

ROBERT WILLIAM U ① XJN-6742

① Language:

I. George Richmond U of the Harman U/Homell U  
Subclass - William Riley U Line

A. Alfred Ryan U

1. Robert William U 6.14 JUL 1947

② UB Renewal Notice Mailed 10 NOV 2001 - Returned by  
Post office on 19 NOV 2001 as shown below:

Robert P Upchurch  
351 Shetland Valley Court  
Chesterfield, MO 63005-4840  
ADDRESS SERVICE REQUESTED

Reid 19 NOV 2001  
SSU 19 NOV 2001  
Remove from your list  
RPU

11-19-01  
done SSU  
UNABLE TO FORWARD  
Robert W. Upchurch  
2709 Bedford Ave.  
Raleigh, NC 27607



XID- 6742

**351 SHETLAND VALLEY COURT  
CHESTERFIELD, MISSOURI 63005-4840  
(636) 530-6022**

[illegible]

30 JUL 2001

It has been a while since we corresponded about our mutual interests in family history. Enclosed is a copy of our "SPRING 2001 SAGA" and a copy of the flyer on the Updunk Publication which will bring you up to date on our activities.

I am writing now especially to let you know I hope to be visiting Raleigh, NC for two weeks each fall and spring to give more of a NC focus to my family history work. In fact, we were on the first of these trips last spring when we had it cut short because of a water disaster in our home. We are now back up to 100% but only after 2-3 months of agony with the restoration. I still have

about 100 books to replace.

If circumstances permit and you are interested, I would be happy to arrange a visit with you on one of our future trips to Raleigh. In the meantime if you have any new information to share or if you have questions we can do some exchanging by mail. I'll be happy to send you a copy of my Master Outline on the George Richmond U, S, Family if you so desire. There have surely been some changes in the last 2-3 years.

It would be a pleasure to hear from you and to learn about how things are with you these days.

Sincerely yours  
 (i?) Phil Upchurch

{ROBERT PHILIP UPCHURCH}

ROBERT WILLIAM U

(12)

XID-6742

① Robert Williams U attended the Upchurch Lecture in Raleigh, NC on 18 FEB 1986

② 1983 Address Change:

POSTAGE DUE 25¢

PS FORM 3547

Resent V4 #2, 1983  
7-19-83 - changed  
card & list - 554

UPC 12 12273563 FORM 3547  
UPCHURCH  
3501 TURNBRIDGE DR  
RALEIGH NC 27609  
RETURN TO SENDER

.25 DUE

Robert W. Upchurch  
1412 Swallow Drive  
Raleigh, NC 27606

③ 1991 Address Change

UPCH501 276093011 3491 08/11/91  
FORM 3547D  
UPCHURCH  
2709 BEDFORD AVE  
RALEIGH NC 27607-7113

Resent V12 #2 1991  
7-8-91 to new  
address - 654

Robert W. Upchurch  
3501 Turnbridge Dr.  
Raleigh NC 27609

ROBERT WILLIAM U

XID 6742

(13)

REC'D  
12/00/1989

We are pleased to announce that

**Robert W. Upchurch**

has joined our firm as a  
Financial Advisor

3518 West Gate Drive  
Durham, NC 27707

919-490-4700

1-800-672-0091

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Corporation**

A Division of Thomson McKinnon Securities Inc.

127 WEST HARGETT ST., RALEIGH, N.C. 27601  
1547C (1-88)

ROBERT WILLIAM U

XID-6742

(14)

22 DEC 1990

ROBERT W. UPCHURCH  
3501 TURNBRIDGE DR.  
KALEICH, NC 27609

Dear Cousin Bob,

Thanks for your renewal on the  
U.B. for 1991 and for the article on cousin  
Wyatt Gray U XID-3664. He is of the More U/  
Ruffin U subclan. He and I have never  
corresponded but he has a brother Waylon  
lived U in El Paso, TX with whom I  
have had a fair amount of interactions.

Several of these clippings have been sent  
to me from various parts of the country.  
Each one provides an added bit of information.  
There was a picture in the Rose Garden with  
President Bush, Wyatt & the turkey. A newspaper  
got into U.S. News & World Report - but without  
Wyatt! I'll have something to say about this  
in the next U.B. - all very interesting.

All the best to you and yours for  
the holidays and the New Year! Sincerely yours  
Philip Upchurch  
[ROBERT WILLIAM UPCHURCH]

ROBERT WILLIAM U

XID-6742

(19)

3 JAN 1987

MR ROBERT W. UPCHURCH  
3501 TURNBRIDGE DRIVE  
RALEIGH, NC 27609

Dear Cousin Bob,

I have waited until I had something to report before answering your note of 12 NOV 1986 re the West Book. I have just finished a call to Mrs Sutton and now understand the situation. She says she is still willing to fill orders and has about 75 books left. Checks should be made to Mrs James M. Sutton and sent to her at 1401 NATINS, Richland, WA 99352. The cost is \$15.00 post paid. I did not mention your name but from what she said it is obvious that she has several orders on hand which she has not processed. She sounded guilty. I hope she will get busy and process them now. And to think she works in a library!

our land deal in ID is going good. will go there later this month to close on 200 acres.

All the Best for 1987

Sincerely yours  
Phil Upchurch  
(ROBERT PHILIP UPCHURCH)

11/12/86

Phil -

In February I sent a note and check to Carolyn West Tutton for a copy of her mother's book. Not having heard from her, I sent a note of inquiry about 45 days ago. Neither mailing was returned to me by the P.O., the check hasn't cleared my bank, and I have had no response back from Mrs. Tutton.

I thought you ought to be made aware of this situation since you had noted in UB that the book was available from her.

Can you shed any light on this - ?

Best regards - Bob H.

REC ID  
24 MAR 86Robert W. Upchurch  
3501 Turnbridge Drive  
Raleigh, North Carolina 27609

(21)

March 20, 1986

Dear Phil,

Full information on our  
newest Upchurch is

Δ BRITTON ROUSE UPCHURCH

BORN 2-8-86

at Wake Memorial  
Hosp. in  
Raleigh nc

I thanks to PABUM and a maturing  
digestive tract, we are now beginning  
to get a little more sleep. Britton  
is doing very well, and mom and  
Dad are improving. Between now  
and mid-April I'll be buried  
with IRA-related matters and  
handling a new land investment  
partnership (in Cary nc).

Best Regards -  
Bob

8 MAR 1986

MR. ROBERT W. UPCHURCH  
CAROLINA SECURITIES CORP  
P.O. BOX 246  
DURHAM, NC 27702

Dear Bob,

I have just been reviewing your letters of  
31 JAN 86 and 26 FEB 86 and have taken some action.  
A letter has now been sent to David for Reese  
in Alderslade. This young man is one of our  
cousins who has recently shown considerable  
interest in Upchurch family history. I have asked  
him to go to see your Uncle Thomas. We  
will see what happens.

Could you send me the full name,  
date & place of birth of your father. I thought  
this was in my file notes but a quick scan  
did not reveal same.

The "Upchurch Lecture" was a most satisfying  
experience. One only regrets not having more  
time to spend with each individual.

All the Best

Sincerely yours  
Phil Upchurch

[ROBERT PHILIP UPCHURCH]

ROBERT WILLIAM U

XID-6742

23-1

February 26, 1986

Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tucson, Arizona 85740

REC'D  
3 MAR 86

ROBERT W. UPCHURCH  
CAROLINA SECURITIES CORP.  
P.O. BOX 246  
DURHAM, N.C. 27702

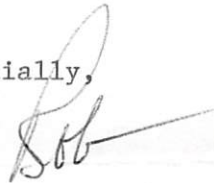
Dear Cousin Phil:

It was certainly a delight to have the opportunity to meet you after our having corresponded for so long. It was good, too, to have an opportunity to meet and talk with some of our local relations. I also wish to thank you for arranging for me to meet Mr. House and Mr. Alspaugh, both of whom indicated that they would be examining the copies of my letters which you were so kind as to reproduce and furnish to them. In due course one of them may express some further interest to you regarding our investment services, and I'm sure you will let me know if there are any further developments along those lines.

While mother was here helping with our new arrival, she told me that she expected your approach to my Uncle Tommy might be more productive than I had originally suspected. She says that he reportedly has "the family Bible", and says further that Emma had written that she would have to consult with Josie (Tommy's wife) in order to answer the questions you sent her for that reason.

Thank you, too, for your informative presentation. The manner in which you brought together in one session a lot of material that was only loosely connected in my mind was very helpful to my comprehension of the early movements of our ancestors in this country and how my clan fits into the family.

Cordially,



Robert W. Upchurch

Since you were acquainted with our earlier recommendation to purchase this company's stock, you may be interested in this revised opinion.

2/25/86

**TUCSON ELECTRIC POWER CO. - Hodges**  
(47 5/8, EPS\* - \$4.35, PER - 10.9X)  
(Div. - \$3.00, Yld. - 6.3%)

\*Year ended 12/31/85.

Tucson Electric reported 1985 operating earnings of \$4.35, up 8.2% over 1984 results of \$4.02. The 1985 per share figure fell short of our expectation of \$4.45, and 1986 earnings are now projected to increase less than 5.0%. TEP has risen 16.5% since added to the Approved List at \$40.88 on 6/28/85. We believe the current price of Tucson Electric Power fully discounts the near term outlook, and we recommend the stock be sold and proceeds be used to purchase MassMutual Corporate Investors (33 1/2, Div. - \$3.00, Yld. - 9.0%).

Tucson Electric Power is being removed from the Focus List and the Approved List.

ROBERT WILLIAM U

XFD-6742

24-1

REC'D  
25 JAN 1986

January 21, 1986

Mr. Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tucson, Arizona, 85740

ROBERT W. UPCHURCH  
CAROLINA SECURITIES CORP.  
P.O. BOX 246  
DURHAM, N.C. 27702

Dear Cousin Phil: → [WALTER THOMAS U]

Thanks for your kind letter of January 12. I have looked carefully over all the missing items of information you now require to fill in gaps in your information about the family of George Richmond Upchurch, and am forced to conclude that I don't have available any further direct sources. I think the best step to pursue to expedite matters would be to seek help from my Uncle Thomas. As I have mentioned to you before, he was postmaster for Norwood for many years prior to retirement, and had (at last time I talked with him) a part-time job as water commissioner for the town. I don't know who has the family bibles or other documents that might answer some of your questions, but he is certainly in a position to be of some help if he chooses. I had a notion of perhaps sending him a copy of UB v.1 n. 2 to whet his appetite. You may recall that this edition traces our branch of the family. It would certainly serve to illustrate to him the extent of your dedication to serious family historical research, and might inspire him to do a little digging. I think our best approach might be for you to send him your question list with the UB in question, perhaps preceded if you wish, by a note of explanation and encouragement from me. Let me know your wishes regarding these ideas, and I will do what I can.

The commencement of your Missouri project sounds good. I confess to some curiosity about how you've planned the venture. Is it your objective to secure a group of tracts in juxtaposition? How did you settle on Missouri? Its obvious from the figures you recite that your acquisition terms were quite good compared to recent historical prices and terms. What kind of activity is the property now used for? How close to current urban development is the tract? Is it in the path of current growth of a city? Does it have good road frontage? Could you get a totally unencumbered title? Is there significant opportunity to enhance cash flow from the property over 10 years? Does it have city/water sewer? Does it percolate well? Are there shallow aquifers? What is the zoning, if any? What about neighboring land use? Are soils suitable for construction? Are any of these things even remotely important? As you can see, I'm from Missouri! (maybe not quite the right metaphor, but close).

With respect to the prospect of your introducing me and Carolina Securities Corporation to others you know, I would be delighted for you to share my correspondence with you with anyone you think might benefit from an association with us. I'm sure you understand that I don't have the opportunity to write lots of individual letters in such detail. In fact, the correspondence I have conducted with you is probably the most extensive I have ever undertaken. I have expressed before my own awe of your personal energy, and the tremendous amount you are capable of accomplishing. I hope I have that energy later - if these children don't wear out their "late-in-life" daddy. Thanks to modern communications, we are not of course really restricted to North Carolina, though as a practical matter it is much easier to begin a relationship with a

new client where some face to face meetings are possible. My own clients are now in some cases quite far away, but most of these once lived in the research triangle area, or are people who have known me for many years from other connections. Please do communicate with the family members you have in mind, and let them know I'd be delighted to have the opportunity to consult with them.

I am hopeful that I will hear from you when you are in the area in February. Please do try to contact me if your schedule permits. My phone numbers are:

Home (Raleigh) 787-4589

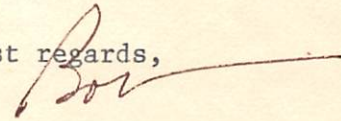
Office 688-9381 (from Durham or RTP)

1 (800) 672-6164 (NC-WATS)

We ask our out-of-state clients to call "collect" because the volume of traffic doesn't warrant a national WATS line.

It will be difficult for me to know what my situation will be at that time; you may recall that the Valentine's day is our anniversary, and "Butterbean" is due on the 10th (so say the doctors, consulting their tealeaves). Do call and let's see if we can't meet, at least briefly.

Best regards,



Robert W. Upchurch

(25-1)

12 JAN 1986

MR ROBERT WILLIAM UPTHURCH  
3501 TOWNBRIDGE  
RALEIGH, NC 27609

Dear Cousin Bob.

Thank you for your letter of 2 JAN 1986. The details have now been extracted and recorded in biopiler and on the Master outline. These details significantly improve the outline for George Richmond U, your GF.

I have not word from your Aunt Emma yet but am encouraged by the note in your letter that she hoped to respond soon. I did not mention Alfred in my letter to your mother because my set of information is complete and Caroline was omitted by oversight as I did not look on the next page of the Master outline.

Here are the missing details on your GF G.R. U and his children (omitting interest in his gc, Jgc, JJgc for present).

1. <sup>For</sup> George Richmond U

a) where did he die?

b) where are he & his wife buried?

c) For Lettie Mae Moore - when born, when in OCT 1942 died, where died?

2. For Alfred Ryan U - no questions

3) For Emma U

- what is full maiden name?
- when & where born?
- when & where married?
- Full name of Sam G. Blackwelder, when & where born, still living?

4) For Agnes U

- Full maiden name?
- when & where born, when & where died, where buried?
- when & where married?
- Full name of James Watson, when & where born still living?

5) For Walter Thomas U

- when & where born?
- when & where ~~born~~ married?
- Full maiden name of wife Jessie Mae - and when & where born, still living?

6) For Lewis W. U

- what does "W" stand for?
- when & where born?
- when & where married?
- Full maiden name of wife Anne & when & where born, still living?

7) John U

- Full name?
- when and where born, where died, where buried?
- when and where married?
- Full maiden name of wife Fannie - and when & where born - still living?

8) For Virginia Katherine U

- when & where born, when in 1950 died & where and where buried?

9) For Margaret 4

a) Full maiden name?

b) when & where born, when & where died, where buried?

c) when & where married?

d) Full name of father for 51, when & where born - still living?

10) Names and details needed for the two children of George Richmond 4 who died young?

11) Caroline 4

a) Full maiden name?

b) when in 1901 born & where, when in NK died & where buried?

c) when & where married?

d) what does the 'C' in Chadstone C. Shuter, 51 stand for and when & where born - still living?

In due course we will need more details on the children of Emma, Thomas, Jane, Margaret and Caroline. I have a complete set on Alfred and the others did not have children.

I don't expect you to make a big push to get the above but in case you have a chance to get some details the above will tell you what is missing.

New to investments.

I really appreciate your thoughts. The information presented in your latest letter reinforces some of my thinking.

The current projection for the completion of my retirement portfolio is about 1 APR 86. I will continue to work to get money to "play" with. That play has now been defined as a Missouri land project which I mentioned in an earlier letter. To get an early start I bought one 80 acre tract which closed last Friday. Was able to get this at \$700/Acre with 25% down, owner financing at 7% with payment on a 20 year schedule with a 10 year balloon payment. Three years ago this land sold for \$1500/Acre. My plan is to buy 200 acres / yr for the next five years but there is a good chance the process will be accelerated and completed in 2-3 years. There are many options as use of the land.

I have a thought about your investment operation. There are two members of my family in NC who have funds to invest. One of these asked to be notified if I had any ideas. It came to me that they could benefit from your service. Both of them could deal in 5 + 6 figures if they so desire. If you have no objection I'll rerot your letters to me and send them a copy. If they so chose they could contact you. Is this OK with you?

I'll be in NC 14-17 FEB 86. Perhaps we can meet.

Sincerely,  
 Phil Upchurch  
 [ROBERT PHILIP UPCHURCH]

ROBERT WILLIAM U

XID- 6742

26-1

REC'D  
26 AUG 1985

August 22, 1985

Mr. Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tucson, Arizona 85740

Dear Cousin Phil,

It has taken me a while to find the time to prepare the a response to your last letter because you took quite some time in writing a rather lengthy commentary, and I wanted to be able to reply in kind. Shortly after your epistle arrived we had a weekend visit from my mother, who brought your letter, and we were able to spend some time discussing your "missing links" and some of her family history as well. Her note to me this week says she has written Aunt Emma to try to find out answers to some of your questions which she could not supply. She further says she has written to you, but doesn't indicate whether she included the things we talked about. In any event, I sat down and chatted with her with my tape recorder, so I can transcribe all of our conversation's important factual content later and supply material to you from that. Please advise!

The history of experience with investments which you describe is a very familiar story to me by now. Most of us spend our early and middle years making ends meet, rather than being concerned about retirement and our future financial needs. A few of us are lucky enough to have been raised in families with a tradition of saving and investment, and with an appreciation of the difference between the two. Two specific things along these lines helped me conclude that there is always going to be a place for responsible, ethical people in my chosen field.

One is a matter of family history. My mother's father was both an investor and a speculator in securities. He at one time had developed two separate portfolios, one rather conservative - a true investment portfolio - and the other a speculative portfolio built with high leverage using margin. The speculative portfolio was wiped out in the great crash of 1929, because, like many others of the day, he had built it using the then-liberal margin loan rules (at that time, securities could be bought with 10% equity). The investment portfolio lived on, and has survived to this day to see my mother's mother through her life, and now places my mother in a comfortable situation. It was managed for many years by a bank trust department, but I assumed responsibility for her investments six years ago when I had been at Carolina Securities for three years. The bank's performance was about as expected, truly mundane. It is an unfortunate fact of life that banks do little to earn their fee for small trust accounts, but what is a small account to a bank trust department, is frequently a highly valued account for a broker. Banks suffer, too, under philosophical restraint, typically

functioning as "conservators" rather than as investors. In some states there are legal restraints which compromise their investment flexibility, though that is not the case here. I am pleased that we have been able to demonstrate results for her which represent a meaningful improvement over the prior advisor, both in terms of capital growth and income production, without taking risks inappropriate to her circumstances.

The other element of this career choice lies in my deeply held belief that the securities investment world is THE best marketplace for the great majority of Americans. Investments in stocks, bonds, and real estate, prudently managed, can produce a significantly better return-on-investment than CD's, and other "savings" type accounts (which in fact have produced inflation-adjusted negative returns in some recent years). While I realize that direct investment in real estate can be extremely rewarding, it is also extremely demanding for those not in the real estate business. I do not personally possess the temperament to be directly involved in rental investments, which take lots of time unless a property manager is engaged, and have concluded after much observation that real estate development is best left to professionals with very deep pockets (or partners with very deep pockets). I have seen more than a few potentially wonderful development projects abandoned - or sold out too early - by their originators because they lacked the financial capability to carry the projects through or encountered delays which ruined planned cash flows. Too, I have seen rental property investments consume and ruin people's lives, leaving too little time for family and recreation.

Thus, it was easy for me, with a positive family experience, and the belief that most of us want more than the banks have to offer, to conclude that securities investments would have tremendous appeal for a great many potential clients as they do for me. Here is where John Doe can start a real investment program with relatively modest sums and make it grow over the years, without having mortgage commitments to worry about, with considerable liquidity, and with the ability to quickly and easily achieve some safety through diversification. Many types of securities offer good after-tax returns through capital gains, tax sheltering, tax deferral, tax-free income, and the opportunity to convert "ordinary" income to capital gains.

I have come to the conclusion that the biggest problem facing the novice investor is unreasonable expectations. Far too many people think at first that they will make no mistakes, never have any losses, know exactly what investments they should buy, attach some "magical" property to the world of investments, and believe they can become rich overnight. Our tough task is to convince them that they should reasonably expect to achieve results which are observably better than simple savings plans, not to expect miracles, and that patience is one of the most important ingredients of successful investing.

I applaud your use of IRA and Keogh arrangements. Far too many people fear "tying their money up" in these plans, when in fact they are already making long-term investments in stocks, bonds, etc. The tax benefits - for anyone who has funds which are truly available for investments - are just too good to pass up. I have begun to urge new investors to make their first investment every year in their IRA, and to fund it on January 1 every year to maximize the tax-free compounding. While most of our IRA accounts are now quite modest, because most people only became eligible 3 years ago, I believe

that many will become very sizeable and important accounts over the years, and I actively solicit them for that reason. We are enjoying a considerable influx of transfers from banks for the first time this year as a lot of CD's mature with the prospect of much lower renewal rates. I am personally using an IRA, a deferred-compensation plan ("401-K" plan), and am a participant in our profit-sharing plan. The latter two are invested chiefly in our own investment recommendations, and have performed exceptionally well. My IRA is being developed with the same things recommended for client IRA's. I feel strongly that tax-sheltered plans should emphasize conservative, income producing investments (though not exclusively), and accordingly my personal non-IRA holdings are essentially for capital growth. The tax implications of this sort of division of emphasis are relatively important in my judgement: put income where no tax penalty is incurred, and put risk where losses can offset capital gains or taxable income.

I also share with you a devotion to investing in small and medium size companies, and our firm has a history of considerable success with this approach. The reasons for their appeal are quite clear to me:

1. Their stocks are not generally widely held by institutional investors, so there is someone out there to buy the stock and make it go up if good progress occurs at the company (a good many of our selections have been added to Value Line's survey 2 or 3 years after we began to take positions in them). Mature companies are generally widely held in institutional accounts and are covered by many analysts, making it hard to find true bargains such as can sometimes be spotted among smaller firms.
2. Small companies do not need to earn much (in dollars) to show meaningful improvement in earnings, which are reflected in the price of their shares. Big companies are often simply trying to steal market share from each other, and their inertia is so great that a single new idea rarely has much bottom line impact (the IBM PC was a notable exception to this generalization, and surprised many who felt it would never be meaningful to IBM.) Earnings growth at rates greater than that of the economy are extremely tough to achieve, much less sustain, in large companies. Mature businesses have undertaken many attempts to diversify and conglomerate themselves into new growth positions, but most such strategies have not worked out well.
3. The stock prices of larger companies tend to be more greatly affected by the cyclicity of the economy than those of small companies.

