

taxes and depreciation, and interest charges.

Sinking Fund: The company covenants to pay annually beginning June 1, 1930, cash in amounts sufficient to purchase and cancel \$53,000 of Series A bonds at not exceeding their prevailing redemption price and accrued interest or, if not so purchasable, to be applied to their redemption by lot. The Middle West Utilities Company has contracted to cause prompt payment of the sinking fund.

Provisions of Issue: Additional bonds to the extent of \$1,000,000 may be issued in series, other than Series A, with such provisions as at the time of issuance may be authorized, and will be issuable to the extent of 75% of the lower of cost or value of additions, betterments or new property

upon which the mortgage will be a direct first lien, provided, however, that the net earnings as defined in the mortgage, shall have been at least twice interest charge on all First Mortgage Bonds to be outstanding after such issuance.

TRUSTEE: Illinois Merchants Trust Company, Chicago. INTEREST PAYABLE: June and December 1 at office of Halsey, Stuart & Co., Chicago and New York. DENOMINATION: Coupon, \$100, \$500 and \$1,000 interchangeable. REGISTRATION: May be registered as to principal. TAX PROVISION: Company pays normal Federal income tax up to 2%, and agrees to reimburse resident holders of Series "A" bonds if requested within 60 days after payment for the Pennsylvania and Connecticut 4 mills and Maryland 4½ mills taxes, and for the District of Columbia Personal Property taxes not exceeding 5 mills per dollar per annum, and for the Massachusetts Income Tax on the interest of these bonds not exceeding 6% of such interest per annum.

BALANCE SHEET—Kentucky Hydro Electric Company—DECEMBER 31, 1927

ASSETS		LIABILITIES	
FIXED CAPITAL	\$11,574,855.07	CAPITAL STOCK:	
CURRENT ASSETS:		Preferred 7% Cumulative	\$4,250,000.00
Cash	\$205,763.83	Common—Without Par Value— (67,000 shares)	2,806,729.82
Accounts Receivable	66,122.93		\$ 7,056,729.82
Materials and Supplies	4,604.46	FUNDED DEBT	4,000,000.00
Prepayments	478.47	CURRENT LIABILITIES:	
SPECIAL DEPOSITS	276,969.69	Notes Payable	\$ 7,167.00
	4,900.00	Accounts Payable	34,823.11
DEFERRED DEBITS:		Miscellaneous Current Liabilities	438.75
Work in Progress	\$ 16,848.14		42,428.86
Miscellaneous Deferred Debits	6,891.51	ACCRUED LIABILITIES:	
	23,739.65	Taxes Accrued	\$ 65,894.40
		Interest Accrued	20,123.03
		Dividends Accrued	24,791.68
			110,809.11
		ADVANCES FROM AFFILIATED COMPANIES	407,606.35
		RESERVES:	
		Retirement Reserve	\$ 21,740.80
		Miscellaneous Reserves	6,916.12
			28,656.92
		SURPLUS	234,233.35
			\$11,880,464.41
	\$11,880,464.41		\$11,880,464.41

Old Dominion Power Company

(Controlled by Kentucky Utilities Company.)

OLD Dominion Power Company, incorporated in Virginia in May, 1926, is a subsidiary of Kentucky Utilities Company and in turn owns all of the capital stock of Old Dominion Ice Corporation, supplying artificial ice to 14 communities. Twenty-two communities are served with electric light and power directly by the Old Dominion Power Company. The combined population of the territory served directly or indirectly is estimated to be 22,000. The Company has about 4,800 electric customers.

Capitalization at June 30, 1928:

CAPITAL STOCK	
Common Stock without par value (30,000 shares)	\$1,650,000
Preferred Stock without par value (7,000 shares)	665,000
FUNDED DEBT	
First 5s of 1951	\$2,650,000

Income account for year ending December 31, 1927:

Operating Revenues	\$1,014,236.58
Operating Expenses and Taxes (Including Retirement Appropriation \$13,234.16)	548,361.63
Operating Income	\$ 465,874.95
Rent for Leased Lines	610.00
Net Operating Income	\$ 465,264.95
Non-Operating Income	3,924.87
Gross Income	\$ 469,189.82
Interest on Funded Debt	132,500.00
	\$ 336,689.82
Miscellaneous Interest and Amortization	18,259.13
Net Income	\$ 318,430.69
Dividends Paid and Accrued on Preferred Stock	48,999.99
	\$ 269,430.70
Dividends Paid and Accrued on Common Stock	180,000.00
Balance to Surplus	\$ 89,430.70