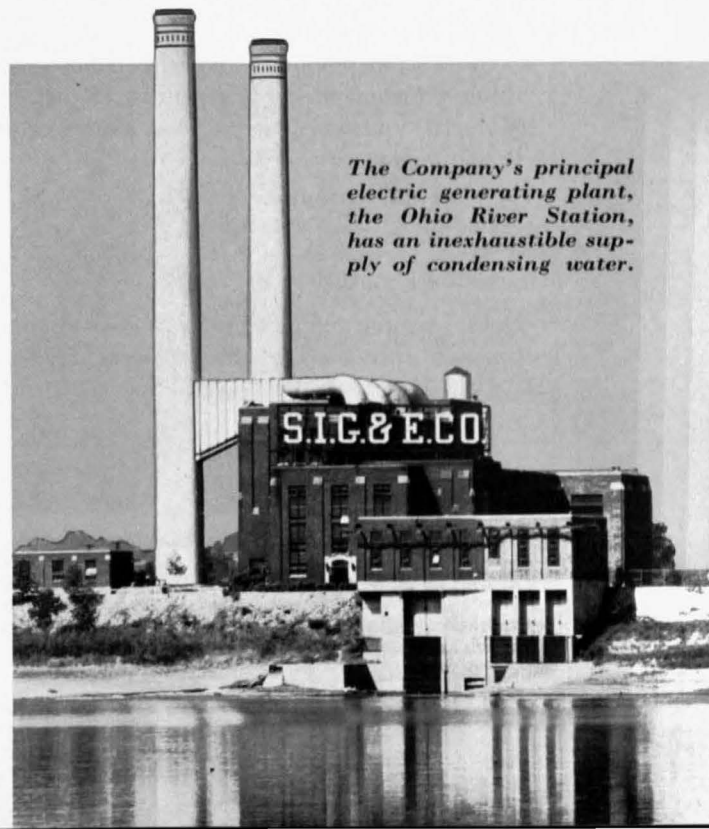
The contract with Local Union B-702 of the International Brotherhood of Electrical Workers (AFL) referred to in the report for 1946, was extended for another year from October 1, 1947 and the matter of wage in-

creases was settled by negotiation. A contract was made, effective for one year from August 1, 1947, with Local 878 of the Amalgamated Association of Street and Electric Railway and Motor Coach Employees of America, Inc. (AFL), providing for wage increases, and which was in effect an extension of the previous agreement.

The Company has an electrical interconnection near Oakland City with the Public Service Company of Indiana, Inc., with capacity up to 15,000 kilowatts, for use by either Company in case of emergency.

Preferred stockholders totalled 2493, of whom 1533 are residents of Indiana.

In last year's annual report, mention was made of a proposed offer by The Commonwealth & Southern Corporation, for exchange of the shares of the common stock of this Company owned by Commonwealth, together with common shares of others of its subsidiaries, for shares of Commonwealth's preferred stock. This offer was not consummated. An order of the Securities and Exchange Commission dated August 1, 1947 provides that Commonwealth must sever its relations with certain of its subsidiaries, including this Company, and a plan for such purpose is pending but undetermined. At such time as the common stock of this Company is disposed of by Commonwealth, this Company will no longer be a subsidiary of that corporation.



*The Company's principal electric generating plant, the Ohio River Station, has an inexhaustible supply of condensing water.*

# SOUTHERN INDIANA

## COMPARATIVE BALANCE SHEETS AT

### ASSETS

December 31

1947                      1946

#### UTILITY PLANT:

At original cost, including organization expenses of \$12,401.09—

|                                     |                        |                        |
|-------------------------------------|------------------------|------------------------|
| Electric . . . . .                  | \$18,083,674.94        | \$16,674,459.24        |
| Gas . . . . .                       | 3,562,670.81           | 3,259,236.56           |
| Transportation . . . . .            | 989,521.22             | 882,065.41             |
| Heating, water and common . . . . . | 1,123,150.63           | 883,588.00             |
|                                     | <u>\$23,759,017.60</u> | <u>\$21,699,349.21</u> |

Cost in addition to original cost, less reserve for amortization at rate of \$86,400 per annum . . . . .