Much of the risk in buying the shares of small companies can be effectively mitigated. Our most effective, if dull, way, aside from diversifying accounts thoroughly, is to stick with easily understood humdrum businesses and generally avoid high-tech and faddish undertakings. Some good examples from among our successes of the last few years are Food Lion, Bruno's, Hechinger, and Noxell. These companies are engaged in basic manufacturing and distribution activities. Their common elements are strong aggressive managements and a very clearly defined business plan based on thorough understanding of the dynamics of their own business. A local private company we work with, Golden Corral, exhibits these same attributes. Ten years ago Golden Corral was only an idea created by two entrepreneurs who had solid

restaurant industry experience. Today it is a 350 restaurant chain, growing rapidly but carefully controlled, with \$20 million pre-tax net last year. The company is closely held - there are fewer than 100 stockholders - and the shares have grown (my conservative estimate) from \$250 to about \$40,000 each.

Where we part ways is in the area of limited partnerships. Our approach here is to look first at the economic return which we believe such a program can be expected to show to the investor in his tax bracket. Programs for high-bracket investors can produce some of that return from tax savings, but ultimately the arrangement must offer real profits that we feel comfortable with or we'll conclude it is not worth our while. Our benchmark for investments of this illiquid character is 20% per year minimum after-tax internal rate of return. We have worked with oil and gas programs of a conservative bent (emphasizing "development" drilling with limited exploration or pure development) and a variety of real estate offerings which range from public deals with strong capital gains potential and minimal tax benefits to tax-oriented arrangements which satisfy our underlying economic requirement. I do agree that the sponsor is often richly rewarded, and we want him to be - but not at the expense of a fair return to the limited partner. After all, he does all the work - packages the deal, arranges financing, keeps up the property, secures tenants, enhances the property's value through good oversight, and handles the administration of the partnership. What we don't like to see are deals heavily weighted with front-end fees which don't create an economic identity of interest between the sponsor and our client. When structuring private placements we seek arrangements which place the general partners net worth on the line, especially when new construction is involved, and always want to see the sponsor's chief benefit come in the form of a participation in results achieved for the partnership, so that he must do a good job for the client in order to make money himself. We have been fortunate to be working with established, responsible sponsors who are not afraid of these kinds of terms. Such firms can contribute tremendously to the ultimate success of the undertaking. Often they can arrange purchases at prices and terms no individual could hope to achieve because of their financial strength and knowledge. We have handled several offerings where strong general partners have arranged unbelievably good mortgage financing for projects. As a rule projects go into a partnership at cost without "markups". Sponsors do generally participate in disposition fees and do expect promotion of their investment as compensation for their work; the key is that those arrangements must be reasonable. I view these offerings as a way for my clients to enhance their diversification, invest in real estate without headaches, and do so with modest sums, on terms which are economic for them, frequently in ways and at terms which they could not possibly duplicate themselves. When a good deal is compared with a transaction the individual might do himself, even the fees look reasonable against the backdrop of standard realty commissions based upon total cost including mortgage funds. Good syndications offer a very appealing option for investors who want to do no more work than cash their checks!

The Value Line investment survey is a very good one, one of the few that is truly worth its price. We use it, along with many other sources. If I have any complaint about Value Line, it is that they often come late to the party, but their self-limiting quarterly cycle covering about 1700 widely-held stocks pretty much keeps them out of many developing situations automatically. The investor's best source for many smaller companies is the

26-5-

work done by his broker's research staff, which will ordinarily focus on companies in the region and perhaps incorporate ideas from other similar firms such as the ones we talk with on a regular basis.

Regarding TEP, your questions about their coal position and nuclear plant participation are discussed in the Moody's Utility report enclosed.

Please give me an update on your "information deficit" when you've heard from mother and/or my aunt, and we'll see what we can do about filling in the holes.

Cordially,

A handwritten signature in black ink, appearing to read 'Bob', with a long horizontal stroke extending to the right.

Robert W. Upchurch

Raleigh  
 Asheboro Greenville  
 Charlotte Laurinburg  
 Concord New Bern  
 Durham Rocky Mount  
 Edenton Smithfield  
 Fayetteville Southern Pines  
 Greensboro Winston-Salem

# Carolina Securities Corporation

Member New York Stock Exchange, Inc.

127 West Hargett Street  
 Post Office Box 1071 Raleigh, North Carolina 27602 Telephone (919) 832-3711

## Tucson Electric Power

2258

NYSE Symbol TEP

Price	Range	P-E Ratio	Dividend	Yield	S&P Ranking
Apr. 12'85 39 1/8	1985 41 1/4-32 3/8	10	3.00	7.7%	A+

### Summary

This moderate-sized but growing utility is nearing the end of an orderly shift to coal-fired generating capability from oil and gas dependence. By 1988 virtually all generation will be derived from coal. In January, 1985 TEP distributed to shareowners one share of its Alamito Co. subsidiary for every 10 TEP shares held. The spin-off placed the federally-regulated wholesale electric business with Alamito, while TEP retained state-regulated retail operations.

### Current Outlook

Share earnings for 1985 are estimated at \$4.30, up from 1984's \$4.02, excluding Alamito Co. which was spun off to shareholders in early 1985.

The dividend was raised 15%, to \$0.75 quarterly from \$0.65, with the March, 1985 payment.

To meet future generating requirements, TEP plans to add 350 mw of coal-fired capacity (Springerville 2) in 1989. Construction spending for 1985-89 was estimated at \$995 million, including \$173 million for 1985 and \$167 million for 1986.

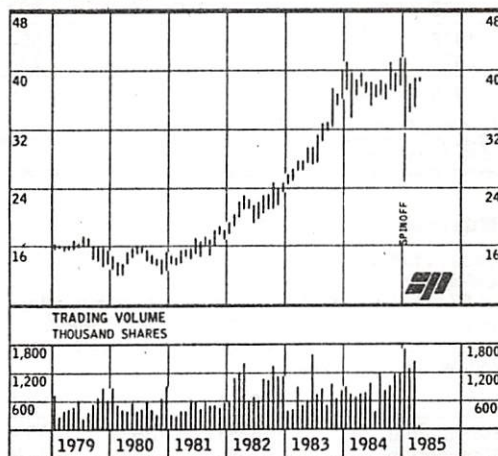
### Operating Revenues (Million \$)

Quarter:	1984	1983	1982	1981
Mar. ....	69.7	78.8	85.0	78.4
Jun. ....	77.4	93.9	82.9	84.7
Sep. ....	95.0	104.3	97.4	104.1
Dec. ....	110.1	90.3	78.4	83.4
	352.2	367.4	343.8	350.5

Operating revenues from continuing operations for 1984 rose 21%, year to year, aided by a substantial increase in kwh sales to other utilities. Operating income was also up 21%. Following a tripling of construction credits (noncash item) and sharply higher income from investment subsidiaries, net income was up 30%, to \$4.02 a share from \$3.09, which excludes income from discontinued operations of \$1.16.

### Common Share Earnings (\$)

Quarter:	1984	1983	1982	1981
Mar. ....	0.75	0.71	0.49	0.37
Jun. ....	0.77	0.91	0.61	0.52
Sep. ....	1.35	1.36	0.99	0.95
Dec. ....	1.15	1.23	0.92	0.76
	4.02	4.21	3.01	2.60



### Important Developments

**Feb. '85**—Management said that it would not request a general rate increase to become effective before late 1987 because of substantial amounts of income expected to be earned on invested bond proceeds held in trust. TEP's most recent general rate increase was in 1982.

**Jan. '85**—TEP spun off to shareholders its Alamito Co. subsidiary on the basis of one share of Alamito for every 10 TEP shares held. This action was taken to separate the federally-regulated wholesale electric business from the state-regulated retail electric business retained by TEP. During 1984 TEP transferred ownership to Alamito of the 350 mw Springerville 1 coal-fired unit and its 50% interest in San Juan Unit 3.

Next earnings report due in late April.

### Per Share Data (\$)

Yr. End Dec. 31	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Book Value <sup>2</sup>	25.04	27.75	24.43	18.21	16.13	15.29	14.54	13.63	12.85	11.85
Earnings <sup>1</sup>	4.02	4.21	3.01	2.60	2.29	2.11	1.95	1.92	1.80	1.70
Dividends	2.60	2.20	1.92	1.72	1.52	1.42	1.32	1.14	1.02	0.96
Payout Ratio	65%	52%	64%	66%	66%	67%	68%	59%	57%	56%
Prices—High	41 1/4	40 1/4	24 7/8	18 7/8	16	17 1/2	17 1/4	17 1/4	15 1/2	12 1/2
Low	33 3/8	24 3/8	17 3/4	13 3/8	12	13 1/4	14 3/8	14	11 1/2	7 3/8
P/E Ratio—	10-8	10-6	8-6	7-5	7-5	8-6	9-7	9-7	9-6	7-4

Data as orig. reptd. 1. Bef. results of disc. ops. of +1.16 in 1983, +0.10 in 1982, +1.20 in 1981, +0.08 in 1980, +0.06 in 1979, +0.09 in 1978, bef. spec. item(s) of +5.02 in 1982. 2. As reptd. by co. 3. Reflects spin-off of Alamito Co.

<b>TUCSON ELEC. PWR.</b>	<b>NYSE- TEP</b>	<b>RECENT PRICE</b>	<b>41</b>	<b>P/E RATIO</b>	<b>9.6</b> (Trailing: 9.0 Median: 7.0)	<b>RELATIVE P/E RATIO</b>	<b>0.81</b>	<b>DIV'D YLD</b>	<b>7.4 %</b>	<b>1735</b>
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High—17.5

Low—14.0

18.0

13.5

20.0

13.4

18.9

11.8

15.8

10.6

2.4

7.0

12.5

7.4

15.5

11.5

17.3

14.0

17.3

14.4

17.5

13.3

16.0

12.0

18.9

13.4

24.9

17.8

40.3

24.8

41.8

33.6

80

32.4

Insider Decisions 1984

J F M A M J J A S O N D J F M

to Buy 0 0 0 0 0 1 0 0 0 0 0 1 0 0

to Sell 0 0 0 0 0 0 0 0 0 0 0 0 0 2

Institutional Decisions

4Q'83 1Q'84 2Q'84 3Q'84 4Q'84

to Buy 32 31 27 34 40

to Sell 13 27 23 24 25

Hld's(000) 7432 8046 8244 8145 8937

1.28 X Dividends p sh

divided by Interest Rate

Relative Price Strength

Percent shares traded

6.0

4.0

2.0

16

12

10

8

6

24

20

16

12

10

8

6

4

3

1986 1987 1988 1989

June 7, 1985 Value Line

TIMELINESS

(Relative Price Performance Next 12 Mos.)

2 Above Average

SAFETY

(Scale: 1 Highest to 5 Lowest)

2 Above Average

BETA .60

(1.00 = Market)

1987-89 PROJECTIONS

Price Gain Ann'l Total Return

High 55 (+35%) 14%

Low 40 (Nil) 7%

1987-89 PROJECTIONS

Price Gain Ann'l Total Return

High 55 (+35%) 14%

Low 40 (Nil) 7%

1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983<sup>(1)</sup> 1984 1985

8.17 9.20 10.68 10.88 11.37 13.08 11.94 10.69 10.99 13.22 10.58 12.61 14.77 15.89 15.18 15.86 14.95

1.82 2.08 2.41 2.25 2.52 2.82 2.42 2.38 2.47 3.06 3.02 3.35 3.86 4.56 4.81 6.09 5.52

.90 1.08 1.30 1.27 1.47 1.68 1.44 1.70 1.80 1.92 2.04 2.17 2.37 2.94 3.01 4.21 4.02

.62 .66 .72 .72 .75 .81 .84 .96 1.02 1.14 1.32 1.42 1.52 1.72 1.92 2.20 2.60

2.27 1.11 3.73 8.52 11.22 15.07 11.02 5.52 7.80 7.58 6.63 6.99 6.80 8.78 10.84 11.65 16.86

8.34 8.68 9.26 10.10 10.93 11.91 11.46 11.85 12.85 13.63 14.54 15.29 16.13 18.21 24.43 27.75 25.05

5.37 5.37 5.37 6.00 6.70 7.50 10.80 15.60 18.60 18.65 21.31 21.61 21.67 22.05 22.64 23.16 23.55

16.6 14.4 12.3 12.9 9.4 7.8 6.3 6.2 7.4 8.2 7.9 7.2 6.0 5.4 7.2 7.2 9.5

1.00 .88 .88 .82 .64 .77 .88 .83 .95 1.07 1.08 1.04 .80 .66 .79 .61 .87

4.2% 4.2% 4.5% 4.4% 5.4% 6.2% 9.3% 9.1% 7.7% 7.2% 8.2% 9.1% 10.7% 10.8% 8.9% 7.2% 6.8%

CAPITAL STRUCTURE as of 3/31/85

Total Debt \$563.2 mill. Due in 5 Yrs \$10.0 mill.

LT Debt \$562.2 mill. LT Interest \$44.0 mill.

Incl. debt disc. of \$14.6 mill. \$82.8 mill.

(LT interest earned: 2.9x)

Pension Liability

None in '84 vs. None in '83

Pfd Stock \$82.8 mill. Pfd Div'd \$7.2 mill.

\$78,000 shs. 4.75% and 8.50%; cum. and \$100 par call. from 101 to 106 per share;

1,000,000 shs. \$2.89 cum. \$25 par, callable at \$30.375 per share.

Common Stock 23,665,079 shs. as of 5/14/85

ELECTRIC OPERATING STATISTICS

1982 1983 1984

% Change Sales (KWH) -16.1 -3.0 +9.3

Avg. Resid'l Use (KWH) 7572 7835 7859

Avg. Revs. per KWH (\$) 7.20 7.30 7.70

Capacity at Peak (Mw) 1582 1586 1342

Peak Load, Summer (Mw) 1126 1142 1031

Annual Load Factor (%) 54.5 56.5 56.5

% Change Customers (yr.-end) +2.3 +4.3 +5.9

Fixed Charge Cov. (%) 198 174 144

ANNUAL RATES

Past 10 Yrs Past 5 Yrs Est'd 1984 to '87-'89

Revenues 2.5% -5.0% 6.0%

"Cash Flow" 8.0% 11.5% 6.5%

Earnings 9.5% 13.0% 7.0%

Dividends 11.0% 11.0% 7.5%

Book Value 8.5% 12.0% 6.5%

QUARTERLY REVENUES (\$ mill)

Cal.-endar Mar. 31 June 30 Sept. 30 Dec. 31 Full Year

1981 78.4 84.7 104.1 83.3 350.6

1982 85.0 82.9 97.4 78.5 343.8

1983 78.8 93.9 104.3 90.4 367.4

1984 69.7 77.4 95.0 110.1 352.2

1985 91.8 95.0 105 103.2 395

EARNINGS PER SHARE

(A) Full Year

1981 .52 .61 .98 .83 2.94

1982 .49 .61 .99 .92 3.01

1983 .71 .91 1.36 1.23 4.21

1984 .75 .77 1.35 1.15 4.02

1985 .80 .85 1.45 1.20 4.30

QUARTERLY DIVIDENDS PAID

(B) Full Year

1981 .43 .43 .43 .43 1.72

1982 .48 .48 .48 .48 1.92

1983 .55 .55 .55 .55 2.20

1984 .65 .65 .65 .65 2.60

1985 .75

BUSINESS:

Tucson Electric Power Company supplies electricity in Tucson, Arizona and the surrounding area (service area: 1,155 sq. miles; population: 600,000). Spun off Alamito Co., wholesale subsidiary, in '84. Revenue sources: residential, 33%; commercial, 24%; industrial, 21%; other, 22%. Copper mining is largest industry served. Prime fuels: coal,

90%; gas and oil, 10%. Fuel: 29% of electrical revenues; labor costs: 11%. '84 depreciation rate: 3.1%. Estimated plant age: 7 yrs. Has 1,025 employees, 41,090 common shareholders. Chairman: J.L. Davis. President & Chief Executive Officer: Elmer Greve. Incorporated: Arizona. Address: 200 West 6th Street, Tucson, AZ 85702.

A rapidly expanding service area is fueling higher share earnings. Thanks to a good climate and right-to-work laws, Tucson is one of the fastest growing cities in the nation. Overall strength in the local economy is expected to boost kilowatt-hour sales this year by about 8%. In addition, due to higher levels of investment, the company's unregulated subsidiaries will probably contribute \$1.00 a share to net this year, up from 64¢ in 1984. In all, we estimate record full-year earnings of \$4.30 a share. We expect the stock to outpace the general market averages in the coming months.

Financing for 1985 construction outlays is complete. Management has budgeted \$1 billion for capital expenditures over the next five years. More than half of these costs will be financed from the unexpended proceeds of tax exempt bonds held in trust and invested until required for construction. Since TEP will sell power generated by Springville #2 in only two adjacent counties, it was permitted by federal statute to issue these bonds to meet its financing requirements. Internal sources and reinvested dividends are expected to provide funds sufficient to cover the balance of con-

struction costs and debt maturities. Tucson has agreed to file no general rate request until mid-1987. This commitment was made possible largely as a result of the substantial amounts of income the company expects to earn on invested bond proceeds held in trust. If the utility continues earning close to its allowed return, as we think it will, management may defer filing its next rate application beyond the agreed-upon date. It should be noted, however, that changes in the cost of fuel will still be recovered (or refunded) through fuel adjustments.

Good dividend growth prospects compensate for a subpar current return, in our opinion. Even with the recent 10¢ a share hike in the quarterly payout, the year-ahead yield is almost two full percentage points below the group norm. But high returns on common equity, minimal financing requirements, and a low payout ratio suggest above-average dividend hikes of 7%-8% to 1987-89. Conservative investors might also be attracted by the company's bypassing of the atom as a source of power generation.

A.H.M./H.S.K.

(A) Next eps. rep't due late July. Excl. non-rec. gain: '81, 86¢/sh.; '82, \$5.08/sh.; '83, \$1.16/sh. Est'd current cost eps./sh.; '84, \$2.55. (B) Next div'd meet't about Aug. '82.	Goes ex about Sept. 4. Div'd paym't dates: Mar. 26, June 25, Sept. 26, Dec. 26. ■ Div'd reinvest. plan av'ble (qual'd \$750 tax defer.). (C) Incl. intangibles. In '84,	70¢/sh. (D) Rate base: fair value. Rate all'd com. eq. in '82: 16.5%. Earn. avg. com. eq. in '84: 17.5%. Reg. Climate: Avg. (E) 1984 figures excl. Alamito data.	<b>Company's Financial Strength</b> A <b>Stock's Price Stability</b> 95 <b>Price Growth Persistence</b> 60 <b>Earnings Predictability</b> 90
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## TUCSON ELECTRIC POWER COMPANY

## CAPITAL STRUCTURE

## LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned	Interest Dates	Call Price	Price Range
			1983 1982			1983 1982
1. First 3 1/4% due 1985	A-2	3,500,000		J & J 1	See text	2..... 2.....
2. First 4 1/4% due 1988	A-2	7,500,000		J & J 1	See text	2..... 2.....
3. First 4.70% due 1991	A-2	10,000,000		M & N 1	See text	2..... 2.....
4. First 4.55% due 1995	A-2	16,000,000		F & A 1	See text	2..... 2.....
5. First 4 1/4% due 1996	A-2	10,000,000		F & A 1	See text	2..... 2.....
6. First 8 1/2% due 1999	A-1	15,000,000	3.33 2.95	M & N 1	104.40	77 3/8-71 72 3/8-55
7. First 8 1/2% due 2001	A-1	25,000,000		M & S 1	104.49	74 1/8-61 1/2 71 1/4-52 1/8
8. First 7.55% due 2002	A-1	25,000,000		M & S 1	104.43	70-60 3/8 69-48 1/8
9. First 7.65% due 2003	A-1	40,000,000		M & N 1	104.75	70 3/8-58 3/8 69-47 1/8
10. First 10 1/2% due 2005	A-1	49,000,000		M & N 1	107.61	94-80 1/2 86 1/2-66 1/2
11. First 8 1/2% due 2009	A-1	60,000,000		A & O 1	106.58	72 3/4-65 3/8 67 3/8-53 1/4
12. Pol. contr. & indust. dev. bonds	S	1,139,455,000				
13. Note payable		230,000,000				

## CAPITAL STOCK

Issue	Par Value	Rating	Amount Outstanding	Earned per Sh.	Divs. per Sh.	Call Price	Price Range
				1983 1982	1983 1982		1983 1982
1. 4 1/4% cum. pfd.	\$100		20,000 shs.		\$4.75	\$4.75 102	2..... 2.....
2. 5.10% cum. pfd.	100		58,000 shs.		5.10	101	2..... 2.....
3. 4.80% cum. pfd.	100		50,000 shs.		4.80	101	2..... 2.....
4. 8.25% cum. pfd.	100	"A 1"	150,000 shs.	7 \$148.20	8.25	103.50	73 3/8-66 67 1/2-53 1/4
5. 7.50% cum. pfd.	100	"A 1"	150,000 shs.		7.50	103	66 3/8-60 61 1/2-48 1/4
6. 8.50% cum. pfd.	100	"A 1"	150,000 shs.		8.50	103	75 1/2-68 69 1/2-55
7. \$2.89 cum. pfd.	25	"A 1"	1,000,000 shs.		2.89	29.50	26 1/4-23 3/4 25 3/8-19 3/8
8. Common	2.50		422,839,000 shs.	4 \$5.37 4 \$3.11	2.20	1.92	40 1/4-24 3/4 24 3/8-17 3/4

[1] Subject to change; see text. [2] Privately placed. [3] Based on average shares as reported by company before extraordinary items. After: 1982, \$8.13. [4] For details (call features, security, interest dates etc.) see Pollution Control & Industrial Dev. Revenue Bond section in Moody's Municipal & Government Manual. [5] Based on \$100 par shs.

## HISTORY

Incorporated in Arizona, Dec. 16, 1963. Previously incorporated under Colorado laws Jan. 25, 1902 as Tucson Gas, Electric Light & Power Co.; name changed to Tucson Gas & Electric Co., Feb. 20, 1964; present name adopted May 10, 1979.

