

Capital outlays by type of ownership

Table 9 shows the pattern of estimated electric utility construction expenditures for selected years.

TABLE 9.—*Estimated electric utility construction expenditures*

[Billions of dollars]

Year	Private	Federal	Municipal	States, cooperatives and other	Total
1955.....	3.0	0.4	0.5	0.4	4.3
1960.....	3.4	.4	.8	.7	5.3
1965.....	4.1	.5	.5	.6	5.7

Source: Estimated by FPC.

D. NEEDS AND PROSPECTIVE CAPITAL OUTLAYS

It is reported that electric utilities expect to invest over \$6 billion in new facilities during 1966. This rate of expenditure is nearly double the annual rate that prevailed 10 years ago, and this accelerating trend will have to continue if the production goals anticipated for 1975 are to be met. Projections of the magnitude of future industry growth are difficult, because of the potentials that exist for improved efficiencies in delivering power to the consumer and the possibilities for new uses of electric energy. The estimates are based on a continued improvement in technology as indicated by recent trends, and on population growth, obsolescence, and other factors that are consistent with current general practice. The figures are based on the assumption that new power facilities will be designed and built to provide optimum aesthetic values, considering costs and other limiting factors. They do not anticipate extensive replacement for aesthetic reasons of facilities that have remaining useful life.

On the basis of the general criteria discussed above, it is estimated that the country's electric utilities will need approximately 315 million kilowatts of generating capacity by 1970 and 415 million kilowatts by 1975. Allowing for retirements of generating capacity in the future because of age or obsolescence, total capacity additions during the years 1966 through 1970 will have to be about 85 million kilowatts, and additions for 1971 through 1975 will need to be about 110 million kilowatts. Yearly capacity additions will range from nearly 15 million kilowatts in 1966 to 20 million in 1970 and 25 million in 1975.

Utilizing the preceding forecasts of capacity additions, total construction expenditures in the 10-year period would probably be in the neighborhood of \$75 billion without any allowance for inflation.

Assuming a continuation of the ownership patterns shown in table 6, but with some adjustments to reflect the type of facilities owned by each segment of the industry, total electric utility construction