949,800.76                      1,036,200.76

Total utility plant . . . . . \$24,708,818.36                      \$22,735,549.97

#### INVESTMENTS:

Capital stock of service company, at cost . . . . . \$ 15,300.00                      \$ 15,500.00

#### CURRENT ASSETS:

|   |                        |                        |
|---|------------------------|------------------------|
| Cash . . . . .  | \$ 708,217.23          | \$ 313,270.73          |
| U. S. Government securities at cost or current redemption value . . . . . | 1,762,457.23           | 3,283,852.00           |
| Accounts and interest receivable—   |                        |                        |
| Service accounts . . . . .  | 534,783.81             | 408,533.67             |
| Interest, merchandise and miscellaneous accounts . . . . .                | 160,820.05             | 70,769.61              |
| Reserve for uncollectible accounts (credit) . . . . .                     | (9,544.00)             | (8,181.78)             |
| Materials and supplies, stated at average cost . . . . .                  | 1,013,296.72           | 625,277.55             |
| Prepayments . . . . .   | 65,798.61              | 23,554.64              |
|   | <u>\$ 4,235,829.65</u> | <u>\$ 4,717,076.42</u> |

#### DEFERRED DEBITS:

|   |                        |                        |
|---|------------------------|------------------------|
| Debt discount and expense in process of amortization . . . . .  | \$ 24,377.59           | \$ 26,150.35           |
| Expenditures on leased office space in process of amortization over the lives of the leases, etc. . . . . | 63,571.01              | 44,473.64              |
|   | <u>\$ 87,948.60</u>    | <u>\$ 70,623.99</u>    |
|   | <u>\$29,047,896.61</u> | <u>\$27,538,750.38</u> |

#### NOTES:

(1) The payment of dividends on common stock, other than dividends payable in common stock, is restricted (a) under an order dated October 12, 1944 of the Securities and Exchange Commission, to an aggregate amount not in excess of 75% of net income (as defined) earned subsequent to December 31, 1943 available for such payments, if the aggregate of the par or stated value of the outstanding common stock and surplus (as defined) would be less than 25% of the total capitalization (as defined) and surplus, (the term "surplus" includes any surplus in excess of an amount equal to any amounts which are classified as amounts in excess of the original cost of utility plant and which are not provided for by reserves)

# GAS AND ELECTRIC COMPANY

DECEMBER 31, 1947 AND 1946

## LIABILITIES

|   | December 31            |                        |
|---|------------------------|------------------------|
|   | 1947                   | 1946                   |
| <b>CAPITAL STOCK AND SURPLUS:</b>   |                        |                        |
| Preferred stock, cumulative, par value \$100 per share—   |                        |                        |
| Authorized 400,000 shares—4.8% series, authorized, issued and outstanding 85,895 shares . . . . .   | \$ 8,589,500.00        | \$ 8,589,500.00        |
| Common stock, without par value—  |                        |                        |
| Authorized 500,000 shares—  |                        |                        |
| Issued and outstanding 400,000 shares, stated at . . . . .  | \$ 3,335,644.05        | \$ 3,335,644.05        |
| Earned surplus, of which \$1,729,358.16 and \$1,393,117.93 at December 31, 1947 and 1946, respectively, is not available for payment of common stock dividends (see note 1) . . . . . | 2,094,411.58           | 1,549,450.68           |
| Total common stock and surplus . . . . .  | <u>\$ 5,430,055.63</u> | <u>\$ 4,885,094.73</u> |
| Total capital stock and surplus . . . . .   | <u>\$14,019,555.63</u> | <u>\$13,474,594.73</u> |
| <b>LONG-TERM DEBT:</b>  |                        |                        |
| First mortgage bonds—   |                        |                        |
| 3.35% series of 1936, due October 1, 1961 . . . . .   | \$ 6,700,000.00        | \$ 6,700,000.00        |
| 3½% series of 1937, due October 1, 1961 . . . . .   | 800,000.00             | 800,000.00             |
| Total long-term debt . . . . .  | <u>\$ 7,500,000.00</u> | <u>\$ 7,500,000.00</u> |
| Total capitalization . . . . .  | <u>\$21,519,555.63</u> | <u>\$20,974,594.73</u> |
| <b>CURRENT LIABILITIES:</b>   |                        |                        |
| Accounts payable . . . . .  | \$ 451,895.23          | \$ 338,660.37          |
| Accrued taxes—  |                        |                        |
| General . . . . .   | 600,296.62             | 513,761.79             |
| Federal income . . . . .  | 1,319,967.86           | 1,177,019.09           |
| Accrued interest . . . . .  | 92,151.89              | 87,963.88              |
| Dividends declared on preferred stock . . . . .   | 103,074.00             | 103,074.00             |
| Customers' deposits . . . . .   | 53,162.94              | 70,309.63              |
| Miscellaneous . . . . .   | 72,265.10              | 56,368.71              |
| Total current liabilities . . . . .   | <u>\$ 2,692,813.64</u> | <u>\$ 2,347,157.47</u> |
| CUSTOMERS' ADVANCES FOR CONSTRUCTION, ETC. . . . .  | <u>\$ 117,111.34</u>   | <u>\$ 119,398.53</u>   |
| <b>RESERVES:</b>  |                        |                        |
| Reserves for depreciation—  |                        |                        |
| Electric . . . . .  | \$ 3,015,322.54        | \$ 2,522,221.97        |
| Gas . . . . .   | 704,382.23             | 631,739.98             |
| Transportation . . . . .  | 446,348.12             | 415,153.78             |
| Heating, water and common . . . . .   | 319,655.57             | 315,227.52             |
| Total reserves for depreciation . . . . .   | <u>\$ 4,485,708.46</u> | <u>\$ 3,884,343.25</u> |
| Injuries and damages reserve . . . . .  | 97,232.72              | 84,181.93              |
| Total reserves . . . . .  | <u>\$ 4,582,941.18</u> | <u>\$ 3,968,525.18</u> |
| CONTRIBUTIONS IN AID OF CONSTRUCTION . . . . .  | <u>\$ 135,474.82</u>   | <u>\$ 129,074.47</u>   |
|   | <u>\$29,047,896.61</u> | <u>\$27,538,750.38</u> |