## MANAGEMENT

## Officers

J.L. Davis, Chairman of the Board  
T.M. Welp, President & Chief Exec. Off.  
Einar Greve, Exec. Vice-Pres.  
R.K. Alexander, Vice-President  
H.A. Heim, Vice-President  
R.F. Hoch, Vice-Pres. & General Counsel  
J.R. Johnston, Vice-Pres.—Fin.  
K.L. Saul, Vice-Pres. & Contr.  
J.B. Wilcox, Vice-President  
J.G. Cockendall, Treasurer  
J.E. Kettellwell, Secretary

## Directors

(Showing Principal Corporate Affiliations)  
J. Luther Davis, Chairman of the Board of Co.; Director of Western Coal Co.  
Einar Greve, Executive Vice President of Co.  
A.V. Grossetta, Vice President of Pima Savings and Loan Association (Retired).  
Peter D. Herder, President and Chief Executive Officer of Herder Construction Co.  
J. Robert Johnston, Vice-President—Finance of Co.  
Dr. John P. Schaefer, Pres., Research Corp.  
H. Wilson Sundt, President and Director of M.M. Sundt Construction Co.  
Thomas C. Weir, Chairman of the Board and President of Home Federal Savings and Loan Association.  
Theodore M. Welp, President and Chief Executive Officer of Co.

Shareholder Relations: Jean E. Kettellwell, Corp. Sec. Tel.: (602)884-3606.

Director Meetings: Fourth Tuesday of each month.

Annual Meeting: Second Wednesday in May.

Auditors: Deloitte Haskins & Sells.

General Counsel: Reid and Priest, New York, New York.

No. of Stockholders: Dec. 31, 1983, 47,796.

No. of Employees: Dec. 31, 1983, 1,102.

General Office: 220 West 6 St., P.O. Box 711, Tucson, AZ 85702. Tel.: (602)622-6661.

## BUSINESS

Company supplies entire electric requirements in City of Tucson, Ariz. and surrounding area. Company also supplies electric service in rural areas extending about fifty miles from north to south across Pima County and to Fort Huachuca in Cochise County. Population served in service areas, 571,000.

In 1982, residential service accounted for 28.8% of electric service revenues.

## SUBSIDIARIES

Alamito Co. (100% owned).  
Escavada Leasing Co. (100% owned).  
Rincon Investing Co. (100% owned).  
Rincon Securities Inc. (100% owned).  
Valencia Energy Co. (100% owned).

## PHYSICAL PROPERTIES

Company operates three electric generating stations in the Tucson area, one in Tucson, one two miles southwest of Tucson, and one north of Tucson. Company has a 7% participation in two 800,000 kw coal-fired

units at the Four Corners Generating Station, and a 50% participation in 314,000, 306,000 and 476,000 kw coal-fired units at the San Juan Generating Station. Both of these stations are located near Farmington, New Mexico. In addition, Company has a 7.5% participation in three 750,000 kw coal-fired units at the Navajo Generating Station located near Page, Ariz. Net generation (Kwh): 1983, 5,563,358; 1982, 5,554,753,000; 1981, 7,007,292,000; 1980, 6,423,884,000; 1979, 6,141,366,000; 1978, 5,942,091,116; 1977, 5,859,025,098.

As of Dec. 31, 1983, the Company owned an overhead electric transmission and distribution system consisting of 835 circuit-miles of 345,000 volt lines, 318 circuit-miles of 138,000 volt lines, 560 circuit-miles of 46,000 volt lines, and 5,938 circuit-miles of lower voltage primary lines. The underground electric distribution system was comprised of 2,250 cable miles. Approximately 13% of the poles upon which the low voltage lines are located are owned by Mountain States Telephone and Telegraph Co. Electric substation capacity associated with the above described electric system consisted of 161 substations with a total installed transformer capacity of 6,226,383 kva.

The electric generating stations, Company's headquarters building and warehouse and service center are located on land owned by Company in fee except as noted below.

The Four Corners and Navajo Stations are located on properties held under easements from the United States and under leases from the Navajo Indian Tribe. The Company, individually and in conjunction with PNM in connection with the San Juan Station, has acquired easements and leases for transmission lines and a water diversion facility located on the Navajo Indian Reservation. The Company has also acquired easements for transmission facilities, related to the San Juan and Navajo Stations, across the Zuni, Navajo or Papago Indian Reservations.

The construction expenditures for Springerville Unit 1 are currently being financed through the Sierra Trust, a "construction financing trust". The trustees of the trust own a portion of the site upon which the Springerville Station will be located. In December 1981, Unit 2 of the Springerville Station, excluding the environmental facilities, was sold to Security Pacific Corporation ("SPC"). The Company has leased the unit from SPC through 2004 and has been appointed to manage the completion of construction of the unit.

The electric distribution and transmission facilities owned by Co. are located (1) on property owned in fee, or (2) under or over streets, alleys, highways and other public places, public domain and National Forests and state lands under franchises, easements or other rights which, with some exceptions, are subject to termination, or (3) under or over private property by virtue of easements obtained for most part from record holder of title, or (4) upon or over Indian Reservations under grant of easement by the Secretary of Interior or lease by Indian Tribes. Usually no examination has been made by counsel for Co. as to title to easements of Co. from record holder.

Joint Venture—Interest Sale: Western Coal Co. (Western), which processed the coal supply for the San Juan Generating Station, was jointly owned by the Company and PNM. During the fourth quarter of 1980, the Company and PNM adopted a plan to liquidate Western and, in that connection, sold Western's coal processing equipment at cost for approximately \$25 million and subleased Western's coal leases to Utah International Inc. Utah International currently mines and processes the coal for the San Juan Station. Western was liquidated on November 30, 1981.

Western's assets, including leasehold interests in coal properties near the San Juan Station, were distributed to the utilities. Approximately 40% of these leasehold interests were sold to institutional investors in December 1981. The remaining leasehold interests were sold to institutional investors in June 1983.

San Juan Unit 4 Option Sale: In November 1982 the Company completed a sale to M-S-R Public Power Agency, a joint exercise of powers agency established under the laws of the State of California, of an option to purchase in 1995 a 28.8 percent interest in San Juan Unit 4. In exchange for the option, the Company received an interest-bearing note. This sale increased common equity by approximately \$112 million. The note was paid in July 1983. Cash proceeds to the Co., including principal and interest, were approximately \$186 million. The gain from the sale of the option, together with retained earnings and reinvested dividends, is expected to satisfy equity capital requirements for the remainder of this decade.

Additional Generating Facilities Planned: Company is constructing without participation by other utilities, a plant near Springerville, Ariz. Plant will be coal-fired and is currently planned to consist of three 350,000 Kw units; with first unit becoming operational in 1985.

## FRANCHISES

Franchise for the distribution of electricity in City of Tucson expires in 2001.

Franchise for the distribution of electricity in City of South Tucson expires 1991.

## REGULATION

The Company is subject to the jurisdiction of the Arizona Corporation Commission (the "ACC"), which has full power, among other things, to prescribe the classifications of accounts to be used and the rates and charges to be made and collected, and to regulate the issuance of securities. The Company is also subject to regulation by the FERC in certain respects, including sales to other utilities, but not with respect to the issuance of its securities.

## RATES

General Residential electric rate No. 1 in effect at Dec. 31, 1983, was as follows:

Summer Rates (May thru Oct.)

First 100 kwh or less per month \$9.28

All additional kwh per month @ 7.07569, per kwh

Minimum bill: \$9.28 per month per meter

Winter Rates (Nov. thru Apr.)

First 100 kwh or less per month \$9.28

Next 600 kwh per month @ 7.07569, per kwh

All additional kwh per month @ 4.12569, per kwh

Minimum bill: \$9.28 per month per meter

Off-peak water heating rate No. 2 in effect at Dec. 31, 1983, was as follows:

First 100 Kwh or less per month \$6.00

All additional Kwh per month @ 4.16569, per Kwh.

Tucson Electric Power Co.'s Standard Purchased Power and Fuel Cost Adjustment (PPF) Clause covers increases or decreases in fuel cost and purchased power, including demand charges. The PPF included in the above rates is .00000, per kwh.

The above electric rates do not include, but are subject to, a 4% state sales tax, a 2% Tucson or South Tucson sales tax, a 2% Tucson franchise tax and a 2% Arizona Corporation Commission Assessment.

Rate Increases: Co. has committed to the ACC that it will not seek additional general rate increases before 1987, primarily as a result of the substantial amounts of interest income expected to be earned on bond proceeds held in trust.

The Company placed in effect a two-step rate increase in 1982. In January an annual rate increase of \$21.1 million, or about 9% based on the 1980 test year, was implemented to offset inflation. In May an additional \$17.6 million annual increase was initiated, offset by a reduction in the fuel cost adjustment revenues.

The Company's last increase in its base rates, prior to the 1982 increases, occurred in March 1980. The March 1980 rate increase was the result of a 1979 request that was de-

nied by the ACC. The Company successfully challenged that decision in Maricopa County Superior Court and was allowed to put into effect, under bond and subject to refund, a \$14.6 million annual rate increase, based on a 1978 test year. The Arizona Court of Appeals in part reversed the Superior Court decision. In April 1982 the Arizona Supreme Court vacated the opinion of the Arizona Court of Appeals, reversing in part and affirming in part the decision of the Maricopa County Superior Court that allowed the Company to place into

effect the \$14.6 million rate increase in March 1980.

In May 1983 the ACC ordered the Company to refund approximately \$8.1 million out of approximately \$32 million of revenues collected subject to refund. Co. and the State of Arizona, ex rel. Robert K. Corbin, Attorney General, have appealed the ACC refund order to the Maricopa County Superior Court. Pursuant to an order issued by the ACC, no refund will be made pending the outcome of the appeals.

## OPERATING STATISTICS

ELECTRIC	OPERATING STATISTICS YEARS ENDED OR ON DEC. 31						
	1983	1982	1981	1980	1979	1978	1977
Population served, retail	571,000	556,000	541,000	531,000	522,000	498,000	478,000
Customers (year-end):							
Residential	189,064	180,901	176,890	170,409	161,636	152,002	143,299
Commercial & industrial	21,589	21,177	20,646	19,844	18,927	17,875	17,217
Other	188	148	108	98	98	97	66
Total	210,841	202,226	197,644	190,351	180,661	169,974	160,586
K.w.h. sales:							
Residential	1,446,921,000	1,350,502,000	1,335,361,000	1,263,309,000	1,176,086,000	1,085,310,000	988,828,000
Commercial & industrial	2,742,574,000	2,662,779,000	3,339,662,000	3,054,598,000	2,883,523,000	2,658,485,000	2,735,048,000
Sales for resale	1,482,587,000	1,844,916,000	2,326,858,000	2,048,532,000	2,093,701,000	1,836,696,000	2,086,881,000
Other	111,398,000	105,393,000	104,177,000	93,190,000	91,373,000	88,369,000	78,652,000
Total	5,783,480,000	5,963,590,000	7,106,058,000	6,459,629,000	6,244,683,000	5,668,860,000	5,889,409,000
Revenues:							
Residential	\$105,822,000	\$96,692,000	\$86,468,000	\$80,581,000	\$68,845,000	\$60,930,000	\$55,873,000
Commercial & industrial	173,104,000	166,215,000	168,503,000	154,280,000	132,865,000	115,644,000	114,862,000
Sales for resale	78,766,000	74,309,000	87,933,000	77,104,000	64,013,000	42,974,000	37,134,000
Other	9,678,000	6,558,000	7,564,000	8,166,000	6,826,000	5,866,000	5,528,000
Total	\$367,370,000	\$343,774,000	\$350,468,000	\$320,131,000	\$272,549,000	\$225,414,000	\$213,397,000
Total k.w.h. generated	5,563,358,000	5,554,753,000	7,007,292,000	6,423,884,000	6,141,366,000	5,942,091,116	5,859,025,098
Total k.w.h. purchased	82,417,000	71,011,000	73,766,000	77,058,000	77,428,000	60,262,580	73,403,847
Total k.w.h.	5,645,775,000	5,625,764,000	7,081,058,000	6,500,942,000	6,218,794,000	6,002,353,696	5,932,428,945
System peak load k.w., hourly	1,142,000	1,126,000	1,277,000	1,298,000	1,247,000	1,104,000	1,060,000
Miles of electric line	8,188	7,956	7,509	7,576	7,203	6,612	6,490

Reclassified to conform to 1983 presentation.

## INCOME ACCOUNTS

### COMPARATIVE INCOME ACCOUNT, YEARS ENDED DEC. 31

	(in thousands of dollars)						
	1983	1982	1981	1980	1979	1978	1977
Operating revenues (electric)	367,370	343,774	350,468	320,131	272,549	225,414	213,397
Operating expenses	140,903	141,891	155,602	133,561	130,232	100,757	88,225
Maintenance	24,930	26,892	22,255	19,256	15,609	12,130	10,154
Depreciation	44,022	38,779	35,943	31,848	25,441	22,568	19,393
Federal income taxes							792
State income taxes	34,063	23,647	19,914	24,467	12,638	4,810	1,943
Deferred income tax							1,517
General taxes	41,608	39,834	36,933	35,796	34,185	30,854	29,645
Prov. equal to invest. cr., net							9,147
Total oper. rev. deductions	285,526	271,043	270,647	244,928	218,105	171,119	160,816
Net operating revenues	81,844	72,731	79,821	75,203	54,444	54,295	52,581
Allow. for funds used during constr.:							
All funds							
Other than borrowed-funds	25,485	10,324	7,171	8,390	14,082	12,000	7,110
Other income	39,956	26,209	15,341	1,947	3,682	18	110
Gross income	147,285	109,264	102,333	85,540	72,208	66,313	59,801
Interest on long-term debt	51,441	39,424	40,211	32,725	29,982	28,780	21,250
Amort.—debt discount & expense							137
Other interest charges	3,010	1,728	5,358	2,184	1,093	1,001	743
Allow. for borrowed funds used during constr.—credit	(10,554)	(5,955)	(6,909)	(6,070)	(8,818)	(7,988)	(3,854)
Interest—construction financing trust	8,348	15,673	15,725	5,083	3,226	3,067	3,676
Allowance for borrowed funds used during constr.—const. financing tr.—credit	(8,348)	(15,673)	(15,725)	(5,083)	(3,226)	(3,067)	(3,676)
Total income deductions	43,897	35,197	38,660	28,839	22,257	21,793	18,276
Income from continuing oper.	103,388	74,067	63,673	56,701	49,951	44,520	41,525
Income from discount oper.	26,478	2,369	26,098	1,669	3,554	3,892	1,302
Income before extraord. credit	129,866	76,436	89,771	58,370	53,505	48,412	42,827
Extraordinary credit		111,658					
Net income	129,866	188,094	89,771	58,370	53,505	48,412	42,827
Retained earnings, begin. of year	311,174	172,991	127,796	109,480	93,525	79,388	64,931
Total credits	441,040	361,085	217,567	167,850	147,030	127,800	107,758
Preferred dividends	7,158	7,158	7,158	7,158	7,158	7,158	7,158
Common dividends	50,260	42,753	37,418	32,896	30,392	27,117	21,211
Retained earnings, Dec. 31	383,622	311,174	172,991	127,796	109,480	93,525	79,389

Due to sale of gas properties completed in 1979, income statements for 1979 and 1978 reports separately the results of gas operations now discontinued. All revenue and cost items applicable to gas operations are segregated from the results of electric operations and presented as a single item. Income statements for 1977 have been restated to be comparable.

Due to liquidation of Western Coal Co., all revenue and expenses applicable to those operations have been reclassified as Discontinued Operations, 1977-79 have been restated to be comparable.

Reclassified to conform to 1983 presentation.

Gain from sale of option to reacquire an undivided ownership interest in San Juan Unit 4.

### Record of Earnings, years ended Dec. 31 (in thousands of dollars):

	Oper. Revenues	Oper. Expenses	Main-tenance	Depre-ciation	Taxes	Net Oper. Revenues	Gross Income	Income Deduct.	Net Income	Com. Divs.	No. of Com. Shs.	Earn. Per Com. Sh.
1977	213,397	88,225	10,154	19,393	43,044	52,581	59,801	16,974	42,827	21,211	18,606,000	1.91
1976	171,642	64,287	7,876	15,957	40,109	51,898	51,898	16,060	35,838	16,722	15,975,000	1.54
1975	136,353	48,701	7,197	14,484	28,528	37,443	44,057	16,417	27,640	13,206	13,322,007	1.43
1974	107,422	50,116	6,588	10,603	15,966	24,149	36,974	19,136	17,838	8,316	9,561,370	1.68
1973	78,858	35,144	3,968	7,389	15,690	16,667	25,966	11,581	15,030	6,060	7,372,877	1.00
1972	76,178	33,473	3,605	7,257	16,102	15,742	19,232	8,101	11,130	4,759	6,700,000	1.38
1971	65,249	27,650	3,019	6,301	16,155	12,124	13,479	5,289	8,189	3,977	6,000,000	1.16
1970	57,292	22,198	2,200	5,776	15,922	11,197	11,811	4,211	7,600	3,863	5,365,146	1.30
1969	49,343	18,527	1,624	5,209	14,835	9,147	9,223	2,813	6,409	3,541	5,365,146	1.08
1968	43,815	15,858	1,447	4,903	13,737	7,869	7,959	2,496	5,464	3,326	5,365,146	0.90
1967	40,144	14,927	1,265	4,524	11,777	7,651	7,734	2,097	5,636	3,219	5,365,146	0.93
1966	37,892	14,823	1,218	4,023	10,581	7,250	7,316	1,877	5,438	3,112	5,365,146	0.90
1965	35,141	14,107	1,166	3,888	9,295	6,685	6,724	1,935	4,789	3,004	5,365,146	0.82
1964	34,891	14,089	1,108	3,548	9,569	6,354	6,391	1,813	4,577	2,844	5,365,146	0.77

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	Oper. Revenues	Oper. Expenses	Main- tenance	Depre- ciation	Taxes	Net Oper. Revenues	Gross Income	Income Deduct.	Net Income	Com. Divs.	No. of Com. Shs.	Earn. Per Com. Sh.
1963.....	32,963	13,043	1,073	3,437	9,474	5,937	5,998	1,805	4,193	2,626	5,365,063	0.70
1962.....	31,412	12,905	837	3,014	8,925	5,732	5,828	1,570	4,257	2,253	5,356,634	0.71
1961.....	26,353	11,688	654	2,539	6,869	4,603	4,664	1,291	3,373	1,944	4,861,110	1.21
1960.....	23,374	10,342	578	2,194	6,073	4,187	4,234	1,185	3,049	1,918	4,861,110	1.18
1959.....	19,974	8,588	489	1,908	5,304	3,686	3,722	789	2,932	1,842	4,854,532	1.15

Data prior to 1962 adjusted for stock splits and stock dividends: No. of com. shs.: 1961, 4,861,110; 1960, 4,861,110; 1959, 4,854,532.  
Earn. per com. shs.: 1961, 0.60; 1960, 0.59; 1959, 0.57.

## BALANCE SHEETS

## COMPARATIVE BALANCE SHEET, AS OF DEC. 31

	1983	1982	1981	1980	1979	1978	1977
(in thousands of dollars)							
<b>ASSETS</b>							
Electric plant.....	1,826,844	1,565,468	1,326,423	1,210,751	1,064,350	990,864	839,663
Gas plant (now sold).....						45,857	45,553
Total utility plant.....	1,826,844	1,565,468	1,326,423	1,210,751	1,064,350	1,036,721	885,216
Less: Depreciation reserve.....	306,743	265,504	230,433	200,687	169,126	155,488	120,498
Net utility plant.....	1,520,101	1,299,964	1,095,990	1,010,064	895,224	881,233	764,718
Note receiv.....	179,000						
Investment—other.....	1,152	793	806	1,037	7,063	4,776	2,592
Invest. subs.....	232,315						
Total invest.....	233,467	793	806	1,037	7,063	4,776	2,592
Cash.....	4,836	5,051	4,704	3,992	3,967	4,550	2,054
Special deposits.....							74
Working funds.....							451
Temporary cash investments.....							585
Receivables, net.....	25,256	23,984	36,208	24,187	20,520	34,866	16,686
Materials and supplies.....	43,689	48,663	52,348	56,967	29,928	26,110	28,539
Prepayments.....							1,020
Other.....	3,745	5,824	1,544	1,888	1,381	1,492	
Total current and accr. assets.....	77,526	262,522	94,804	87,034	55,796	67,018	49,408
Unamortized debt disc. & expense.....	19,263	18,669	15,148	6,998	5,378	5,381	4,636
Other deferred debits.....	17,881	20,267	11,417	3,400	4,587	8,291	5,211
Total deferred debits.....	37,144	38,936	26,565	10,398	10,165	13,672	9,847
Total assets.....	1,868,238	1,602,215	1,218,165	1,108,533	968,248	966,699	826,566
<b>LIABILITIES</b>							
Common stock (\$2.50 par).....	57,904	56,603	55,137	54,177	54,034	53,273	46,618
5.10% preferred stock (\$100 par).....	5,800	5,800	5,800	5,800	5,800	5,800	5,800
8.25% preferred stock (\$100 par).....	15,000	15,000	15,000	15,000	15,000	15,000	15,000
4.5% preferred stock (\$100 par).....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
4.80% preferred stock (\$100 par).....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7.50% preferred stock (\$100 par).....	15,000	15,000	15,000	15,000	15,000	15,000	15,000
8.50% preferred stock (\$100 par).....	15,000	15,000	15,000	15,000	15,000	15,000	15,000
\$2.89 Series preferred stock (\$25 par).....	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Premiums and assessments.....	205,072	189,236	177,285	171,521	170,693	166,838	131,819
Retained earnings.....	383,622	311,174	172,991	127,796	109,480	93,525	79,388
Capital stock expense.....	dr3,923	dr3,174	dr3,881	dr3,870	dr3,829	dr3,736	dr3,617
First mortgage bonds—net.....	270,964	421,518	397,725	376,118	361,571	359,216	324,311
Install. sales & loan agree. for poll. cont. & indust. dev.—net.....	353,162	110,860	85,013	80,418	58,723	55,000	55,000
Notes pay—constr. fin. tr.....	230,000			25,000		8,500	
Constr. financing trust.....		169,471	80,429	59,441	26,403	45,907	22,798
Total capitalization.....	1,579,601	1,337,748	1,047,499	973,401	859,875	861,323	739,117
Notes payable.....				27,000	19,000	23,000	17,400
Accounts payable.....	31,862	39,695	23,551	14,586	11,569	21,889	7,991
Dividends declared.....	1,790	1,790	1,790	1,790	1,790	1,790	1,790
Customers deposits.....					789	793	706
Taxes accrued.....	48,638	10,274	14,413	7,532	10,592	4,543	5,826
Other curr. & accrued liabilities.....	19,299	25,230	22,823	22,024	15,276	11,491	9,015
Total current & accrued liab.....	101,589	76,989	84,277	72,932	59,016	63,506	42,728
Customers advances for construction.....							1,209
Other deferred credits.....	20,279	7,869	6,735	7,117	8,639	9,718	9,940
Deferred investment tax credit.....	131,315	121,151	66,516	51,961	36,261	26,386	27,200
Total deferred credits.....	151,594	129,020	73,251	59,078	44,900	36,104	38,349
Accum. deferred income taxes.....	35,454	58,458	13,138	3,122	4,457	5,766	6,372
Total liabilities.....	1,868,238	1,602,215	1,218,165	1,108,533	968,248	966,699	826,566
Net current assets.....	0	186,326	10,527	14,102	0	3,512	6,680

1983: Comprised of \$306,743 depreciation of electric plant.

