

DUKE POWER COMPANY

P. O. Box 2178

CHARLOTTE 1, N. C.

W. B. McGUIRE
President

September 14, 1959

To the People of Franklin and Macon County:

In The Franklin Press for Thursday, September 10th, there appeared an editorial which raised certain questions which I am glad to answer.

Question: What will happen to Nantahala employees?

Answer: I am happy to say that all have been offered employment either with Duke, Nantahala, or Alcoa, and all been notified to this effect.

Question: Does this mean a loss to Franklin of an industry?

Answer: Electric Utility service has to be rendered at the place where it is used. It will be our desire to expand this industry as rapidly as possible. Offices and employees will be continued in the counties where they are now located.

Question: What will happen to the fine utility building here?

Answer: Duke Power is acquiring this building and will continue to use it as operating headquarters.

Question: The original announcement did not say in specific terms just what are the differences in Nantahala rates.

Answer: I quote from the press release, "Duke rates will be placed in effect where they are lower than Nantahala rates. Where Nantahala rates are lower than Duke rates, the Nantahala rates will be continued until and unless there should be a general revision of Duke's rates either at the instance of the Utilities Commission or on application by the company. All new customers will be served on Duke rates."

The Duke Power Company has no plans to revise its rates. Our rates are subject to the control of the Utilities Commission and no rates can be changed without its approval. When the Commission approves our acquisition of the Nantahala system on the rates we have proposed, we can then raise these rates only if and when the Commission finds an increase necessary.

Question: How will the application of rates as proposed affect present Nantahala customers?

Answer: 55% of the residential customers will get a reduction. 7% will be approximately the same on Duke rates as at present on Nantahala.

73% of the commercial customers will get a reduction. 76% of the industrial customers will get a reduction.

No customer's bill will be increased.

The average use of electricity by Duke residential customers is 44% above the National average and at an average cost per customer which is 20% below the National average.

The Duke Power Company serves only 28% of the area of North Carolina, yet of the investment by new industry and expansion of existing industry in 1958, as reported by the N. C. Board of Conservation and Development, 68% of the total reported for North Carolina was invested in the area served by Duke Power Company. Evidently our rates and service are attractive to industry. Many people and organizations contributed to this industrial development; however, we do believe we have done our share to bring this about. Duke has never lost an industry due to lack of power.

Question: How is it economically justifiable to send power from here to Maryville and go to the expense of bringing power in from elsewhere?

Answer: Duke Power started with only hydro generation and still operates 32 hydro plants; however, last year 85% of our production was steam, using coal or gas as fuel. We know that electric service can be provided cheaper by building large plants and distributing the power over a large area than it can be building small plants to supply only local needs. Service to the Nantahala area will be a part of the Duke System operation which is expanding its investment in facilities at a rate of over \$60,000,000 each year.

Being a native of Franklin and Macon County, I am deeply interested in the area and its progress. I feel strongly that the entry of our company into the area will be in the public interest. Shortly after the announcement of my selection as president of Duke Power Company, Weimar-Jones stated to my mother, who lives in Franklin, that he felt my position as president of Duke Power Company would be good for Western North Carolina. At the time I wondered how, if ever, it might be possible to fulfill his expectation. When Nantahala offered to sell Duke its distributing system, I thought perhaps this might be the opportunity to do something good for Western North Carolina.

Sincerely yours,

W. B. McGuire
President
Duke Power Company