(common stock equity was 21.78% at December 31, 1947 and 19.30% at December 31, 1946 of the total capitalization and surplus), and (b) under the Articles of Reorganization and under the indentures securing the first mortgage bonds. These latter restrictions under (b) are inoperative by reason of the more restrictive limitation under (a) above.

(2) Purchase commitments aggregating approximately \$4,000,000, have been issued in connection with the program, estimated to cost \$6,600,000, for the construction of additional turbine capacity, 69 K. V. power supply and transmission lines expected to be completed in 1949.

# SOUTHERN INDIANA GAS AND ELECTRIC COMPANY

## STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1947 AND 1946

| PARTICULARS   | Year Ended December 31 |                | Increase<br>or<br>(Decrease) |
|---|------------------------|----------------|------------------------------|
|   | 1947                   | 1946           |                              |
| <b>GROSS REVENUE:</b>   |                        |                |                              |
| Electric . . . . .  | \$5,531,273.74         | \$4,646,898.75 | \$ 884,374.99                |
| Gas . . . . .   | 1,886,956.97           | 1,506,400.34   | 380,556.63                   |
| Transportation . . . . .  | 1,289,104.13           | 1,311,538.94   | (22,434.81)                  |
| Heating and water . . . . .   | 138,362.31             | 96,824.95      | 41,537.36                    |
| Nonoperating . . . . .  | 226,192.33             | 189,101.75     | 37,090.58                    |
| Total gross revenue . . . . .   | \$9,071,889.48         | \$7,750,764.73 | \$1,321,124.75               |
| <b>OPERATING EXPENSES AND TAXES:</b>  |                        |                |                              |
| Operation (including purchased gas in 1947,<br>\$827,118.99, in 1946, \$598,286.67) . . . . . | \$3,597,368.78         | \$2,791,792.61 | \$ 805,576.17                |
| Maintenance . . . . .   | 715,617.82             | 651,451.81     | 64,166.01                    |
| Provision for depreciation . . . . .  | 773,493.10             | 707,692.84     | 65,800.26                    |
| Provision for amortization of plant acquisition<br>adjustments . . . . .                      | 86,400.00              | 86,400.00      | —                            |
| General taxes . . . . .   | 813,040.41             | 707,544.41     | 105,496.00                   |
| Provision for estimated Federal income taxes . . . . .  | 1,056,176.00           | 950,424.00     | 105,752.00                   |
| Total operating expenses and taxes . . . . .  | \$7,042,096.11         | \$5,895,305.67 | \$1,146,790.44               |
| Gross income . . . . .  | \$2,029,793.37         | \$1,855,459.06 | \$ 174,334.31                |
| <b>INCOME DEDUCTIONS:</b>   |                        |                |                              |
| Interest on long-term debt . . . . .  | \$ 252,450.00          | \$ 252,450.00  | \$ —                         |
| Miscellaneous interest and other charges (net) . . . . .                                      | 20,086.47              | 8,555.81       | 11,530.66                    |
| Total income deductions . . . . .   | \$ 272,536.47          | \$ 261,005.81  | \$ 11,530.66                 |
| Net income . . . . .  | \$1,757,256.90         | \$1,594,453.25 | \$ 162,803.65                |
| <b>DIVIDENDS ON 4.8% PREFERRED STOCK</b>  |                        |                |                              |
| Net income after dividends on preferred<br>stock . . . . .                                    | 412,296.00             | 412,296.00     | —                            |
| Net income after dividends on preferred<br>stock . . . . .                                    | \$1,344,960.90         | \$1,182,157.25 | \$ 162,803.65                |