Due to liberalized depreciation. Electric Plant and Property, Dec. 31, 1983: Electric plant in service: Production, \$664,802,000; distribution, \$270,861,000; transmission, \$290,273,000; general, \$42,954,000; total, \$1,268,890,000.

Reclassified to conform to 1983 presentation.

## Significant Accounting Policies

**Regulation**—Co.'s accounting policies and rates are subject to regulation by the Arizona Corp. Commission (ACC) and in certain respects by the Federal Energy Regulatory Commission (FERC).

**Investment Subsidiaries**—Wholly owned investment subsidiaries are recorded using the equity method of accounting.

**Utility Plant**—Utility Plant is stated at original cost. In accordance with the Uniform System of Accounts prescribed by FERC and accepted by the ACC, Co. capitalizes an Allowance for Funds Used During Construction (ADC) which is based on the cost of borrowed funds and a reasonable rate upon equity funds used to finance Construction Work in Progress. The component of ADC attributable to borrowed funds is presented as a reduction of Interest Expense and the component attributable to equity funds is presented as a credit to Other Income and Deductions. The Uniform System of Accounts specifies a formula for a maximum rate for ADC. The ADC net rate, excluding the Construction Financing Trust (and Springville Unit 1, beginning in June 1983), was 10.62% for 1983, 10.05% for 1982

and 9.38% for 1981, compounded semiannual-ly. See Note 4 concerning the Allowance for Borrowed Funds relating to the Construction Financing Trust. The ADC gross rate for Springville Unit 1 was 11.91% for 1983.

**Depreciation** on all depreciable property, other than transportation equipment, is computed on a straight-line basis at component rates. Depreciation on transportation equipment, based on estimated operating lives, is distributed to various asset and expense accounts based on vehicle usage. The composite overall depreciation rates averaged 3.59% in 1983, 3.44% in 1982 and 3.47% in 1981. Minor replacements and repairs are charged to expense as incurred. Retirements of utility plant, together with removal costs less salvage, are charged to accumulated depreciation.

**Income Taxes**—Deferred income taxes are provided for most timing differences. Tax effects of other items of income and expense reported differently for income tax and financial reporting purposes are reflected in current income tax expense as prescribed by the ACC.

Co. defers the reduction in Federal income taxes resulting from investment tax credits. These amounts are amortized over the lives of

the related property (tax lives beginning 1983).

**Property Taxes**—Co. accrues property taxes for accounting and rate-making purposes based upon the fiscal year of the taxing jurisdiction levying the taxes.

**Revenues and Fuel Costs**—Revenues are recorded as billed to customers on a cycle basis. Co. defers differences in costs incurred for fuel from the rates charged under the base rates and the fuel from the rates charged under the base rates and the fuel adjustment clause until such time as Co. reflects those differences in customer bills.

**Debt Expense**—Debt Expense is amortized over the lives of the issues to which it relates or the related refunding issues.

**Funds Held in Trust**—Such funds, drawn down periodically to finance construction expenditures, consist of Pollution Control and Industrial Development bond proceeds and investment earnings thereon. The funds are invested in securities of the United States Government, its agencies and corporate debt securities and are valued at cost, which approximates market value.

## FINANCIAL &amp; OPERATING RATIOS

	1983	1982	1981	1980	1979	1978	1977
<b>ELECTRIC OPERATIONS</b>							
Residential sales % of total ultimate consumers.....	33.6	32.8	27.9	28.6	28.3	28.3	26.0
Residential revenues % of total ultimate consumers.....	36.7	35.9	32.9	33.2	33.0	33.4	31.7
Res. aver. rate per k.w.h.—cents.....	7.31	7.16	6.48	6.38	5.85	5.61	5.65
Residential aver. cust. use (k.w.h.).....	7,835	7,572	7,694	7,614	7,497	7,380	7,055

26-11

## FINANCIAL &amp; OPERATING RATIOS (Cont'd): 1983

## INCOME ACCOUNT

Gross revenue—% of total:

	1982	1981	1980	1979	1978	1977
Electric .....	100.0	100.0	100.0	100.0	93.4	86.6
Gas .....	100.0	100.0	100.0	6.6	15.1	13.4
Net operating income—% of total:						
Electric .....	100.0	100.0	100.0	97.4	94.3	95.9
Gas .....	100.0	100.0	100.0	2.6	5.7	4.1
% Deprec. of gross operating rev.	12.0	11.3	10.3	9.9	9.1	8.4
Maint. of gross oper. rev.	6.8	7.8	6.4	6.0	5.7	4.5
% Depreciation to total plant	2.4	2.5	2.7	2.6	2.3	2.3
% Net operating rev. to net plant	5.4	5.6	7.3	7.4	6.1	7.2
Operating ratio—%	68.4	72.0	71.5	68.9	75.4	72.0
Times charges earn. bef. inc. tax	3.33	2.95	2.60	3.07	2.89	3.14
Times charges earn. aft. inc. tax	2.62	2.28	2.04	2.46	2.52	2.62
Times charges & pfd. divs. earn.	2.36	2.14	1.83	2.09	2.09	1.91
Earned per share, preferred	\$218.20	\$218.52	\$108.42	\$64.62	\$58.47	\$51.72
Earned per share, common (actual)	\$5.30	\$7.99	\$3.75	\$2.36	\$1.94	\$1.91
Earned per com. sh. (aver.)	\$5.37	\$8.13	\$3.80	\$2.37	\$2.04	\$1.92
Net tang. per sh.—common (actual)	\$27.75	\$24.43	\$18.21	\$15.29	\$14.54	\$13.63
Number of shares—Pfd. (\$100 par)	578,000	578,000	578,000	578,000	578,000	578,000
—Pfd. (\$25 par)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
—Com. (actual)	23,161,789	22,641,058	22,054,792	21,613,546	21,309,000	18,647,000
—Com. (aver.)	22,839,000	22,260,000	21,756,000	21,402,000	20,267,000	18,606,000

As reported by Company after extraordinary items. Before: 1982 \$3.11.

Based on \$100 par shares.

All ratios except times charges earned computed including gas operations discontinued in 1979; all ratios computed include earnings from Western Coal Co., discontinued in 1980.

After extraordinary items. Before: 1982, \$3.06; all ratios for 1982 except earned per share exclude extraordinary gain from sale of option to purchase an interest in San Juan Unit 4 in 1995.

## BALANCE SHEET

% total capital, represented by:

	1982	1981	1980	1979	1978	1977
Mortgage debt .....	26.3	36.1	41.1	43.4	44.0	45.3
Other .....	27.8	9.5	8.8	7.0	7.8	7.7
Preferred stock .....	5.2	7.1	8.6	9.9	10.2	11.5
Common stock & surplus .....	140.7	47.3	41.5	39.7	38.0	35.5
% mtge. debt of deprec. plant	27.3	32.4	36.3	37.2	40.4	42.4
Ratio gross plant to gross revs.	5.0-1	4.6-1	3.8-1	3.9-1	3.9-1	3.6-1
% deprec. res. of gross plant	17.0	17.0	17.4	15.9	15.0	13.6

1982-78 restated to conform to 1983 presentation.

## PRICE RANGES

	1983	1982	1981	1980	1979	1978	1977
First 8 1/8s, 1999	77 1/8-71	72 1/8-55	62 1/8-54	74-58	89 1/8-74	99-87 1/2	102 1/2-97 1/2
First 8 1/8s, 2001	74 1/8-61 1/2	71 1/8-52 1/2	65 1/8-50	76 1/2-55 1/2	86 1/8-71 1/2	93-83 1/2	98 1/2-93
First 7 5/8s, 2002	70-60 1/2	69-48 1/2	57-51	68-56 1/2	80 1/2-65 1/2	86 1/2-78	92 1/2-85 1/2
First 7 5/8s, 2003	70 1/2-58 1/2	69-47 1/2	60-49 1/2	63 1/2-55	80-63	87 1/2-77 1/2	94 1/2-87 1/2
First 10 1/8s, 2005	94-80 1/2	86 1/2-66 1/2	78-67 1/2	94 1/2-70	106-93 1/2	112-103	114-108 1/2
First 8 1/8s, 2009	72 1/2-65 1/2	67 1/2-51 1/2	59 1/2-50 1/2	71-57	87-72	99-86 1/2	100 1/2-99
8.25% preferred	73 1/2-66	67 1/2-53 1/2	58 1/2-51	78-67 1/2	89 1/2-66	97-88 1/2	103-98 1/2
7.50% preferred	66 1/2-60	61 1/2-48 1/2	53-46 1/2	71-57	87-60	88 1/2-80 1/2	91-87 1/2
8.50% preferred	75 1/2-68	69 1/2-55	60 1/2-52 1/2	77 1/2-20	91 1/2-68	100-80 1/2	103-98 1/2
\$2.80 preferred	26 1/2-23 1/2	25 1/2-19 1/2	22 1/2-18 1/2	16-12	29 1/2-23 1/2	32 1/2-28 1/2	33 1/2-31
Common (actual)	40 1/2-24 1/2	24 1/2-17 1/2	18 1/2-13 1/2	16-12	17 1/2-13 1/2	17 1/2-14 1/2	17 1/2-14

## Additional Miscellaneous Ratios and Data:

	1983	1982	1981	1980	1979	1978	1977
Gross inc. % long term debt .....	28.3	29.5	29.4	23.9	24.2	19.2	20.7
Margin of safety—%	44.1	28.3	30.6	25.0	22.2	18.8	22.2
% of rev. available for common .....	33.4	20.2	23.6	16.0	17.0	15.5	14.5
Dividend payout % .....	41.0	61.7	45.3	64.1	65.4	64.7	59.4
Avg. annual yield—%	6.8	9.0	10.7	10.9	9.2	8.3	7.3
Avg. times earnings .....	6.0	6.9	4.2	5.9	7.1	7.8	8.1
Fuel cost—% rev.	21.7	21.8	29.7	27.3	32.3	28.8	25.5
Labor cost—% of rev.	9.3	9.5	8.6	8.3	6.7	5.5	5.5
System capacity KW (000) .....	1,566	1,566	1,582	1,582	1,344	1,344	1,360
System peak KW (000) .....	1,142	1,126	1,277	1,298	1,247	1,104	1,060
Load factor .....	57	55	59	58	57	57	58
Heat rate (BTU per KW) .....	11,185	11,170	10,886	10,435	10,477	10,880	10,662
Avg. cost—all fuel per million (BTU) .....	1.23	1.35	1.42	1.30	1.37	1.16	1.03
Employees .....	1,102	1,139	1,193	1,168	1,105	1,245	1,202
Employees per \$1 million rev.	3.00	3.31	3.40	3.65	4.05	4.65	4.88

All ratios for 1979 computed excluding gas operations now discontinued. Prior years include gas operations. All ratios computed include earnings from Western Coal Co., discontinued in 1980. All ratios for 1982 exclude extraordinary gain from sale of option to purchase interest in San Juan Unit 4 in 1995.

## LONG TERM DEBT

1. Tucson Gas, Electric Light &amp; Power Co. first 3 1/8s, series due 1988:

Outstanding, this series, Dec. 31, 1983, \$3,500,000; sold privately on a 3 1/4% yield basis. Proceeds to retire bank loans and to finance new construction.

Dated Jan. 1, 1955; due Jan. 1, 1985; interest J&amp;J 1; Chase Manhattan Bank, N.A., New York, trustee.

Callable as a whole or in part to Jan. 1, 1961 at 102.95, premium decreasing yearly to par after Jan. 1, 1984, and for sinking fund at 100.00.

Sinking fund annually each Jan. 1, company may tender bonds or certify an amount equal to 60% of net property additions.

Secured equally and ratably with other securities outstanding under the mortgage.

2. Tucson Gas, Electric Light &amp; Power Co. first 4 1/8s, due 1988:

Outstanding, this series, Dec. 31, 1983, \$7,500,000; sold privately.

Dated, Jan. 1, 1958; due Jan. 1, 1988. Interest J&amp;J 1; Chase Manhattan Bank, N.A., New York, trustee.

Callable at 105 to Dec. 31, 1962; lower prices thereafter; not callable prior to Jan. 1, 1963 for refunding purposes at lower interest rate or cost; callable for sinking fund at 100. Sinking fund annually each Jan. 1, to retire \$75,000 bonds; company may tender bonds or certify net property additions.

Secured equally with other series; proceeds used to retire 4 1/2% notes. Other details not reported.

3. Tucson Gas, Electric Light &amp; Power Co. first 4 7/8s, due 1991:

Outstanding, this series, Dec. 31, 1983, \$10,000,000; sold privately.

Dated, Nov. 1, 1961. Due Nov. 1, 1991. Interest M&amp;N 1; Chase Manhattan Bank, N.A., New York, trustee.

Callable at 104.54 to Oct. 31, 1963; lower prices thereafter; not callable prior to Nov. 1, 1966, for refunding purposes at lower interest rate or cost; sinking fund each Nov. 1, to retire \$100,000 bonds; company may tender bonds

or certify net property additions. Secured equally with other series; proceeds used to retire bank loans.

4. Tucson Gas &amp; Electric Co. first 4.55s, due 1985:

Outstanding, this series, Dec. 31, 1983, \$16,000,000; sold privately.

Dated Feb. 1, 1965; due Feb. 1, 1995; interest F&amp;A 1; Chase Manhattan Bank, N.A., New York, trustee.

Callable at 104.55 to Jan. 31, 1966; lower prices thereafter; not callable prior to Feb. 1, 1970 for refunding purposes at lower interest rate or cost; sinking fund each Feb. 1 to retire \$160,000 bonds; company may tender bonds or certify net property additions.

Secured equally with other series; proceeds used to redeem \$7,500,000 5 1/8s series due 1989 and to retire bank loans.

5. Tucson Gas &amp; Electric Co., 1st 4 1/8s, due 1988:

Open mtg., outstg., this series, Dec. 31, 1983, \$10,000,000; held privately.

Dated Feb. 1, 1966; due Feb. 1, 1996; interest F&amp;A 1; Chase Manhattan Bank (N.A.), NYC, trustee.

Callable at 104.88 to Jan. 31, 1967; reduced prices thereafter; not callable prior to Feb. 1, 1971, thru refunding at an interest rate lower than 4 1/8%.

Sinking Fund to retire at par, \$100,000 cash (or bonds) each Feb. 1, 1967-95, or net property additions which the company may elect to take as a basis for credit in lieu of cash.

Secured equally with other series outstg.

6. Tucson Gas &amp; Electric Co., 1st 8 1/8s, due 1989:

Rating—A 1

OPEN MORTGAGE—Outstanding, series 8 1/8s, due 1999, Dec. 31, 1983, \$15,000,000.

DATED—Nov. 1, 1969. DUE—Nov. 1, 1999.

INTEREST—M&amp;N 1.

TRUSTEE—Chase Manhattan Bank, (N.A.), NYC.

DENOMINATION—Fully registered, \$1,000 and authorized multiples thereof. Transferable without service charge.

CALLABLE—As a whole or in part on notice as provided to each Oct. 31, incl. as follows:

1982	104.99	1983	104.69	1984	104.40
1985	104.11	1986	103.82	1987	103.52
1988	103.23	1989	102.94	1990	102.64
1991	102.35	1992	102.06	1993	101.76
1994	101.47	1995	101.18	1996	100.88
1997	100.59	1998	100.30	1999	100.00

Also callable for sinking fund (which see) or if electric utility properties are sold, taken by eminent domain by, or if controlling interest is sold to a good subdivision or public authority at par.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 75% of bonds outstg.

SINKING FUND—Annually, beginning Nov. 1, 1970-98 to retire bonds, cash (or bonds), equal to 1% of maximum 1999 bonds outstg. Credit may be taken for property additions.

REPLACEMENT RESERVE—Unless and except to extent regulatory body having jurisdiction shall direct lesser amount, company shall credit annually to a replacement reserve 15% of gross operating revenues after deducting (a) an amount equal to cost of electricity and gas purchased for resale and exchange, less (b) the amount expended for maintenance.

SECURITY—Secured equally and ratably with other series outstanding under the mortgage by a first lien on all property now owned or hereafter acquired. Indenture provides for release or substitution of property.

CREATION OF ADDITIONAL DEBT—Additional bonds of series due 1966 or other series may be issued (i) up to 60% of the lesser of cost or fair value of unfunded net property additions owned or acquired subsequent to Dec. 31, 1940, and (ii) upon deposit of an equal amount of cash, provided in each case the earnings available for interest charges for any 12 consecutive months within the 15 months preceding are at least twice the interest for one year on all bonds outstanding and to be issued and on all prior and equal lien indebtedness.

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**PURPOSE**—Proceeds to repay bank loans.  
**OFFERED**—(\$15,000,000) at 100 (proceeds to Co. 99.125) on Oct. 29, 1969 thru Blyth & Co., Inc. and The First Boston Corp. and associates.

1. Tucson Gas & Electric Co., 1st 8 $\frac{1}{8}$ %, due 2001.

#### Rating—A 1

**OPEN MTGGE.**—Outstanding, Dec. 31, 1983, series 8 $\frac{1}{8}$ %, due 2001, \$25,000,000.

**DATED**—Sept. 1, 1971. **DUE**—Sept. 1, 2001.

**INTEREST**—M&S1 at office of trustee.

**TRUSTEE**—Chase Manhattan Bank (N.A.), NYC.

**DENOMINATION**—Fully registered, \$1,000 and multiples thereof.

**CALLABLE**—As a whole or in part at any time on prior notice otherwise than thru sinking fund to Aug. 31, as follows:

1984	104.77	1985	104.49	1986	104.21
1987	103.93	1988	103.65	1989	103.36
1990	103.09	1991	102.81	1992	102.53
1993	102.25	1994	101.97	1995	101.69
1996	101.41	1997	101.13	1998	100.85
1999	100.57	2000	100.29	2001	100.00

Also callable for sinking fund (which see), and in event all or substantially all of electric utility properties shall be disposed of to a governmental authority, at 100.

**SINKING FUND**—Annually on Sept. 1, 1972-2000 cash (or bonds) to retire 1% bonds authenticated and delivered. Co. may also satisfy such payments by crediting net property additions which might otherwise be made basis for issuing new bonds.

**REPLACEMENT RESERVE—SECURITY—CREATION OF ADDITIONAL**

**DEBT**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**INDENTURE MODIFICATION**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**PURPOSE**—Proceeds for construction and debt repayment.

**LISTED**—On New York Stock Exchange.

**OFFERED**—(\$25,000,000) at 100 plus accrued interest (proceeds for Co., 99.125) on Sept. 15, 1971 thru Blyth & Co., Inc. and First Boston Corp. and associates.

2. Tucson Gas & Electric Co., 1st 7.55%, due 2002.

#### Rating—A 1

**OPEN MTGGE.**—Outstanding Dec. 31, 1983, series 7.55%, due 2002, \$25,000,000.

**DATED**—Mar. 1, 1972. **DUE**—Mar. 1, 2002.

**INTEREST**—M&S 1.

**TRUSTEE**—Chase Manhattan Bank, (N.A.), NYC.

**DENOMINATION**—Fully registered, \$1,000 and multiples thereof. Transferable without service charge.

**CALLABLE**—As a whole or in part at any time to each last day in Feb. as follows:

1985	104.43	1986	104.17	1987	103.91
1988	103.65	1989	103.39	1990	103.13
1991	102.87	1992	102.61	1993	102.35
1994	102.09	1995	101.83	1996	101.57
1997	101.31	1998	101.05	1999	100.79
2000	100.53	2001	100.27	2002	100.00

Also callable for sinking fund (which see) at 100.

**SINKING FUND**—Annually each Mar. 1, beginning 1973-2001, cash (or bonds) to retire 1% principal amount of bonds.

**REPLACEMENT RESERVE—OTHER PROVISIONS**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**INDENTURE MODIFICATION**—Indenture may be modified, except as provided, with consent of 75% of bonds outstg.

**LISTED**—On New York Stock Exchange.

**PURPOSE**—Proceeds to repay short-term notes.

**OFFERED**—(\$25,000,000) at 100 (proceeds to Co., 99.125) on Mar. 21, 1972 thru Blyth & Co., Inc. and First Boston Corp. and associates.

3. Tucson Gas & Electric Co. 1st 7.85%, due 2003.

#### Rating—A 1

**OPEN MTGGE.**—Outstanding, Dec. 31, 1983, series 7.85% due 2003, \$40,000,000.

**DATED**—May 1, 1973. **DUE**—May 1, 2003.

**INTEREST**—M&N1 at office of trustee.

**TRUSTEE**—Chase Manhattan Bank (N.A.), NYC.

**DENOMINATION**—Fully registered, \$1,000 and multiples thereof.

**CALLABLE**—As a whole or in part at any time to each Apr. 30, as follows:

1983	105.28	1984	105.01	1985	104.75
1986	104.48	1987	104.22	1988	103.96
1989	103.69	1990	103.43	1991	103.17
1992	102.90	1993	102.64	1994	102.37
1995	102.11	1996	101.85	1997	101.58
1998	101.32	1999	101.06	2000	100.79
2001	100.53	2002	100.26	2003	100.00

**SINKING FUND**—Annually on May 1, 1974-2002, cash (or bonds) to retire 1% bonds authenticated and delivered. Co. may also satisfy such payments by crediting net property additions which might otherwise be made basis for issuing new bonds.

**REPLACEMENT RESERVE—SECURITY—CREATION OF ADDITIONAL**

**DEBT**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**INDENTURE MODIFICATION**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**LISTED**—On New York Stock Exchange.

**OFFERED**—(\$40,000,000) at 100 (proceeds to Co., 99.125) on Apr. 25, 1973 thru Blyth Eastman Dillon & Co., Inc. and First Boston Corp. and associates.

4. Tucson Gas & Electric Co. 1st 10 $\frac{1}{8}$ %, due 2005.

#### Rating—A 1

**PURPOSE**—Proceeds to reduce short-term notes.

10. Tucson Gas & Electric Co. first 10 $\frac{1}{8}$ %, due 2005.

**OPEN MTGGE.**—Outstg., Dec. 31, 1983, this series, \$49,000,000.

**DATED**—Nov. 1, 1975. **DUE**—Nov. 1, 2005.

**INTEREST**—M&N 1 at office of trustee, to holders registered A or O 15.

**TRUSTEE**—Chase Manhattan Bank (N.A.), NYC.

**DENOMINATION**—Fully registered, \$1,000 and multiples thereof. Transferable without service charge.

**CALLABLE**—As a whole or in part at any time to each Oct. 31, as follows:

1982	108.33	1983	107.97	1984	107.61
1985	107.25	1986	106.88	1987	106.52
1988	106.16	1989	105.80	1990	105.44
1991	105.07	1992	104.71	1993	104.35
1994	103.99	1995	103.63	1996	103.26
1997	102.90	1998	102.54	1999	102.18
2000	101.81	2001	101.45	2002	101.09
2003	100.73	2004	100.37	2005	100.00

**SINKING FUND**—Annually, on or before Nov. 1, 1976-2004, cash (or bonds) to retire 1% of the aggregate principal amount of bonds.

**SECURITY**—Secured equally and ratably with other series outstg.

**REPLACEMENT RESERVE—OTHER PROVISIONS**—Same as 1st 8 $\frac{1}{8}$ %, due 1999.

**INDENTURE MODIFICATION**—Indenture may be modified, except as provided, with consent of 75% of bonds outstg.

**LISTED**—On New York Stock Exchange.

**PURPOSE**—Proceeds to reduce short-term borrowings.

**OFFERED**—(\$50,000,000) at 100 (proceeds to Co., 99.125) on Oct. 29, 1975 thru Blyth Eastman Dillon & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith, Inc. and associates.

11. Tucson Gas & Electric Co. first 8 $\frac{1}{8}$ %, due 2008.

#### Rating—A 1

**OPEN MTGGE.**—Outstg. Dec. 31, 1983, this series, \$60,000,000.

**DATED**—Oct. 1, 1977.

**INTEREST**—A&O 1 to holders registered M&S 15.

**TRUSTEE**—Chase Manhattan Bank (National Association).

**DENOMINATION**—Fully registered, \$1,000 and multiples thereof. Transferable and exchangeable without service charge.

**CALLABLE**—As a whole or in part at any time to each Sept. 30 as follows:

1984	106.85	1985	106.58	1986	106.31
1987	106.03	1988	105.76	1989	105.48
1990	105.21	1991	104.94	1992	104.66
1993	104.39	1994	104.11	1995	103.84
1996	103.56	1997	103.29	1998	103.02
1999	102.74	2000	102.47	2001	102.19
2002	101.92	2003	101.65	2004	101.37
2005	101.10	2006	100.82	2007	100.55
2008	100.27	2009	100.00		

Not callable, however, prior to Oct. 1, 1982 thru refunding at interest cost less than 8.50% per annum. Also callable for sinking fund (which see) at 100.

**SINKING FUND**—Annually, Oct. 1, 1978-2008, funds sufficient to retire 1% of the aggregate principal amount of bonds.

**SECURITY**—Will rank pari passu with all bonds outstg.

**CREATION OF ADDITIONAL BONDS**—Co. may issue additional bonds under the mortgage, in a principal amount equal to (a) 60% of net property additions; (b) the principal amount of retired bonds previously issued; or (c) cash deposited. The mortgage requires that before additional bonds may be issued, as provided in clauses (a) and (c) above, the trustee shall have received a net earnings certificate showing that for a period of 12 consecutive calendar months within the preceding 15 calendar months, the net earnings of Co. had been at least 2 times the annual interest requirements on all outstg. bonds, the bonds repaid for and indebtedness secured by prior liens.

**INDENTURE MODIFICATION**—Indenture may be modified, except as provided, with consent of 75% of bonds outstg.

**RIGHTS ON DEFAULT**—Trustee, or holder of a majority of bonds, may declare principal due and payable (60 days' grace for payment of interest).

**PURPOSE**—Proceeds will be applied to the reduction of short-term borrowings.

**OFFERED**—(\$60,000,000) at 100 plus accrued interest (proceeds to Co., 99.125) on Oct. 19, 1977 thru Merrill Lynch, Pierce, Fenner & Smith Inc., Blyth Eastman Dillon & Co. and associates.

12. Pollution Control Bonds: Outstg. Dec. 31, 1983, \$1,139,455,000 (before deducting \$776,329,000 funds held in trust) comprised of:

(1) \$213,200,000 6 $\frac{1}{8}$ % and variable interest pollution control financing, due to 2021.

(2) \$16,255,000 9 $\frac{1}{8}$ % industrial development financing, due 1986.

(3) \$55,000,000 6 $\frac{1}{4}$ % pollution control financing Installment Sale Agreements, due 2003.

(4) \$855,000,000 variable rate pollution control and industrial development financing loan agreement, due 2018-22.

13. Note Payable: Outstg. Dec. 31, 1983, \$230,000,000 variable rate note payable for construction financing trust.

#### CAPITAL STOCK

1. Tucson Electric Power Co. 4 $\frac{1}{4}$ % cumulative preferred; par \$100:

**AUTHORIZED**—All series, 1,200,000 shares; outstanding, Dec. 31, 1983, 4 $\frac{1}{4}$ % series, 20,000 shares; par \$100. Sold privately at par on Dec. 1, 1952.

**PREFERENCE**—Has equal preference with other series for assets and dividends.

**DIVIDEND RIGHTS**—Entitled to cumulative dividends of \$4.75 per share annually, payable quarterly Feb. 1, etc.

**DIVIDEND RECORD**—Regular dividends paid.

**DIVIDEND RESTRICTION**—Company may not pay any cash dividend on or acquire any common if such disbursements exceed earned surplus accumulated since Dec. 31, 1947, plus \$300,000, nor if such disbursements in any year exceed (1) 50% of net income for preceding twelve months if capitalization ratio (as defined) is less than 20%; (2) 75% of net income if such ratio is less than 25%; or (3) if ratio is in excess of 25%, make any disbursement which would reduce ratio to less than 25% except as above.

**VOTING RIGHTS**—Has no voting power unless four quarterly dividends are in arrears, when preferred voting as a class is entitled to elect majority of directors, and to 40 non-cumulative votes per share on all other matters.

Consent of 66 $\frac{2}{3}$ % of preferred or of series affected necessary to change terms adversely, create prior stock, or increase outstanding preferred, except as below.

**LIQUIDATION RIGHTS**—In liquidation entitled to receive call price if voluntary, or \$100 per share if involuntary, plus dividends.

**PREEMPTIVE RIGHTS**—None.

**CALLABLE**—As a whole, or in part at \$102 per share plus dividends.

**ADDITIONAL PREFERRED**—May be issued in series provided gross income (as defined) for 12 consecutive months within preceding 15 months is at least 1 $\frac{1}{4}$  times interest and preferred dividend requirements, subject to certain capitalization and debt ratios and prescribed limitations.

2. Tucson Electric Power Co. 5.10% cumulative preferred; par \$100:

Authorized, all series, 1,200,000 shares; outstanding, Dec. 31, 1983, 5.10% series, 58,000 shares; par \$100. Sold privately in Dec. 1960.

Has equal preference with other series for assets and dividends. Entitled to cumulative dividends of \$5.10 a share annually, payable quarterly, Feb. 1, etc. Regular dividends paid.

In liquidation, entitled to \$100 a share if involuntary; redemption price if voluntary; plus dividends. Callable to Oct. 31 incl. as follows (per share plus dividends): 1965, \$106; 1970, \$104; 1975, \$102; thereafter, \$101. No sinking fund. No preemptive rights.

Dividend restrictions and voting rights are same as for 4 $\frac{1}{4}$ % preferred.

3. Tucson Electric Power Co. 4.80% cumulative preferred; par \$100:

Authorized, all series, 1,200,000 shares; outstg. Dec. 31, 1983, 4.80% series, 50,000 shares; par \$100. Sold privately Feb. 1, 1966.

Has equal preference with other series for assets and dividends. Entitled to cum. divs. of \$4.80 a share annually.

In liquidation, entitled to \$100 a share if involuntary; redemption price if voluntary; plus dividends.

Callable to each Jan. 31, incl., as follows (per share plus dividends): 1971, \$105; 1976, \$104; 1981, \$102; thereafter \$101. Not callable, however, prior to Feb. 1, 1970 from money borrowed at an interest cost lower than 4.80%. No sinking fund. No preemptive rights.

Dividend restrictions and voting rights are same as for 4 $\frac{1}{4}$ % pfd.

4. Tucson Electric Power Co. 8.25% cumulative preferred; par \$100:

**Rating—"a 1"**

**AUTH.**—1,200,000 shs.; outstanding, Dec. 31, 1983, this series, 150,000 shs.; par \$100.

**PREFERENCE**—Has equal preference with other series for assets and divs.

**DIVIDEND RIGHTS**—Entitled to cumulative dividends of \$8.25 per share annually, payable quarterly Feb. 1, etc.

**DIVIDEND RECORD**—Initial dividend of \$2.06 $\frac{1}{4}$  paid Nov. 1, 1971. Regular dividends paid quarterly thereafter.

**DIVIDEND REINVESTMENT PLAN**—See under common stock below.

**DIVIDEND RESTRICTIONS**—Co. may not pay any cash divs. on or acquire any com. if such disbursements exceed earned surplus accumulated since Dec. 31, 1948 plus \$450,000; all other provisions same as 4 $\frac{1}{4}$ % pfd.

**VOTING & LIQUIDATION RIGHTS**—ADDITIONAL PFD.—Same as in 4 $\frac{1}{4}$ % pfd.

**PREEMPTIVE RIGHTS**—SINKING FUND—None.

**CALLABLE**—On at least 30 days' notice to each Aug. 1, incl., as a whole or in part, as follows: 1978, \$108.25; 1981, \$106; 1986, \$103.50; thereafter, \$101.00.

**TRANSFER AND DIVIDEND DISBURSING AGENT AND REGISTRAR**—First Interstate Bank of Arizona, N.A., Phoenix.

**PURPOSE**—Proceeds to retire a portion of notes issued to finance additions to properties. **OFFERED**—(150,000 shs.) on July 26, 1971 thru Blyth & Co., Inc. and First Boston Corp. and associates. **TRADED**—OTC.

5. Tucson Electric Power Co. 7.50% cumulative preferred; par \$100:

Rating—"a 1"  
**AUTH.**—1,200,000 shs.; outstg., Dec. 31, 1983, this series, 150,000 shs.; par \$100.  
**PREFERENCE**—Has equal preferences with other series for assets and divs.  
**DIVIDEND RIGHTS**—Entitled to cum. cash divs. at the annual rate of 7.50%, payable quarterly, Feb. 1, etc.  
**DIVIDEND RECORD**—Initial dividend of \$1.87½ per sh. paid Aug. 1, 1973; regular quarterly dividends paid thereafter.  
**DIVIDEND REINVESTMENT PLAN**—See under common stock below.  
**DIVIDEND RESTRICTIONS**—Co. may not pay any cash divs. on or acquire any com. if such disbursements exceed earned surplus accumulated since Dec. 31, 1948 plus \$450,000.  
**VOTING, LIQUIDATION, PREEMPTIVE RIGHTS**—Same as in 4¼% pfd.  
**CALLABLE**—As a whole or in part at any time on at least 30 days' notice to each Apr. 30, as follows (per sh., plus divs.): 1978, \$107.50; 1983, \$105.25; 1988, \$103.00; and thereafter at \$101.

**ADDITIONAL PFD.**—Same as 4¼% pfd.  
**TRANSFER AND DIVIDEND DISBURSING AGENT AND REGISTRAR**—First Interstate Bank of Arizona, N.A., Phoenix.  
**PURPOSE**—Proceeds to reduce short-term notes.

**OFFERED**—(150,000 shs.) at \$100 a sh. (proceeds to Co., \$98.90 a sh.) on Apr. 25, 1973 thru Blyth Eastman Dillon & Co., Inc. and First Boston Corp. and associates. **TRADED**—OTC.

6. Tucson Electric Power Co. 8.50% cumulative preferred; par \$100:

Rating—"a 1"  
**AUTH.**—1,200,000 shs.; outstg., Dec. 31, 1983, this series, 150,000 shs.; par \$100.  
**PREFERENCE**—Has equal preferences with other series for assets and divs.  
**DIVIDEND RIGHTS**—Entitled to cum. cash divs. at the annual rate of 8.50%, payable quarterly, Feb. 1, etc.  
**DIVIDEND RECORD**—Initial dividend of \$1.8214 per sh. paid May 1, 1974; regular quarterly dividends paid thereafter.  
**DIVIDEND REINVESTMENT PLAN**—See under common stock below.  
**DIVIDEND RESTRICTIONS**—Same as 7.50% cum. pfd.  
**VOTING, LIQUIDATION, PREEMPTIVE RIGHTS**—Same as 4¼% cum. pfd.  
**CALLABLE**—As a whole or in part at any time on at least 30 days' notice to each Jan. 31, as follows (per sh., plus divs.): 1979, \$108.50; 1984, \$105.00; 1989, \$103.00; and thereafter at \$101.00.

**ADDITIONAL PFD.**—Same as 4¼% cum. pfd.  
**TRANSFER AND DIVIDEND DISBURSING AGENT AND REGISTRAR**—First Interstate Bank of Arizona, N.A., Phoenix.  
**PURPOSE**—Proceeds to reduce short-term notes.

**OFFERED**—(150,000 shs.) at \$100 a sh. (proceeds to Co., \$98.90 a sh.) on Feb. 5, 1974 thru Blyth Eastman Dillon & Co., Inc. and First Boston Corp. and associates. **TRADED**—OTC.

7. Tucson Electric Power Co. \$2.89 cumulative preferred; par \$25:

Rating—"a 1"  
**AUTH.**—All series, 3,000,000 shs.; outstanding Dec. 31, 1983, 1,000,000 shs.; par \$25.  
**PREFERENCE**—Has equal preferences with other series for assets and divs.  
**DIVIDEND RIGHTS**—Entitled to cum. cash divs. of \$2.89 per sh. annually, payable quarterly, Feb. 1, etc.  
**DIVIDEND RECORD**—Initial dividend of \$0.30505 paid on Nov. 1, 1975; regular quarterly dividends paid thereafter.  
**DIVIDEND REINVESTMENT PLAN**—See under common stock below.  
**DIVIDEND RESTRICTIONS**—Co. may not declare or pay cash divs. or make other distributions on com. stock (other than divs. payable in com. stock) or purchase or redeem any capital shs. of any class (other than with the proceeds of additional capital stock financing) if, as a result thereof, the cum. aggregate amount thereof exceeds the amount of earned surplus (computed and adjusted as therein provided) of Co. and its predecessor accumulated subsequent to Dec. 31, 1947 plus \$300,000.

**VOTING RIGHTS**—All voting power is vested exclusively in the holders of com. stock, except as any statute of the State of Arizona shall expressly provide to the contrary and except, as indicated below, to the extent otherwise provided in the Articles of Incorporation with respect to the pfd. stock.

Consent of at least ¾ of pfd. stock, voting for such purpose as a single class in such manner that the holders of the cum. pfd. stock shall have one vote per sh. and the holders of the cum. pfd. stock (\$25) shall have ¼ of one

vote per sh., is necessary to: (A) authorize or issue any stock ranking prior in any respect to the pfd. stock; (B) change the terms and provisions of the pfd. stock so as to adversely affect the rights and preferences of the holders thereof; provided, however, that if only one class of pfd. stock is so affected, the consent only of the holders of ½ of the shs. of the affected class need be obtained; and provided, further, that if one or more but less than all of the series of such class are so affected, the consent only of the holders of ¾ of the total number of shs. in the affected series need be obtained; (C) issue any additional shs. of pfd. stock or shs. of any stock ranking on a parity therewith unless (i) gross income available for interest charges for 12 consecutive out of the 15 calendar months preceding such issue has been at least 1¼ times the annual interest charges on funded indebtedness and notes payable by Co. maturing more than 12 months thereafter plus annual dividend requirements on the pfd. stock and stock, if any, ranking prior thereto or on a parity therewith outstg. thereafter, (ii) capital represented by com. stock and surplus is not less than the amount payable on involuntary liquidation of the pfd. stock and all other stock, if any, ranking prior thereto or on a parity therewith outstg. thereafter, (iii) the aggregate par value of the pfd. stock and all other stock, if any, ranking prior thereto or on a parity therewith plus funded debt shall not exceed 70% of the outstg. capitalization of Co. consisting of funded debt, capital stock and surplus and (iv) all outstg. funded debt of Co. plus the par value of outstg. pfd. stock and all other stock, if any, ranking prior thereto or on a parity therewith shall not exceed 75% of the net plant of Co.; i.e., gross property, plant and equipment less depreciation and retirement reserve plus cash to be used solely for construction purposes; or (D) merge or consolidate with any other corporation other than a subsidiary, or sell, other than to a subsidiary, Co.'s property as or substantially as an entirety (an acquisition or mortgage of assets not to be considered a merger or consolidation, or a sale, respectively), unless such merger, consolidation or sale or the issuance or assumption or all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by a regulatory authority then having jurisdiction. In addition, the affirmative vote of the holders of at least ¾ of the shs. of each series of cum. pfd. stock, voting as separate classes, is necessary to issue any additional shs. of pfd. stock or shs. of any stock ranking on a parity therewith unless the test set forth in clause (C) (i) above is satisfied.

Arizona law requires separate class votes on the matters described in clauses (A) and (B) of the preceding paragraph.

If divs. payable on the outstg. pfd. stock shall be accumulated and unpaid in an amount equivalent to 4 quarterly divs., the holders thereof shall, until all such divs. shall have been paid or declared and set apart for payment, be entitled to vote, in such manner that the holders of the cum. pfd. stock shall have one vote per sh. and the holders of the cum. pfd. stock (\$25) shall have ¼ of one vote per sh. (a) voting for such purpose as a single class at the annual meeting of shareholders to elect the smallest number of directors necessary to constitute a majority of the Board of Directors, the remaining directors to be elected as usual by the holders of the com. stock; and (b) on all questions other than for the election of directors, the holders of the com. stock having ¼ of one vote for each com. sh. Arizona law provides for cumulative voting in connection with the election of directors.

**LIQUIDATION RIGHTS**—In liquidation, entitled to \$25 per sh., if involuntary; if voluntary, redemption price.

**PREEMPTIVE RIGHTS**—None.

**CALLABLE**—As a whole or in part at any time on at least 30 but not more than 60 days' notice to each Aug. 31, as follows (per sh., plus divs.): 1980, \$30.375; 1985, \$29.50; 1990, \$28.625; thereafter at \$27.75. Not callable, however, prior to Sept. 1, 1980 thru refunding by issuance of indebtedness or stock of equal or prior rank at interest cost or div. cost less than 10.9263% per annum.

**SINKING FUND**—None.

**TRANSFER AGENT**—First Interstate Bank of Arizona, N.A., Phoenix, AZ.

**REGISTRAR**—First Interstate Bank of Arizona, N.A., Phoenix, AZ.

**LISTED**—On Pacific Stock Exchange.

**PURPOSE**—Proceeds to retire a portion of short-term borrowings incurred for the construction program.

**OFFERED**—(1,000,000 shs.) at \$27.50 per sh. (proceeds to Co., per sh., \$26.45) on Sept. 17, 1975 thru Merrill Lynch, Pierce, Fenner & Smith, Inc. and Blyth Eastman Dillon & Co., Inc. and associates.

8. Tucson Electric Power Co. common; par \$2.50:

**AUTHORIZED**—36,000,000 shares; outstanding, Dec. 31, 1983, 23,161,789 shares; par \$2.50.

Par changed from no par to \$10 May 12, 1948, \$10 to \$5 Oct. 30, 1953, both by 2-for-1 split; \$5 par shares split 2-for-1 Jan. 23, 1959;

changed from \$5 to \$2.50, Mar. 30, 1962, by 2-for-1 split.

**VOTING RIGHTS**—Has full voting power.

**PREEMPTIVE RIGHTS**—Has no preemptive rights.

**DIVIDENDS PAID**—(Subsequent to distribution of stock by Federal Light & Traction Co.)

1946	\$1.00	1947	\$2.00	1948	\$0.50
On \$10 par shares:					
1948	\$0.85	1949	\$1.25	1950	\$1.40
1951	1.50	1952	1.60	1953	1.20
On \$5 par shares:					
1953	0.23	1954	0.95	1955	1.08
1956	1.20	1957	1.40	1958	1.43
On \$5 par shares after (2-for-1 split):					
1959	0.76	1960	0.79	1961	0.80
1962	0.20				
On \$2.50 par shares:					
1962	0.51	1963	0.49	1964	0.53
1965	0.56	1966	0.58	1967	0.60
1968	0.62	1969	0.66	1970-71	0.72
1972	0.748	1973	0.808	1974	0.84
1975	0.96	1976	1.02	1977	1.14
1978	1.32	1979	1.42	1980	1.52
1981	1.72	1982	1.92	1983	2.20
1984	1.30				

[To June 25, 1984]

**DIVIDEND REINVESTMENT PLAN**—Under the Co.'s Dividend Reinvestment Plan, which is administered by First Interstate Bank of Arizona, preferred and common stockholders may reinvest their cash dividends each quarter in Co. newly issued common stock. In addition, an optional cash investment may be made through the plan by adding cash deposits in any multiple of \$25 up to \$5,000 per quarter.

Price to be paid for shares will be closing price as reported on consolidated tape on date of purchase. Company absorbs all costs of plan.