# SOUTHERN INDIANA GAS AND ELECTRIC COMPANY

## SUMMARY OF EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1947

|   |                              |
|---|------------------------------|
| BALANCE DECEMBER 31, 1946, per previous report . . . . .  | \$1,549,450.68               |
| ADD—Net income after dividends on preferred stock for the<br>year ended December 31, 1947 . . . . .   | <u>1,344,960.90</u>          |
|   | \$2,894,411.58               |
| DEDUCT—Dividends on common stock . . . . .  | <u>800,000.00</u>            |
| BALANCE DECEMBER 31, 1947, of which \$1,729,358.16 is not<br>available for payment of common stock dividends (see<br>note 1 to balance sheet) . . . . . | <u><u>\$2,094,411.58</u></u> |

Dividend =  $\$800,000 + 400,000 = \$200$  per share

### ARTHUR ANDERSEN & Co.

Accountants and Auditors

506 OLIVE STREET  
ST. LOUIS 1

To the Board of Directors,  
Southern Indiana Gas and Electric Company:

We have examined the balance sheet of SOUTHERN INDIANA GAS AND ELECTRIC COMPANY (an Indiana corporation) as of December 31, 1947, and the statements of income and earned surplus for the fiscal year then ended, have reviewed the system of internal control and the accounting procedures of the company and, without making a detailed audit of the transactions, have examined or tested accounting records of the company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying balance sheet and related statements of income and earned surplus present fairly the position of Southern Indiana Gas and Electric Company at December 31, 1947 and the results of its operations for the year ended that date, and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & Co.

St. Louis, Missouri,  
January 24, 1948.

# SOUTHERN INDIANA GAS AND ELECTRIC COMPANY

## PRINCIPAL OFFICES—EVANSVILLE 3, INDIANA

### DIRECTORS

|                   |           |            |
|-------------------|-----------|------------|
| W. H. Barthold    | - - - - - | Peoria     |
| W. E. Blakeley    | - - - - - | New York   |
| G. H. Bourne      | - - - - - | New York   |
| J. A. Brown       | - - - - - | New York   |
| F. B. Culley      | - - - - - | Evansville |
| C. B. Enlow       | - - - - - | Evansville |
| C. B. Froelich    | - - - - - | Evansville |
| H. C. Kleymeyer   | - - - - - | Evansville |
| E. F. Ortmeier    | - - - - - | Evansville |
| C. E. Oswald      | - - - - - | Evansville |
| Justin R. Whiting | - - - - - | New York   |

### OFFICERS

|                |           |                              |
|----------------|-----------|------------------------------|
| J. A. Brown    | - - - - - | President                    |
| F. B. Culley   | - - - - - | Executive Vice-President     |
| G. H. Bourne   | - - - - - | Comptroller                  |
| C. E. Oswald   | - - - - - | Secretary                    |
| C. B. Froelich | - - - - - | Treasurer                    |
| G. R. Woehler  | - - - - - | Asst. Secy. and Asst. Treas. |
| E. E. Nelson   | - - - - - | Asst. Secy. and Asst. Treas. |
| E. C. Wilkins  | - - - - - | Asst. Secy. and Asst. Treas. |
| C. Wigand      | - - - - - | Assistant Treasurer          |

### TRANSFER AGENTS

#### FOR PREFERRED STOCK

|                       |       |                                |
|-----------------------|-------|--------------------------------|
| Office of the Company | ..... | Evansville 3, Ind.             |
| Agents of the Company | ..... | 120 Wall St., New York 5, N.Y. |

### REGISTRARS

#### FOR PREFERRED STOCK

|                        |       |                    |
|------------------------|-------|--------------------|
| The National City Bank | ..... | Evansville 9, Ind. |
| Bankers Trust Company  | ..... | New York 15, N.Y.  |

**T**HIS REPORT and accompanying financial statements are submitted for information of stockholders, and are not intended for use in connection with any sale or purchase of, or any offer or solicitation of offers to buy or sell, any securities.

**THE BACK COVER ILLUSTRATION**

*1,000,000 cubic foot natural gas storage holder,  
part of the Evansville Gas Distribution System.*