**OFFERED**—(147,000 shares) at \$40 per share in June, 1946 by syndicate headed by Blyth & Co., Inc. and First Boston Corp., New York. Offering did not represent company financing, stock formerly owned by Federal Light & Traction Co.

(66,000 shares) at \$17 per share, proceeds to company (\$15.84 per share) on Apr. 7, 1949 by Blyth & Co., Inc. and First Boston Corp., New York, and associates. Proceeds used for construction program.

(140,000 shares) at \$26.50 per share (proceeds to company \$25.15 per share) on Apr. 23, 1952 by Blyth & Co., Inc., and First Boston Corp., New York, and associates. Proceeds used to pay \$1,000,000 promissory notes and for construction.

(100,000 shares) at \$28.50 a share (proceeds to company, \$27 a share) on Nov. 15, 1957 by Blyth & Co., Inc., and First Boston Corp., New York, and associates. Proceeds to pay promissory notes and for construction.

(634,854 shares) at \$15.50 (proceeds to company, \$14.90 a share) on Sept. 22, 1971 by Blyth & Co., Inc., and First Boston Corp. Proceeds used to retire bank notes and for construction.

(700,000 shares) at \$12.50 a share (proceeds to company \$12 a share) on July 18, 1972 by Blyth & Co., Inc. and First Boston Corp. Proceeds used to retire bank notes and for construction.

(800,000 shares) at \$14.625 a share (proceeds to company, \$14.075 a share) on Feb. 21, 1973 by Blyth & Co., Inc. and First Boston Corp. and associates. Proceeds to reduce short-term notes issued for temporary financing of capital projects.

(1,500,000 shares) at \$12 a sh. (proceeds to Co., \$11.43 a sh.) on Jan. 17, 1974 by Blyth & Co., Inc. and First Boston Corp. & associates. Proceeds to short-term notes issued for temporary financing of capital projects.

(1,800,000 shares) at \$8.25 a share on Aug. 13, 1974 by Blyth & Eastman Dillon & Co., Inc. and First Boston Corp. and associates. Proceeds to reduce short-term notes issued for temporary financing of additions to Co.'s properties.

(2,200,000 shares) at \$9.875 a share on Apr. 16, 1975 by Blyth Eastman Dillon & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc. and associates. Proceeds to reduce short-term debt incurred for construction.

(2,600,000 shares) at \$10.625 a share on Aug. 5, 1975, thru Merrill Lynch, Pierce, Fenner & Smith, Inc. and Blyth Eastman Dillon & Co., Inc. and associates. Proceeds to repay short-term debt.

(3,000,000 shares) at \$14.625 per sh. on Nov. 9, 1976 thru Merrill Lynch, Pierce, Fenner & Smith, Inc. and Blyth Eastman Dillon & Co., Inc. and associates. Proceeds to reduce short-term borrowings.

(2,500,000 shares) at \$16.25 per sh. on May 4, 1978 thru Merrill Lynch White Weld Capital Markets Group, Blyth Eastman Dillon & Co. and associates. Proceeds to reduce short-term debt.

**TRANSFER AGENT**—First Interstate Bank of Arizona, N.A., Phoenix, Ariz.

**REGISTRAR**—First Interstate Bank of Arizona, N.A., Phoenix, Ariz.

**DIVIDEND DISBURSING AGENT**—First Interstate Bank of Arizona, N.A., Phoenix, Ariz.

**LISTED**—On NYSE (Symbol: TEP); also listed on Pacific SE.

ROBERT WILLIAM U

XFD-6742

(27-1)

July 23, 1985

3501 TURNBRIDGE DR  
RALEIGH, NC 27609

Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tucson, Arizona 85740

Dear Cousin Phil:

After sending my response to your letter the other day I had an afterthought. Specifically, I thought I would send you some material about one of our more recent investment recommendations which has special relevance to you.

By way of preface, you might be interested in a little background about investment research. With truly rare exceptions the "broker" with whom a client deals (whose proper title is "registered representative") has little or no opportunity to function as a researcher of investment ideas. His real function is to furnish a conduit between the various operating departments of his firm and his clientele, to develop that clientele, and to provide a continuing stream of information to them to help them reach timely and informed decisions. A broker's early years are spent assembling a client base, and his later years, if he has done his early work well, are spent helping those people and the new ones they will bring to develop and continually oversee their holdings. To do this latter job properly requires a significant amount of time helping the individual understand the implications of his financial circumstances and prospects as they relate to investment decisions, as well as a rudimentary knowledge of the different types of securities and how they can best be deployed in a rational manner. All of these factors change along the way, of course, so fine tuning to adjust for inheritances, retirement, changing tax situations and rules are always involved also. The point of all this is that I and my peers generally do very little real investment research; We rely heavily upon staff whose sole responsibility is to perform that task. These are the "securities analysts" and "market analysts" who develop new ideas and communicate with company managements to keep current on their activities. In a typical large firm, there are many analysts, each surveying small industry groups. In a regional firm of our size, either a small staff undertakes a much larger scope of research, typically emphasizing local companies, or research provided by others is used extensively. We do a little bit of both. What makes our organization's approach a little different is our strong emphasis on a relatively short list of investments selected by our staff for various investor objectives. I have found that by relying on that work, and by working with clients on the basis of recognized principles of portfolio development (diversification of assets, etc.) that good results will be obtain as a rule.

I have never been a special fan of utility companies, for a variety of reasons. They are regulated natural monopolies, and as such they must either induce growth in their territories or seek rate increases as a means of achieving higher revenue. Their stocks, for this reason, are chiefly of

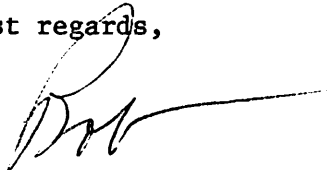
interest only for dividend income. Capital growth can sometimes be achieved if bought at high-interest rate periods and held as rates decline, but other types of securities hold more appeal for the typical investor pursuing capital growth. Utilities were once regarded as particularly "safe" investments, but that reputation has been considerably eroded by incidents such as Three Mile Island, the recognition that large expenses face many companies for closing nuclear facilities, and the sizable swing in utility share prices which occurred during the most recent period of high interest rates.

Thus it was with considerable interest that I viewed our staff's recent recommendation of Tucson Electric, added to our list of securities suggested for income-oriented clients. I've enclosed some of the material we received regarding the company for your edification.

I think this security should have appeal for many of our retired clients, who have begun to emphasize current income from their investments upon enjoying lower tax brackets in retirement. Similarly, because of the fuel mix, it will appeal to the naturally conservative investor. It is not the type of security which I personally believe should be emphasized in the program of a working person in a moderate-to-high tax bracket. Most such persons should be placing emphasis not on more taxable income but rather upon building the greatest possible net worth prior to retirement, since ultimately their net worth will determine much of their retirement income-generating capability. Each dollar a company earns can only be used once, and companies which reinvest much of their net income in their own growth rather than paying large dividends should be emphasized in the stock and bond investments of such people, together with real estate and other capital growth oriented investments.

Yours in computer-induced prolixity...

Best regards,



Robert W. Upchurch

Friday  
June 28, 1985  
Page Two

**TUCSON ELECTRIC POWER CO.** - Hodges  
(TEP: 41, EPS\* - \$4.45, PER - 9.2X)  
(Div. - \$3.00, Yld. - 7.3%)

\*Estimate for year ending 12/31/85

Tucson Electric Power Common Stock is being added to the Approved List and the Focus List.

The company provides electric power to over 223,000 customers in Tucson, Arizona, and adjacent areas. The service territory is comprised of 1,155 square miles with a population of over 600,000.

We believe TEP is attractive for the following reasons:

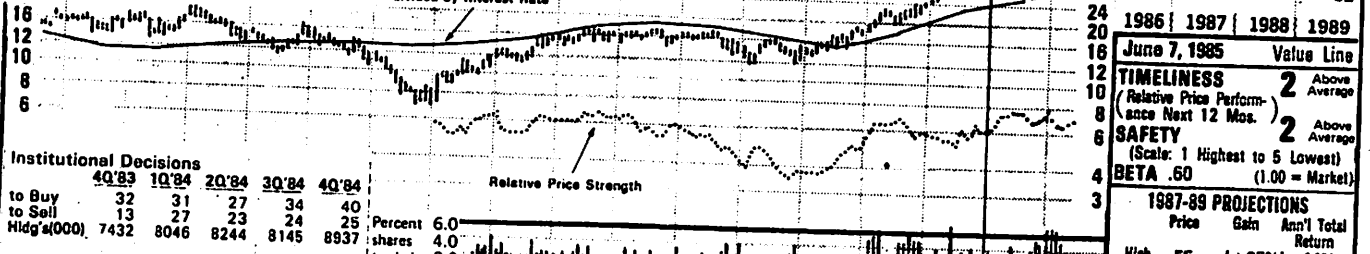
1. Tucson is one of the fastest growing cities in the country. Population increased 5% in 1984 and growth of at least 3% annually is expected during the next ten years.
2. The area's economic base has become well diversified in recent years. Technology firms such as IBM, Gates Learjet, National Semiconductor and Garrett Corporation have located facilities in Tucson.
3. TEP is a pure electric utility, i.e., no gas, water or telephone operations.
4. Tucson Electric is a non-nuclear power company. Power generation is 90% coal, 5% gas and 5% oil. Virtually all TEP's electricity will be coal generated by 1989.
5. The financial position is exceptionally strong. Capital expenditures through 1989 will be financed from internal sources and proceeds of tax-exempt bonds previously issued.
6. Return on common equity was 17.5% in 1984, and TEP has indicated a rate increase request will not be filed until 1987 at the earliest.
7. In January 1985, a subsidiary generating electricity for wholesale distribution and subject to Federal Power Commission was spun off to shareholders. Per share earnings from continuing operations reflect excellent growth:

<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
\$1.61	\$2.17	\$2.48	\$3.09	\$4.02

8. TEP is a high quality (S&P: A+) growth utility stock which appears reasonably valued relative to its growth potential.

Standard & Poor's and Value Line reports on TEP are enclosed in your mail today.

Insider Decisions 1984											
J	F	M	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0	0	0



1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
8.17	9.20	10.68	10.88	11.37	13.08	11.94	10.69	10.99	13.22	10.58	12.61	14.77	15.89	15.18	15.86	14.95	16.40
1.82	2.08	2.41	2.25	2.52	2.82	2.42	2.38	2.47	3.06	3.02	3.35	3.86	4.56	4.81	6.09	5.52	5.85
.90	1.08	1.30	1.27	1.47	1.68	1.44	1.70	1.80	1.92	2.04	2.17	2.37	2.94	3.01	4.21	4.02	4.30
.62	.66	.72	.72	.75	.81	.84	.96	1.02	1.14	1.32	1.42	1.52	1.72	1.92	2.20	2.60	3.00
2.27	1.11	3.73	8.52	11.22	15.07	11.02	5.52	7.80	7.58	6.63	6.99	6.80	8.78	10.84	11.65	16.86	7.10
8.34	8.68	9.26	10.10	10.93	11.91	11.46	11.85	12.85	13.63	14.54	15.29	16.13	18.21	24.43	27.75	25.05	26.50
5.37	5.37	5.37	6.00	6.70	7.50	10.80	15.60	18.60	18.65	21.31	21.61	21.67	22.05	22.64	23.16	23.55	24.10
16.6	14.4	12.3	12.9	9.4	7.8	6.3	6.2	7.4	8.2	7.9	7.2	6.0	5.4	7.2	7.2	9.5	9.5
1.00	.88	.88	.82	.64	.77	.88	.83	.95	1.07	1.08	1.04	.80	.66	.79	.61	.87	.87
4.2%	4.2%	4.5%	4.4%	5.4%	6.2%	9.3%	9.1%	7.7%	7.2%	8.2%	9.1%	10.7%	10.8%	8.9%	7.2%	6.8%	6.8%

**CAPITAL STRUCTURE as of 3/31/85**  
 Total Debt \$563.2 mill. Due in 5 Yrs \$10.0 mill.  
 LT Debt \$562.2 mill. LT Interest \$44.0 mill.  
 Incl. debt disc. of \$14.6 mill. \$82.8 mill.  
 (LT interest earned: 2.9x)  
 Pension Liability None in '84 vs. None in '83  
 Pfd Stock \$82.8 mill. Pfd Div'd \$7.2 mill.  
 578,000 shs. 4.75% and 8.50%; cum. and  
 \$100 par call. from 101 to 106 per share;  
 1,000,000 shs. \$2.89 cum. \$25 par, callable at  
 \$30.375 per share.  
 Common Stock 23,665,079 shs.  
 as of 5/14/85

ELECTRIC OPERATING STATISTICS			
	1982	1983	1984
% Change Sales (KWH)	-16.1	-3.0	+9.3
Avg. Resid'l Use (KWH)	7572	7835	7859
Avg. Revs. per KWH (¢)	7.20	7.30	7.70
Capacity at Peak (Mw)	1582	1566	1342
Peak Load, Summer (Mw)	1126	1142	1031
Annual Load Factor (%)	54.5	56.5	56.5
% Change Customers (yr. end)	+2.3	+4.3	+5.9
Fixed Charge Cov. (%)	198	174	144

ANNUAL RATES			
of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd 1984 to '89
Revenues	2.5%	5.0%	6.0%
"Cash Flow"	8.0%	11.5%	6.5%
Earnings	9.5%	13.0%	7.0%
Dividends	11.0%	11.5%	7.5%
Book Value	8.5%	12.0%	6.5%

QUARTERLY REVENUES (\$ mill.)				
Cal-endar	Mar. 31	June 30	Sept. 30	Dec. 31
1981	78.4	84.7	104.1	83.3
1982	85.0	82.9	97.4	78.5
1983	78.8	93.9	104.3	90.4
1984	69.7	77.4	95.0	110.1
1985	91.8	95.0	105	103.2

EARNINGS PER SHARE				
Cal-endar	Mar. 31	June 30	Sept. 30	Dec. 31
1981	.52	.61	.98	.83
1982	.49	.61	.99	.92
1983	.71	.91	1.36	1.23
1984	.75	.77	1.35	1.15
1985	.80	.85	1.45	1.20

QUARTERLY DIVIDENDS PAID				
Cal-endar	Mar. 31	June 30	Sept. 30	Dec. 31
1981	.43	.43	.43	.43
1982	.48	.48	.48	.48
1983	.55	.55	.55	.55
1984	.65	.65	.65	.65
1985	.75			

**BUSINESS:** Tucson Electric Power Company supplies electricity in Tucson, Arizona and the surrounding area (service area: 1,155 sq. miles; population: 600,000). Spun off Alamito Co., wholesale subsidiary, in '84. Revenue sources: residential, 33%; commercial, 24%; industrial, 21%; other, 22%. Copper mining is largest industry served. Prime fuels: coal,

**A rapidly expanding service area is fueling higher share earnings.** Thanks to a good climate and right-to-work laws, Tucson is one of the fastest growing cities in the nation. Overall strength in the local economy is expected to boost kilowatt-hour sales this year by about 8%. In addition, due to higher levels of investment, the company's unregulated subsidiaries will probably contribute \$1.00 a share to net this year, up from 64¢ in 1984. In all, we estimate record full-year earnings of \$4.30 a share. We expect the stock to outpace the general market averages in the coming months.

**Financing for 1985 construction outlays is complete.** Management has budgeted \$1 billion for capital expenditures over the next five years. More than half of these costs will be financed from the unexpended proceeds of tax exempt bonds held in trust and invested until required for construction. Since TEP will sell power generated by Springerville #2 in only two adjacent counties, it was permitted by federal statute to issue these bonds to meet its financing requirements. Internal sources and re-invested dividends are expected to provide funds sufficient to cover the balance of con-

struction costs and debt maturities. Tucson has agreed to file no general rate request until mid-1987. This commitment was made possible largely as a result of the substantial amounts of income the company expects to earn on invested bond proceeds held in trust. If the utility continues earning close to its allowed return, as we think it will, management may defer filing its next rate application beyond the agreed-upon date. It should be noted, however, that changes in the cost of fuel will still be recovered (or refunded) through fuel adjustments.

**Good dividend growth prospects compensate for a subpar current return,** in our opinion. Even with the recent 10¢ a share hike in the quarterly payout, the year-ahead yield is almost two full percentage points below the group norm. But high returns on common equity, minimal financing requirements, and a low payout ratio suggest above-average dividend hikes of 7%-8% to 1987-89. Conservative investors might also be attracted by the company's by-passing of the atom as a source of power generation.

A.H.M./H.S.K.

(A) Next egs. rep't due late July. Excl. non-rec. gain: '81, 88¢/sh.; '82, \$5.08/sh.; '83, \$1.16/sh. Est'd current cost egs./sh.: '84, \$2.55. (B) Next div'd meet'g about Aug. 28. (C) Incl. intangibles. In '84, figures excl. Alamito data. (D) Rate base: fair value. Rate all'd com. eq. in '82: 16.5%. Earn. avg. com. eq. in '84: 17.5%. Reg. Climate: Avg. (E) 1984 tax defer.). (F) Incl. intangibles. In '84, figures excl. Alamito data.

ROBERT WILLIAM U

XFD-6742

28-1

July 18, 1985

Mr. Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tuscon, Arizona, 85740

REC'D  
23 JUL 1985

**Carolina  
Securities  
Corporation**  
Member New York Stock Exchange, Inc.

Suite 25-C, 2nd Floor, Brightleaf Square  
905 W. Main Street  
Post Office Box 246  
Durham, North Carolina 27702

Dear Cousin Phil,

To fill in the gaps you asked about in your note of June 30:

△ + □ Ruth and I were married at Dillon, South Carolina.

→ [MARGARET RUTH LITTLE]  
△ Ruth was born 3/7/46 at Tacoma Park, Maryland.

△ Virginia Griffith Upchurch was born at Wake Memorial Hospital in Raleigh.

FAT = ALFRED RYAN U

→ [SARAH CLEMENT GRIFFITH]

△ + △ My parents were married in Asheville, NC, and my mother was born at Biltmore Hospital in Asheville.

My mother would be pleased to correspond with you if it would be helpful. As I wrote earlier, she kept up a steady correspondence for many years with members of my father's family, particularly my Aunt Katie. She undoubtedly knows some information which I do not. She has a special interest in history, having been a history teacher, and while she has not developed a specialty interest in genealogy, it has become a necessary "sideline" skill to learn in conjunction with her primary concern, historic architectural preservation. She has been very active in this field in Asheville, as well as at the state level, has served on various boards, etc., and has received recognition for extensive work which led to the establishment of the first "historic district" in North Carolina in Asheville. If you are acquainted with the Raleigh "Oakwood Historic District" then you have some notion of what this is all about. A large amount of documentary research has been necessary to establish information about chains of title, architects, etc. to assess the historical significance of local buildings. She had earlier furnished me some few facts about her side of my own family, which are unfortunately very limited. Her paternal grandfather emigrated from Wales and her maternal great-grandfather from Germany, so the lineage here is short indeed. She knows much about her family which I need to record so that it will not be lost. Her father was a chemist with the Champion Paper & Fiber Company in Canton, NC. His ability to work well with businessmen in Europe led him to act frequently as a company representative overseas purchasing materiel, and enabled my mother to travel to Europe as a child on the liners. We have two grand photographs of her father, including one in his uniform of the Royal Welsh Fusileers (he did not apparently obtain his US citizenship until after WWI, and this was in part due to feeling that he might be called up to serve Wales, and his wish to fulfill that call if it came). The other photo shows him with a group of shipmates on one of his voyages; the five men are pictured in a circle around the ship's life preserver as a means of recording the trip. The life preserver reads "S.S. Lusitania"!....he was not, however, on the fatal voyage.

I was interested in your coments about real estate patterships. My firm is very active in this area. We do some work with the "national" organizations you mentioned (one of my favorites is a group called Public Storage) but the great

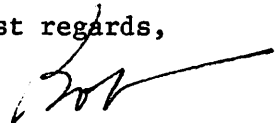
bulk of our real estate work is with local properties - apartments, shopping centers, etc. - involving relatively large financial commitments. We handled about \$20 million in equity for such projects last year, representing significantly greater actual property value (because of mortgage financing). Most of my clients have modest resources, and thus my own work with real estate has been limited. It is our feeling that tax-oriented real estate programs should only be considered by individuals whose marginal combined state and federal tax bracket exceeds 40%, and that portfolios should commit no more than 25% of assets to partnership-type investments due to their inherent illiquidity. Thus, I devote most of my work to developing and managing stock and bond portfolios which are tailored to the financial position, tolerance for risk, sophistication, and age of the client. Ours is a very conservative firm, as you might well gather from these remarks.

I continue to be amazed that you are able to produce the tremendous volume of material that you furnish to UB subscribers each quarter; if you were yourself retired, with no job responsibilities, I wouldn't be too amazed, but as it is, I simply don't see how you do it! I'm trying to pull together some of my family material for our children, and your work has been invaluable. I now need to get Ruth to do the same.

If your travels place you in Durham, by all means come by our offices to say hello. If you have an interest in historical buildings you'll be there anyway - we're in Brightleaf Square, a renovated downtown tobacco warehouse which has been converted to retail and office space. It has become a "keystone" project for Durham, and a tourist attraction visited by lots of east coast vacationers.

(Gee... how chatty these computers can make one!)

Best regards,



Robert W. Upchurch

ROBERT WILLIAM U

XID- 6742

(29-1)

REC'D  
21 JUN 1985

June 12, 1985

ROBERT W. UPCHURCH  
CAROLINA SECURITIES CORP.  
P.O. BOX 246  
DURHAM, N.C. 27702

- R. Phillip Upchurch  
- Michael Enterprises  
- P.O. Box 35804  
- Tucson, Arizona 85740

- Dear Cousin Phil,

- Thanks for your letter of May 18th. I regret to admit that I KNOW that  
- somewhere on my desk in a large pile of things I need to attend to is another  
- similar communication you sent some three or four years ago, soliciting similar  
- information, which I have had very good intentions about answering. The good  
- news is that I'm finally getting around to replying to your more recent  
- request, and the further good news is that I have been busy extending our  
- lineage another generation forward! I have, in fact, since last writing to  
- you, married and added a feisty daughter to the clan. Also we have been  
- involved in selling our homes, buying another, fixing it up, and merging our  
- households, so I CAN plead having been busy. My own work becomes more  
- demanding with the passing of the years. I, you may recall, am an investment  
- broker, and in my ninth year in the business with our firm, am enjoying the  
- blessing of a slowly growing satisfied clientele which has little turnover and  
- occassional increases resulting from years of careful hard work. Too, my wife  
- is putting in lots of hours in her second year as a realtor, and as you may be  
- aware, the realty community in Raleigh is VERY busy these days.

- What makes it now fun and easy to write a nice chatty letter is our recent  
- acquisition of a portable (lap-size) computer, which has turned writing and  
- editing virtually everything we do into a simple pleasure. I'm beginning to  
- develop some programs which I will later apply in my business on a larger  
- ☒ system, and Ruth, who is not a programmer, has found the word processing  
- applications relatively easy to master. She uses our "system" to publish a  
- monthly real estate bulletin which covers the local market.

- Now to your questions.

- ☐ My brother, David Alfred Upchurch, was born 9-23-50 in Asheville, NC; he  
- remains unmarried.

☒ + ☐ As to myself, I was born 7-14-47 in Concord, NC. I married Margaret Ruth  
- Little of Fayetteville on 2-14-83. Ruth uses her maiden name for record  
- ☐ purposes. We have a daughter, Virginia Griffith Upchurch, born 7-9-83.

- ☐ Regarding my father, Alfred Ryan Upchurch, his date of birth was 1-23-1908. I  
- have in my files a photocopy of his "delayed certificate of birth registration"  
- from the Stanly County NC registry. He was born in Norwood, NC, which is the  
- unofficial "seat" of his family, in Stanly County. The birth certificate notes  
- that his birthdate was established by a family bible entry verified by his  
- mother on October 24, 1942, which is the date of the registration. He died

March 2, 1979 in the Anson County hospital in Wadesboro, NC, and is buried in Norwood. I am, uncertain as to where my parents married, but the probability is either Asheville, my mother's home, Concord NC, where they both worked, or Norwood. My mother, Sarah Clement Griffith Upchurch, is still living. She was born 8-29-20, probably in Asheville. David and I are the only children. I have some scant additional information on her lineage, if it is of interest. I'm sure she would respond to your inquiry on the matters I am uncertain about, and would be pleased to hear from you at: 78 Rosewood Avenue, Asheville, NC 28801. Because she has corresponded with the Upchurch family for many years, she knows much that I do not.

△ For George Richmond Upchurch, my father's birth certificate gives him as born 6-2-1872 in Stanly County NC. He died 10-31-1934 according to notes I have from my aunt Katie. I have no information as to his burial location, though the Norwood cemetery is probable. He married Lottie Mae Moore in Concord NC on 5-31-1899

△ For Lottie Mae Moore, my father's birth certificate lists Montgomery County NC as her birthplace on 2-20-1876. I have no information regarding her burial place nor date of death, though she was alive to attest my father's birthdate at the registry in October, 1942.

△ + △ My aunt Emma (Mrs. Sam G. Blackwelder) is still living and might correspond with you; it would be my expectation that she and uncle Thomas would be your best contacts for additional information. I do not know Emma's full maiden name, nor about grandchildren. They have a daughter, Catherine, and a son, Grier.

△ + △ Regarding my aunt Agnes (Mrs. James Watson), I have no information, save an address (see below).

△ + □ Regarding my uncle Thomas Upchurch, his wife is named Josie and their daughter is Amy Jo. He was postmaster for Norwood for many years until retirement, and is probably a walking font of family information.

△ My Uncle Lewis also worked for the postal service before retirement. His wife is Onie, and their three children are Jane Moore, Louis, and Byron. I do not know about grandchildren.

△ My uncle John died earlier this year(3-9-85). He lived in Salisbury NC and operated a drugstore. He is survived by his wife Louise. I don't know about children or grandchildren.

△ George Richmond Upchurch had nine children who lived to adulthood and two(?) who died as infants or in early childhood. My aunt Katie, who died several years ago (8-1980?), was the family correspondent; she furnished much of the above information in a letter to me many years ago. That same communication contains the following: "W. Riley Upchurch, your great, great grandfather was married twice. Wives names unknown. By one wife - I think the second - he had one son and one daughter. The son, Osborne Howell Upchurch, was your great grandfather. He was married to Eliza Caroline Blalock Nov. 17, 1869. They were natives (I think) of Stanly County. They had twelve children. The oldest and youngest died in infancy. The second eldest was George Richmond Upchurch, your grandfather. He was born June 2, 1872, and died Oct. 31, 1934. John M. Moore and Sarah Ross Moore were your great grandfather and great grandmother.

□ They had at least eight children, among them your grandmother, Lottie Mae  
 — Moore. They were natives of Montgomery County. She was born Feb. 20, 1876.  
 — Sometime later both families moved to Concord where your grandparents met and  
 — were married...."  
 Δ+Δ+Δ The other aunts are(?) Caroline (Mrs. Gladstone C. Strader) and Margaret, about  
 — whom I have nothing in my files.

— If anything emerges as obvious to the reader of this letter it is certainly the  
 — fact that I have not maintained close communications with my father's family.  
 — We visited with the aunts and uncles when my brother and I were children, but  
 — have had embarassingly little contact with the family in many years. My mother  
 — corresponded regularly with many of my father's brothers and sisters for many  
 — years. I think you should follow up with them directly to fill in the holes.  
 — I DO have these current addresses:

Δ David - Route 4, Box 539, Chapel Hill NC 27514  
 Δ Louise (Mrs. John U.) - 1202 Boyden Rd. Salisbury NC 28144  
 Δ Thomas - P.O. Box 305 Norwood NC 28128  
 Δ Lewis - P.O. Box 176 Norwood NC 28128  
 Δ Emma - P.O. Box 385 Norwood NC 28128 - WROTE TO HER 30 JUN 1985  
 Δ Agnes - 814 Descano Way San Rafael CA 94901

— I would be interested in anything you learn from communications with the other  
 — members of our family if you are able to follow up with them. Keep up the good  
 — work!

Cordially,

I



Robert W. Upchurch

— P.s. My wife informed me today as I was preparing to run this through the  
 — printer that we will soon be going back to Lamaze classes!

ROBERT WILLIAM U

XID-6742

(31)

REC'D  
14 DEC 85

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Robert W. Upchurch  
3501 Turnbridge Drive  
Raleigh, North Carolina 27609

Dec 10

Phil —

I will have a reply  
to you soon (to your  
letter of 9-15.)

Best holiday wishes —

Bob —

ROBERT WILLIAM U

XID- 6742

(32-1)

15 SEP 1985

Mrs ROBERT W. UPCHURCH  
3501 TURNBRIIDGE DR  
DALEIGH, NC 27609

Dear Bob,

Thank you for your very nice letter of 27 AUG 1985. I have waited for some developments and feel that now is a good time to get back in touch with you.

First - the genealogy. It has been over 2 1/2 months since I wrote on 30 JUN 85 to your Aunt Emma. Although she may still respond I think some action is in order from our end. Perhaps you would like to give her a call to stimulate a response to you or me. On 28 AUG 85 I received a letter dated 18 AUG 85 from your mother. She indicated she had a nice visit with you. In several letters I have received from your mother over the year have been cordial but she has not seemed especially excited about getting into Upchurch genealogy. This is not unusual and, of course, I have been reluctant to push. However, her latest letter, without providing details, seems much more interested. Unless I miss my guess this is strictly

because her name is contacted. She offers to help if Emma does not respond. I have written her a nice note to thank her for her response and to say that I will get back to her after I have gotten all the details you have. It seems she is now quite willing to help but it seems best if we get the details you have in hand from her first. I will welcome whatever you can send.

By the way I have been making great progress on the broader Upchurch family from the Stanley Co, NC area. Have several good correspondents. Have identified some of the long lost daughters of the early Upchurches of that area. All this will be in the U B in due course.

I am impressed by your grasp of the financial world and think you are really "on target." Your service can be a great asset to many people. I really like your approach to the limited partnership business. You have been able to deal with some of the nagging problems that concerned me. Your approach to investing in the small business community is also right on the mark. Sooner or later you and I will have to confer about

three in their own person.

I know the names of two people in Charlotte, NC who are in the investment business. I wonder if you know them or if they may even be a member of your organization. They are RUDY BECK (he married my wife's niece) and CHARLES UPCHURCH (I don't know how he fits in). These two work together.

Back to the investment business - Have you ever looked at the need to have special investment techniques whereby grandparents can develop assets for their grandchildren? Now that I have 2 grandchildren I have given a lot of thought to this. One trick is to avoid taking over the responsibility of the parent to provide for the child. My approach is to say that we are developing a "travel fund". This way you can pile up money over time and then use it for travel of the GC or in fact for any other need.

Hope to hear from you soon.

Sincerely yours  
Phil Upchurch

[ROBERT PHILLIP UPCHURCH]

ROBERT WILLIAM U

XFD-6742

33-1

28 JUL 1985

MR ROBERT WILLIAM U PONDURCH  
3501 TURNBRIDGE DR  
FALCIGH, NC 27609

Dear Bob.

Thanks for your letters of 18 & 23 JUL and for the  
special insights into your family and into your  
adventures related to investments.

I now have a perfect set of details for Refuel  
Ryan U & her descendants. I have written to your  
mother to get any information or leads she  
may have on your Upchurch Aunt & Uncle.  
After her information comes in we can see where  
to turn next.

For your GF George Richmond U I am missing  
her death place and for her wife Father Mae (Moore) U  
her place of birth, date in OCT 1912 died, place of death  
and place of burial. I did not ask your mother  
about these details.

Now to the investment business for many years  
I have had a casual interest in investments and twenty  
years ago I bought a few stocks just to keep up  
an interest in the market. Now thirty years ago I  
was looking at small parcels of land in NC but  
did nothing. The fact is that I placed first priority  
on paying for current expenses - getting a house paid

for and paying the kids college expenses. I grew up in an era when going into debt was considered a bad idea. And then I have learned that the answer is not so simple. About 10 years ago I got a bad scare when I realized that with mediocre investments and runaway inflation you could retire as a wealthy person and die a pauper!

My interest in investments has grown because of curiosity and necessity. I have been fortunate in having some good exposure and in having a saving wife who is wary of all investments. She believes in putting money in a sock!

As my assets began to grow a plan became necessary. I divided the first two elements had to be ① making as much as you can and ② avoiding as much tax as possible. This has worked out well as my performance has always earned a top salary and as Associate Dean I now make as much as most University Vice Presidents + I have 3 consultancies that pay a good fee for my special expertise. On the tax side I have used deferred tax plans, IRA's and a Keogh to the maximum extent possible. The net result is that my retirement portfolio will reach the magic number of 150,000 and I'll be able to retire then at age 57 yrs 5 months if I so choose.

Actually I will probably keep working and use my earnings to try some special ventures which I would not otherwise dare. I have a number of ideas - developing a center where retired people can continue to invent drawing upon inventors in industry (I know the chemical business inside out - Am a consultant to the President of Eli Lilly & Co), developing a series of small business centers, developing some special fast service markets, etc. My favorite project is to accumulate several thousand acres of land. I have a site picked out in MO and have visited it twice. For the next 24-36 months land values will be at a relative long time low and may never be lower. There are a lot of unanswered questions but it is really tempting. The land would run on its own or farm land for now, accommodate several special projects I have in mind and eventually be valuable (5-10-20 years) as development land.

About 3 yrs ago I used a professional number to go over my situation. It was very helpful but he did want a percent or two. I work with a person such as yourself here in Tucson (I negotiate for his fee in each case) and he

(33-4)

has been very helpful. I started with him at A.C. Edwards and stayed with him as he went on his own. I also have a first-class tax man who is invaluable. I am fortunate in being well acquainted with Dick Smith who is a VP with McKinnon in New York.

Since I was on the inside at Monsanto for 10 years and still have close connections at Lilly I know the advantages & disadvantages of being companies. When you are on the inside you come to understand how little the analysts know about the up & downs in a company. This has caused me to be interested in investing in selected small companies where the President is close to the decision making process. I subscribe to INC Magazine to help with this idea. So far I have taken no action. you would need to spend a lot of time getting to know these small outfits - but I am convinced this approach could be rewarding (or at least entertaining).

The limited partnership arrangement has been a learning experience for me. In general I think they are structured too much in favor of all those connected other than the investor. About two years ago I hired a bright young

man who had an MB in Agricultural Economics. For the past year he worked on the side to develop his own investment firm using the limited partnership approach. In 1985 he went full-time into his new venture. He will do extremely well. He has explained all the pluses for him and he has even convinced me (almost) that I should put money with him.

I agree with your analysis on the situation. I was interested in the Value Line Report. About 10 yrs ago while still at Monsanto I became interested in the Value Line Approach. Their double rating of 1-5 made sense to me and I have been tempted to adopt their system as a key in investing - but so far have not.

So far I have obtained some benefits of having a business enterprise separate from my University job but this needs to be perfected by me some more. There is just one more approach on how to do well.

You have a very interesting business and I am convinced that a person such as yourself can be helpful to many people. Most people do not understand how to use our money

...  
 system to their advantage. Most of my life  
 has been spent becoming a competent  
 professional in the field of agriculture. This  
 will no doubt continue for a while and  
 I will likely make use of my special  
 knowledge as I look to a fuller  
 participation on the investment scene.  
 However, the upcoming freedom I will  
 have to risk assets (those outside  
 my retirement portfolios of course) is something  
 exciting to look forward to.

Back to Tucson Electric & Power - They seem  
 to be a stable outfit. I really thought they had  
 access to the Palo Verde Nuclear Plant in AZ  
 which is just now becoming online - but I  
 guess not. Several years ago I heard a talk about  
 TEP in which reference was made to their long  
 - term favorable price contracts for coal. The write up  
 did not allude to this. Wonder when those contracts  
 expire?

One of these days I hope we can sit down  
 and chat about our mutual interest in genealogy  
 and in investments. I am sure we can learn  
 a lot from each other.

Sincerely yours  
 Phil Upchurch

[ROBERT PHILIP UPCHURCH]

ROBERT WILLIAM U

XID-6742

(34-1)

30 JUN 1985

MR ROBERT W. UPENURCH  
CAROLINA SECURITIES CORP  
P O BOX 246  
DURHAM, NC 27702

Dear Cousin Bob,

Thank you very much for your nice letter of 12 JUN 1985. I am glad you got the computer. We hope to have one in due course. Delighted to hear that you are married and have a growing family.

I have extracted all the details in my letter and put them on the Master Outline and in the profiles. Thanks for the address. I have written a long letter to your Aunt Emma or I understand she is a "family historian". When she responds I'll see about entering it to the others. After I have heard from her and incorporated the details, I'll send you my outline on Howell U and his children, etc. etc. I am sure I have some details that you do not.

Could you drop me a note on the following for your immediate family:

- 1) where were you married?
- 2) when and where was Margaret Ruth Little born?
- 3) where was Virginia Griffith U born?

The only other item missing for the family of Alfred Ryan is where he and your mother were married and where she was born. I thought she might be reluctant to supply these details since she and your father divorced.

It is great to learn that you are doing well in your business. I dabble a little in investments for my own interests. I have done a little with some low sheltered ventures - Canada, Carlyle, Bolson - At least it is an educational experience.

Congratulations on your expectations for child no two.

Sincerely yours  
Phil Gilmur

[ROBERT PHILLIP UPHURCH]

18 MAY 1985

MR ROBERT W. UPTON  
3501 TURNBRIDGE DR  
LALEIGH, NC 27609

Dear Cousin Bob,

Recently I have been working over a large packet of information from Charles E Crow of Sweetwater, TX. He is much into family history and is married to your distant cousin Lora May Foy who is descended from Nancy U b 1872 (Montgomery Co, NC). Nancy is a sister to your ancestor William Riley U b 1824. In any case, in the process I have come to realize that my information on the George Richmond U family needs to be improved. I hope you can help. Here are some questions:

- 1) For David Alfred U
  - a) when & where born?
  - b) if married, to whom, when & where & details on children, if any?
- 2) For yourself
  - a) where born?
  - b) still single? - if not - details?

3) For Alfred Ryan U<sup>-2-</sup>

- where born?
- where died?
- where married?
- where learned?
- where was Sarah Clement Griffith born? Still living?
- Are you & David her only children?

4) For George Richmond U

- where born?
- where died?
- where learned?
- where married?
- For Lottie Mae Moore, where & when born, where & when died & where learned?

5) For your Aunt Emma (U) Blackwelder

- her full <sup>maiden</sup> name
- Husband's full name
- Names of children & grandchildren, if any?

6) For your Aunt Agnes (U) Watson

- her full maiden name?
- Husband's full name?
- Names of children & grandchildren, if any?

7) For your Uncle Thomas U

- her full name?
- Full maiden name of his wife?
- Names of children & grandchildren, if any?

8) For your Uncle Lewis U

- her full name?
- Full maiden name of his wife?
- Names of children & grandchildren, if any?

1) For your uncle John U

a) His full name?

b) Full maiden name of his wife?

c) Names of children and grandchildren, if any?

2) Did George Richmond U have only the 6 children mentioned above?

I realize you will not have all of the above but any part that you have or can get will be welcomed.

Oh - Charles Crow sent me a copy of the will of Howell U (Head of the Harmon U/Howell U subunit to which you belong. I am having it typed and will be printing it in a future UB - not sure when one yet.

Thanks for your continued participation in the saga of the Upchurches - Hope to hear from you soon.

Sincerely yours  
Phil Upchurch

[ROBERT PHILLIP UPCHURCH]

ROBERT WILLIAM U

XFD-6742

(36-1)

January 2, 1985

3501 TURNBRIDGE

RALEIGH, NC 27609

REC'D

11 JAN 1986

Mr. Robert Phillip Upchurch  
Michael Enterprises  
P.O. Box 35804  
Tucson, Arizona, 85740

Dear Phil:

Now that the crunch of year-end activity is temporarily easing, I shall try to respond to your last letter. In addition to the usual holiday ado, the end of the business year proved to be unusually demanding. After years of looking we finally found an equipment leasing investment that met our criteria for economics and sponsor financial strength, and I spent considerable time showing this tax-oriented offering to my clients. We also closed out our last large real estate offering of the year, and worked on a continuing financing project for a corporate client in the area which is bringing some exciting human and veterinary biochemical products to market after a 14 year R & D program. What really kept us busy, though, was the acquisition of one of our local investment banking clients, the Aviation Group. This company operates and maintains aircraft for UPS and other quick-delivery customers, as well as engaging in some other activities. We brought them public just as they were turning profitable in December 1981 with revenue of \$5 million. The company was acquired in December, with a revenue base of about \$75 million annually. Original investors did well, realizing about a 40% annual rate of return. We're busy now helping our clients find a home for about \$20 million that resulted from the sale of the company. The next two or three months will be busily devoted to supplying tax materials, handling IRA contributions, and some new projects.

Before going on to genealogical matters, let me touch on some thoughts about funds for children. The usual objectives of our clients interested in saving for the next generation are: 1) segregate and render "untouchable" some funds to finance college; 2) move investment income into childrens' tax bracket; 3) transfer assets to reduce taxation at death; and 4) assure responsible management of childrens' funds. There are a variety of devices available, all with various good and bad points.

The simplest technique is the establishment of custodial accounts for minors. Banks and brokers can handle this very easily. Assets are transferred permanently to a minor and an adult has complete power to manage the funds until the minor achieves majority, at which time he may claim the assets. The account is treated at all times as the child's for tax purposes. A good many of my clients have set up these accounts as education funds.

A slightly more complicated variation on this theme is the "Clifford Trust", which requires a tax lawyer to establish properly. A short-term trust is created (usually ten years and a day) and funded with a sizeable sum (since it should cannot be increased later); the income goes to the minor in his tax bracket, and the principal reverts to the donor at the trust's termination. This technique will probably be eliminated by a new tax bill if one ever is enacted.

The "Crown loan" arrangement, involving sizeable "loans" to children is similarly complex, and requires expert advice to set up properly so as to satisfy the narrow requirements that have passed IRS muster.

Other types of relatively simple trusts can also be drawn up to serve a variety of objectives, including safeguarding funds for a "spendthrift" beneficiary's welfare, providing income to children and passing assets to grandchildren, etc. Indeed, there are many situations where trusts can be very useful devices, provided they are carefully drawn. Many people mistakenly believe that trusts are "only for the wealthy", must involve large sums, or must result in surrendering investment authority to a bank, none of which is true. The only real requirement is that the donor must carefully and thoroughly determine all the benefits and drawbacks to the arrangement, and proceed with the best available counsel. For example, in the next month, I will be setting up a "managed" securities account for a simple trust for three children which was established by their grandmother in her will. The trustee is their mother, who will oversee their investment account. The children, now all minors, can use the income now, and in due time, can remove their share of the principal from the trust. These children already have significant investment income, so their mother will manage the trust chiefly for asset growth.

Before leaving this subject, two other comments are appropriate. In most instances very conservative, income producing investments are the appropriate vehicles for investing for children because their tax brackets are low and losses from more aggressive options would not be as helpful to offset other profits or ordinary income. This is the same general theme that applies to IRA's, Keogh account, and other tax-sheltered plans. The biggest problem I have encountered in working with generous donors is their unreasonable (and largely uneducated) fear of estate and inheritance taxes, which leads them to be overly enthusiastic about giving away their estates prematurely. Just because the rules now permit \$10,000 annual gifts does not mean that such largesse is prudent, and it frequently would be ill-advised. We are of course happy to help parents and grandparents introduce their offspring to the world of investing in a way that is appropriate to their circumstances. Frequently this can be accomplished with modest gifts of a few hundred dollars worth of stock each Christmas. It has been a delight to see how some of these accounts have grown, and some of the older beneficiaries are well on their way to becoming good clients!

I'm afraid I am not acquainted with either Rudy Beck or Charles Upchurch, but that isn't too surprising, because there aren't many opportunities to meet our counterparts at other firms, and they are not part of our organization. We do have a growing Charlotte branch, though, and I expect they know some of the people with us there.

On now to family matters. My mother had a Christmas note from Emma Blackwelder in which she promised that her first priority of the new year would be to write to you. Unfortunately, she also noted that some elements of Emma's communication seemed confused.

I have now transcribed the notes I recorded from my conversation with Mom this summer, and will summarize the factual content below.

I do not have a copy of the specific questions you included in your earlier letter to my mother, but my notes made from that conversation suggest that the simplest thing for me to do here is present as comprehensive a review of my father's sibs and their offspring as I now can. Here goes...

□ + □ 1. Alfred Ryan Upchurch (1/23/08-3/2/79); m. Sarah Clement Griffith @ Asheville, NC, (11/6/44); children: Robert William Upchurch (b. 7/14/47) and David Alfred Upchurch (b. 9-23-50).

□ + Δ + □ + Δ 2. Lewis Upchurch; m. Onie \_\_\_\_\_; children (4, not 3 as I earlier said): Jane Moore U., Lewis U., Byron U., and Gwynevere U.

Δ 3. Virginia Katherine Upchurch, known as Katie, never married; deceased.

Δ + □ + □ 4. Walter Thomas Upchurch; m. Josie Mae (sp?) \_\_\_\_\_; dau. Amy Jo Upchurch

□ + □ 5. Caroline Upchurch; m. Gladstone C. Strader; 5 children, among them two dau. named Lottie and Ophelia; deceased

Δ + Δ + Δ 6. Margaret Upchurch; m. Jeter Lee, known as "Jet"; son Jeter Lee, Jr.; deceased

Δ + □ 7. John Upchurch; m. Louise; died 3/3/85; no children;

□ + □ + □ 8. Emma Upchurch; m. Sam G. Blackwelder; children: dau Catherine and son Grier

Δ + □ 9. Agnes Upchurch; m. James Watson; no children; deceased.

□ There were two other children born who did not survive infancy.

□ + □ In particular, Mom noted that your letter made no mention of Caroline and Alfred, but perhaps your basic data for my father and that sister is complete.

Without mother's letter I can only guess at whether these notes fill in your information gaps, but I have included above everything factual from my notes relating to material we discussed about my father's family. Let me know what other things you need, and maybe I can be of further help.

I hope this finds you and yours happy and healthy and ready for a very happy new year!

Cordially,

  
Robert W. Upchurch

# Trusts can save taxes as well as pay child's college costs

You've just finished working out the final crucial ways to finance your child's freshman year at college. It's only October — but already the reminders are coming in from all sides that you must get ready to pay for the costs of tuition, board, room and a myriad of other expenses for your child's sophomore year. And that tells you that the same reminders will be coming up for the year following and the year after that. And you're lucky — only one child.

A college education can be financed by a variety of sources. And even if you're a student whose family has an annual income exceeding a certain level, there's still plenty of federal grant and loan aid available — if you can demonstrate the need for the aid.

Moreover, in addition to paren-

have not explored but should do so now.

Here are examples of trusts that you can use to help your student through college, as explained by Michael F. Sassi, senior vice president of Chemical Bank's trust group, headquartered in New York:

■ **Short-term (Clifford) trust:** You transfer money or income-producing property to a trust for a minimum of 10 years and a day. The earnings are to be paid to or used for the child and taxed according to the child's tax bracket. When the trust ends, the principal reverts to you.

■ **Long-term trust:** In this case, you part permanently with the property transferred to the trust. The trust terms provide that the income and principal are to be used for the child's college educa-

der interest to charity as well as avoid capital gain tax liability on a gift of appreciated property.

**Caution:** Payments made by a trust for a child's education may be deemed to fall within the parental obligation of support. One way to avoid this is to set up the trust several years before the child reaches college age. You then also arrange for the trust to distribute income annually to an account in the child's name before he is ready to enroll.

When a trust such as this is established, you must take care to avoid or to minimize the federal gift tax by means of the annual exclusion and the unified estate and gift tax credit.

Or let's say you prefer an outright gift. If you're a grandparent and you make tuition payments of any size to your grand-

Sylvia Porter



tal support, educational funding sources include: a scholarship based on either need or merit; a state-sponsored grant or loan; a bank or life insurance loan; a grandparent's gift; a trust or custodial account; and that old standby, a part-time or summer job.

But if saving taxes is an objective, too — and you can't write off the cost of a direct gift to a child or grandchild on your tax return — creating a trust is an educational funding method you well may

tion, with any balance of principal to be paid to the child on reaching a specified age.

■ **Charitable remainder trust:** This can be an ideal education fund if 1) you're in a high income tax bracket or hold property with substantial appreciation, and 2) you want to benefit the college beyond the child's needs by a significant gift. The trust pays an annuity to the child for a fixed number of years, and then the principal goes to the college.

The income earned by any of these trusts is removed from your higher tax bracket and taxed instead to the child or the trust in lower brackets, except the charitable remainder trust, which pays no tax. And if you create a charitable remainder trust, you get an immediate income tax deduction for the gift of remain-

child's college, the money isn't subject to gift tax. To avoid problems, you might consider a custodianship under the state's gift to minors act.

You lose flexibility or the tax benefits of a trust, and the child receives control at majority. The income from the gift is taxable to the child and if the money is used to satisfy a duty of support, it's taxable to the parent or the one under a legal obligation of support. It doesn't matter who makes the gift or is the custodian.

The key: When your child or grandchild is applying to a college, get all the assistance you can from the school's financial aid office. And consult a banker equipped to answer any of your questions about loans, trusts and custodianships.

Universal Press Syndicate

ROBERT WILLIAM U.

XID6742

(41)

12 JUL 1981

ROBERT W UPCHURCH  
CAROLINA SECURITIES CORP  
P.O. BOX 246  
DURHAM, NC 27702

Dear Robert,

Many thanks for the clipping. I know who  
of Sherwood U is but did not know about his  
involvement in the "Evolution" battle. I note that  
he was running for the legislature. He was  
b. ~~1870~~ 1870 and d. 1950 and cut quite a swath in  
Raleigh as a lobbyist, I did meet men about  
town. He was the son of Almon U Jr of Nathan U II  
& Jr of Nathan U (Hd of Clan) - hence was a 3rd  
cousin of my father. I would like to know  
more about him. The William Laws Patent  
mentioned (President of White Forest Collp). Had a  
niece Cassella Patent who m. Charles Woodford U Sr  
of the Richard U III / James U Schenck.

Thanks for the suggestion. I have the  
Bayley list and am working through it.

I need to know your grandfather &  
great grandfather on the Upchurch side  
of family. Please send info.

Sincerely,  
Phil Upchurch  
[ROBERT PHILIP UPCHURCH]

ROBERT WILLIAM U

XID-6742

(42-1)

26 JUL 1981

ROBERT W. UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NC 27606

Dear Bob,

Thanks for the chart as your line which arrived on July 25. With it in hand I now able to discover which stock I had put the chart you sent last November. It is all extracted and is now referred to as your line as follows:

Michael U I

↓  
Richard U I

John U I ← BROTHERS → James U I

↓  
James U III ← 1ST COUNTRY → England U II

↓  
Thomas U ← 2ND → Richard U

↓  
Samuel U ← 3RD → Richard U

↓  
William U ← 4TH → William Jefferson U

↓  
Thomas U ← 5TH → Richard Jefferson U

↓  
George U ← 6TH → Robert U

↓  
Alfred U ← 7TH → Robert U

↓  
Robert U ← 8TH → my grandchild (if alive)

Yours

So you & I are 6th cousins, you & my grandchildren will be 8th cousins, while you and I are 6th cousins twice removed.

I am proud of the way the Harmon & clan is unfolding - but there are blanks to be filled in. Can you help with answers to any of the following:

- (1) The place of your birth?
- (2) The date & place of your brother's birth? Is he married? If so, name of spouse? & children?
- (3) Where was your father born, where married, where died, where buried?
- (4) Where was your mother born?
- (5) Did your father have any brothers and sisters? If so, names, names of spouse, names of their children.
- (6) Where were your Upchurch grandparents born, where married, where died & where buried?

If you can help me with any of this chore, I will be most grateful.

I trust the summer is not too bad there - At least you have a nice fall to look forward to I always enjoyed all four of the NC seasons.

Sincerely yours  
 Phil Upchurch  
 [ROBERT PHILIP UPCHURCH]

Phil - combining your material from the Bulletin with what my relatives supply, I get this! XIP-6742

R.W.U. (43)

Michael U.I. → Richard U.I. → John U. I

↓  
James U. III

↓  
Harmon U.

↓  
Howell U. 1790-1846

↓  
William Riley U.  
4.26.1824- 12.26.1893

ELIZA  
CAROLINE  
BLALOCK  
(? - ?)

OSBORNE HOWELL  
U.  
(3.18.1848 - 8.21.1900)

MD. 11-7-1869

△  
LOTTIE MAE MOORE  
(2.20.1876 - ?)

△  
GEORGE RICHMOND U.  
(6-2-1872 - 10-31-1934)

MD. 5-31-1899

△  
SARAH CLEMENT  
GRIFFITH (8.29.20- )

△  
ALFRED RYAN U.  
(1-23-08 - 3-2-79)

MD. 11-6-44

△  
DAVID ALFRED U.

△  
ROBERT William U. (1947- ) me!

This single sheet  
Rec'd 25 JUL 1981

ROBERT W. UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NORTH CAROLINA 27606

ROBERT WILLIAM U.

44-2

REC'D  
24 JAN 81

Have you investigated  
whether Michael Enterprises  
is eligible for tax-exempt  
status? Some genealogical  
organizations which accept  
"contributions" (and which are  
non-profit) are tax-exempt  
as research organizations  
and the "contributions" are  
deductible for the  
contributors —

Phil —

Return address correction 1-12  
1981

Vol, 1, #4 resent 1-14-81

Robert W. William Upchurch  
1412 Swallow ~~RD~~ DRIVE  
Raleigh, NC 27606

I  
Received  
on 1-27-81

Please use  
DRIVE!

REC'D  
31 JAN 81

(45-1)

25 JAN 1981

MR ROBERT W. UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NC 27606

Dear Robert,

Thanks for your order for UB 81 and for the \$10.00 check in payment for same. We have had some confusion over your address and I am sure that is why Vol 1 Issue 4 and the invoice did not reach you. We are sending you a replacement copy for Issue 4. Vol 2 Issue 1 is now in preparation.

Regarding the matter of "non-exempt status" - I have considered that and have decided against it for several reasons. One is that Michael Enterprise fits into a broader effort that I have been considering - more publishing and related activities - which would be profit seeking. So far I am just learning about how to get Upchurch Bulletin out. I got up to 263 subscriptions for Vol 1 but renewals have been slower than I had hoped. We are still working on promotional procedures. Upchurch Bulletin has been a great success from the standpoint of getting people to send us information even if the response is on a low

percentage basis I feel the publication has stimulated far more response than would otherwise have been possible. The issue of the financial status of U B is another matter. So far I have been able to barely meet out-of-pocket costs and 1981 looks like another very close year. Of course the wife and I spend a great many hours not reflected in the cost of doing business. I don't mind my part but the wife should at least get a new dress or a dinner out of the operation occasionally! Actually there are a lot of things that need to be done that cost \$. I have been considering establishing a Patron category to encourage contribution. This would be more attractive if U B were a not-for-profit operation for tax purposes. I ~~may~~ may convert at some point.

Thanker for your support and encouragement.

Phil Upchurch  
[ROBERT PHILLIP UPCHURCH]

ROBERT WILLIAM UPCHURCH

XID-6742

46

April 30, 1980

Robert P. Upchurch  
P.O. Box 35804  
Tucson, Arizona 85740

Answered  
11 MAY 80

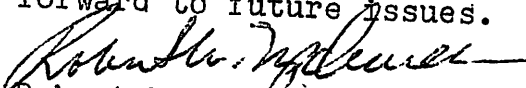
Dear Robert:

I received my first bulletin today, and was extremely pleased. If this is representative of issues to follow, I will certainly feel my subscription was \$10 well-spent.

Extracted  
for comments  
file

Frankly, I was a bit surprised. The bulletin itself is superb, but the character of your advertising flyer had led me to expect much less. I believe you could significantly expand your readership by doing a thorough rewrite of the flyer and offering the first volume as a free sample (issue #1, that is). The first issue will sign up a lot of people, but the flyer alone gives no hint of the extent of your researches and the thoroughness of the bulletin's content. I must confess that on first reading I was of the immediate opinion that I was reading about a money-making scheme, which might not prove very valuable; I'm not sure exactly how you could improve the flyer, but I do feel certain that the publication is capable of selling itself.

Many thanks; I look forward to future issues.

  
Robert William Upchurch  
1412 Swallow Drive  
Raleigh, N.C.

PS - will you be sending a questionnaire to current Upchurch family members to enlarge the register and enhance linkage researches?

## Carolina Securities Corporation

(47-1)

Investments for Security

MEMBERS MIDWEST STOCK EXCHANGE

RALEIGH  
CHARLOTTE  
DURHAM  
STATESVILLE  
NEW YORK

6-16-80

206 HOME SAVINGS & LOAN BUILDING  
DURHAM, NORTH CAROLINA 27702  
TELEPHONE 919-688-9381REC'D  
20 JUN 1980  
answered  
21 JUN 1980  
RPM

Dear Phil —

Received your letter of 11 May, but have delayed responding pending having some time to furnish some information about my family - That will have to come later - you may already know most of it. I am part of the Upchurch families of Norwood, N.C. I was raised in Asheville and moved to Raleigh to go to NCSU in 1965; and have been here ever since. I graduated in Sociology in 1969 after a brief skirmish with the engineering school. I worked in city planning with the State gov't until I joined this firm as an investment broker four years ago.

△ My father was Alfred R. Upchurch -  
 △ my mother is Sarah D. Upchurch of  
 △ Asheville; I have a brother David  
 in Chapel Hill. → NEE SARAH CLEMENT GRIFFITH

P. 2

47-2

Re the enclosed - which I received yesterday. Maybe Beatrice Bayley (who obviously is doing this to make a bundle of bucks) would like to sell you her mailing list on computer tape - at a discount, after her offering period ends maybe ???  
(Sure beats hand-addressing envelopes).\*

More to follow on my family -

Bob Upchurch

ROBERT W. UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NORTH CAROLINA 27606

\* Alternatively, buy the book and hire high school students to address for you on a piece - work basis!

157 FAY 50

MR ROBERT WILLIAM UPCHURCH  
1712 SWALLOW DRIVE  
RALLIEN, NC 27606

Dear Mr Upchurch,

Thank you to acknowledge receipt of your  
order for a one-year subscription to  
Upchurch Bulletin and of your \$10 check  
in payment for same. The first issue  
is being sent to you under separate  
cover. Also I want to thank you for  
the copy of the sheet from the Raleigh  
Stone Book.

Enclosed herewith are some extra  
flyers in case you know of anyone else  
who is interested.

I hope you will like Upchurch  
Bulletin.

Sincerely yours  
Philip Upchurch

[ROBERT PHILIP UPCHURCH]

(49)

MR ROBERT WILLIAM UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NC 27606

21 JUN 1980

Dear Bob

Many thanks for your letter of 16 JUN 1980 and for the material from Institute Biology. I had received this package also. I am afraid that it may not be what it is supposed to be but I will order it and, if necessary, be the sucker for the whole Upchurch Family. I had not thought of the idea of getting her address but will write to learn if that is possible. Thanks for the tip.

I am pleased to have the notes about your mother, father, brother, etc and will look forward to having more on your family. Don't want to get it all - you never do!

Issue 2 of UB was mailed about 5 JUN 80 you should have it by now.

Sincerely yours  
Philip Upchurch

{ROBERT PHILLIP UPCHURCH}

11 MAY 80

MR. ROBERT WILLIAM UPCHURCH  
1417 SWALLOW DRIVE  
RALEIGH, NC 27606

Dear Robert,

Many thanks for your letter of April 30, 1980 and for comments about U.B. Although reception has been fairly good in terms of subscriptions it could be better sometime this summer I shall try several experimental methods of letting people know about the Bulletin. About the flies, like you, I am not sure how to amplify it.

Issue 2 will be ready soon. I do plan a questionnaire but want to wait until issue #2 is in the hands of readers.

Could you send me a description of your Upchurch line? Are you one of the Wake County Upchurches? I was raised near Yates Mill Pond in Wake Co - graduated from N.C. State in Agriculture and now on the faculty there 15 years

Sincerely yours  
Phil Upchurch  
[ROBERT PHILIP UPCHURCH]

# FAMILY RELATIONSHIP CHART

## YOUR GRANDPARENTS

GEORGE  
N RICHMOND U.  
B 6-2-1872  
D 10-31-1934  
M 5-31-1899

LOTIE MAE  
N KIDORE  
B 2-20-1876  
D ?

ROBERT WILLIAM  
N GRIFFITH  
B 9-8-1879  
D 5-20-1935  
M

FAMILY  
N MARGARET WACHTEL  
B 4-19-1878  
D 3-9-1958

## YOUR PARENTS

ALFRED RYAN U.  
B 1-28-08  
D 3-2-79  
M 1-6-1911

SARAH CLEMENT  
N GRIFFITH  
B 8-29-1880  
D

(N=Name (Give Full Name)  
(B=Date of Birth)  
(D=Date of Death)  
(M=Date of Marriage)

## INFORMATION FOR:

☐ YOU YOUR SPOUSE  
N ROBERT W. UPCHURCH N None  
B 7-14-47 B  
M M D

NOTE: INFORMATION MADE AVAILABLE  
THIS FORM IS TO BE REARRANGED  
AND PUBLISHED IN  
UPCHURCH BULLETIN.

*Rec'd from  
Robert W. U  
31 DEC 1980  
RP4*

RETURN TO:

ROBERT W. UPCHURCH  
1412 SWALLOW DRIVE  
RALEIGH, NORTH CAROLINA 27606

Robert Phillip Upchurch  
P. O. Box 35804  
Tucson, AZ 85740

## PARENTS OF SPOUSE

N  
B  
D  
M

## GRANDPARENTS OF SPOUSE

N  
B  
D  
M

ROBERT W. UPCHURCH

REC'D  
30 DEC 1980

SUITE 208, HOME SAVINGS & LOAN BLDG.  
315 E. CHAPEL HILL STREET  
DURHAM, N.C. 27702  
TELEPHONE: (919) 688-9381  
RES (RALEIGH) (919) 851-8093

CAROLINA SECURITIES CORPORATION  
NCNB BLDG., RALEIGH, N.C.  
MEMBER NEW YORK STOCK EXCHANGE

N  
B  
D

D  
M  
N  
B  
D

51

ROBERT WILLIAM U

XID-6742

①

REC'D 12 APR 1980

I've enclosed a copy  
of the Raleigh, N.C.  
area "upchurches" from  
the new phone book.  
You might want to  
send them a  
subscription invitation.  
There is also a  
considerable number  
of upchurch families  
in Durham, N.C. and  
Rae ford. N.C.

R. Upchurch

② Address from Phone Bk - 1980

Robert W. Upchurch  
Home Savings & Loan Bldg  
Durham, NC

In AF - Bert  
address - Swallow Dr  
RPU 13 APR 1980

③ Address in 1980 Phone Book

Robert W. U.  
1412 Swallow Drive  
Raleigh, NC 27712

In AF } see letter address  
later (1981)

**ADDRESSES OF INDIVIDUALS WHO COULD BE INTERESTED IN INFORMATION  
ABOUT THE HISTORY OF UPCHURCHES AND UPCHURCH DESCENDANTS & RELATIVES**

NAME	STREET NUMBER & NAME AND/OR BOX NUMBER	CITY OR TOWN, STATE	ZIP CODE
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
9. _____	_____	_____	_____
10. _____	_____	_____	_____

**PLEASE RETURN TO: Robert Phillip Upchurch  
P. O. Box 35804  
Tucson, AZ 85740**

**NOTE: Information about UPCHURCH BULLETIN  
will be sent to any individuals who  
are listed above.**

**RPU, Editor  
UPCHURCH BULLETIN**

*If you have my relatives in Norwood NC  
on your lists - I can't think of  
anyone else beside the phone  
directory list I sent earlier -*

**ME - Form 3-JUL 80**

*Rec'd  
30 DEC 1980  
from Robert Phillip Upchurch  
of Swallow House  
in Raleigh, NC  
RPU*

ROBERT WILLIAM W

XID-6742

(54)

ROBERT W

U

55

FROM 1995 CD-ROM

Upchurch Robert W ↑	2709 Bedford Av	Raleigh	NC 27607-7113 919-836-8128
Upchurch Robin Atkins	7420 Cy Ln	Raleigh	NC 27603-9316 919-779-5448
Upchurch Roger W	321 Grovemont Rd	Raleigh	NC 27603-4213 919-772-3675
Upchurch S L	2205 Dounnybrook Rd	Raleigh	NC 27603-8865 919-772-5536
Upchurch Samuel W	5217 Penny Rd	Raleigh	NC 27606-9037 919-839-0118
Upchurch Susan D	7007 Sandy Forks Rd	Raleigh	NC 27615-6709 919-846-7192
Upchurch T A	12 Springmoor Dr	Raleigh	NC 27615-4324 919-848-7012
Upchurch T L	1410 E Jones St	Raleigh	NC 27610-2318 919-833-7921
Upchurch Thurman	3222 Purland Dr	Raleigh	NC 27603-5116 919-772-2021
Upchurch W G	6412 Buffaloe Rd	Raleigh	NC 27604-6519 919-872-0523
Upchurch William T	3105 Comstock Rd	Raleigh	NC 27604-3506 919-878-4619
Upchurch-kiak Eloise V	2005 Bowman Ln	Raleigh	NC 27610-5007 919-833-9315

See It's 29 SEP 1992 Richard Dean U D RPY

On 30 SEP 1992 Richard Dean U sent a message to each of the individuals listed below about the UB. They are all on the Prodigy Genealogy Network under the UPCHURCH heading. [34 listed]

MS AMY R. U MD

MS ANITA L. U IN

MS CAROL G. U TX

MR CHARLES M. U IL

MRS CLAIRE A. U TN

MR CLYDE C. U AZ

DARRELL J. KING LA

MR DAVID K. U IL\*

MS DEB J. U MD

MRS HILDA S. U NC

MR JACK U FL

MR JAMES C. U TX

MR JOHN J. U FL

MRS KATHERINE H. U AL

MR KENNETH J. U CO

MR MICHAEL D. U MI

MR MICHAEL E. U CA

MRS MICHELE M. U MI

MR MIKE R. U NC

MRS NANCY T. U TX

MR NICK P. U MI

MR RICHARD D. U WA

MR ROBERT E. U CA

MR ROBERT W. U ↑ NC

MR ROY S U IN

MR SAM N. U NJ

MR STUART E. U IL

DR TOM U TN

MR TRAVIS A. U TN

MRS VICTORIA S. U CO

MR WARREN C. U AZ

MR ZACHARY A U TN

JOHN E. U IL CA

MR WAYNE G. U, JR TN

\* Prodigy mail not accepted.