

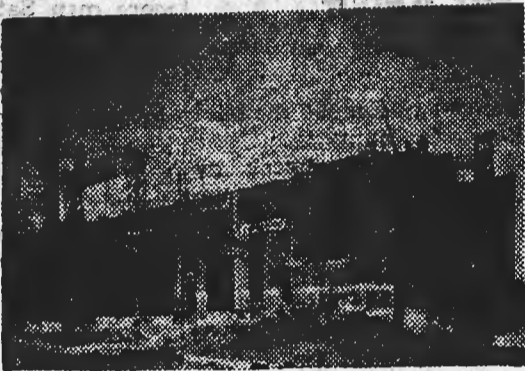
Your Electric Service Company Reports to YOU

Believing that you as a customer, as well as those who have a financial interest in this Company, are interested in its activities and its progress, the Carolina Power & Light Company presents a brief summary of its Annual Report to stockholders for the year 1941.

It was a busy year for all, and especially for those companies whose facilities and energies were to be directed to the war effort. The Electrical Industry naturally had a big job to do as demands for electric power went up sharply to provide for faster and faster production. In the case of the Carolina Power & Light Company every important new demand made upon it for power was met without delay and without disrupting the usual flow of electricity to homes, stores, farms, and factories already connected to its lines. In addition to such abnormal demands a normal growth was experienced by the addition of 9,678 new customers. At the end of the year the Company served 128,948 customers of all classes.

To provide for still further demands for power the Company has under construction a generating plant with a capacity of 80,000 horsepower. Facts concerning this project as well as other matters of interest generally are presented below.

80,000 MORE HORSEPOWER FOR VICTORY



During the latter part of 1940, the Company began the installation of additional generating capacity at its Cape Fear steam-driven power plant near Moncure, N. C. Two units are being installed which have a rating of about 40,000 horsepower each, or 80,000 horsepower in all. Based on the amount of electricity used during 1941, these units, running 24 hours a day, can produce FOUR times as much electricity as is normally required by our household customers.

New Line Construction.

During 1941 a total of 148 miles of high-voltage transmission lines was completed. In North Carolina lines were built from Selma to Goldsboro, Goldsboro to Wilson, from the Cape Fear generating plant to Erwin. In South Carolina lines were built from Hartsville to Chesterfield and from Florence to Greeleyville. Late in the year another line was started (since completed) from Goldsboro to La Grange, North Carolina, to interconnect with the Tide Water Power Company in order to furnish that company with more power to be used at the shipyards and military centers.

AIDS IN SPEEDING WAR PRODUCTION

The National War Production Program brought about many new demands for the Company's electric service during 1941. The Company's policy of providing power facilities in advance for the growing requirements of its customers enabled it not only to supply increased demands from its own customers but, in addition, to supply a large amount of power to war industries not located in its territory. Through its transmission lines and interconnections, the Company delivered during the year, from its own generating plants and from the surplus generating facilities of neighboring companies, in excess of 400,000,000 kilowatt hours to war industries and companies located outside of the Company's territory and not usually served by this Company. The greater portion of this power went to the system of the Tennessee Valley Authority and to the Carolina Aluminum Company at Badin, North Carolina. Some of it was sent to the Georgia Power Company during the drought last Fall.

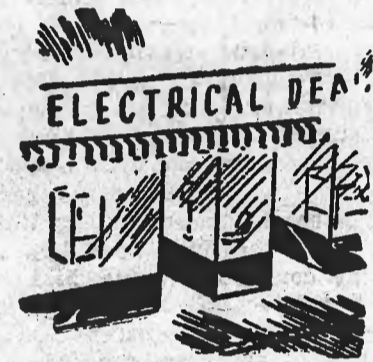
In the Company's own territory, are located Fort Bragg, North Carolina, the War Department's largest individual Army post, and Army aviation training centers at Florence and Sumter, South Carolina. Another technical training school for aviators is being built near Goldsboro. The Company also furnishes Tide Water Power Company with a large portion of its power requirements for distribution to shipyards and a number of military training centers. A large number of the Company's industrial customers are producing material in the armament program.

\$3,123,698 TAX BILL HELPS GOVERNMENT

The provision made by the Company for all 1941 taxes amounted to \$3,123,698 which represented approximately 50 per cent more than operating pay rolls and 60 per cent greater than total dividends paid. Applying the figure a little differently it amounted to \$1,958 per average employee — or \$26 per average customer served — or \$8558 for every day of the year. Of the total amount, \$2,999,429 was charged directly to electric and motor coach operations and \$124,260 was charged to construction and other accounts.

The Company, like every patriotic American citizen, is glad to contribute its share of increased taxes as long as the safety of our country requires it. But huge tax collections should not be squandered on non-war projects. Secretary of the Treasury Morgenthau warned the nation of this when he pointed out to the House Ways and Means Committee in March as a "pressing duty . . . the need for severe economy in the operations of Federal, State and local governments." Continuing he said: "The anti-inflationary purposes of our taxing and savings program will be defeated if, at the same time, Federal, State and local governments indulge in unnecessary expenditures."

96% OF MERCHANDISE SALES MADE BY DEALERS



The Dealer - Company Cooperative Program continued through its sixth year with the Dealers accounting for 96% of the electrical merchandise sales volume throughout the territory. Sales activities were necessarily curtailed during the latter part of the year as shortages in critical war material developed. Emphasis was then placed on "making present equipment last."



PAY ROLL AMOUNTED TO \$2,500,000

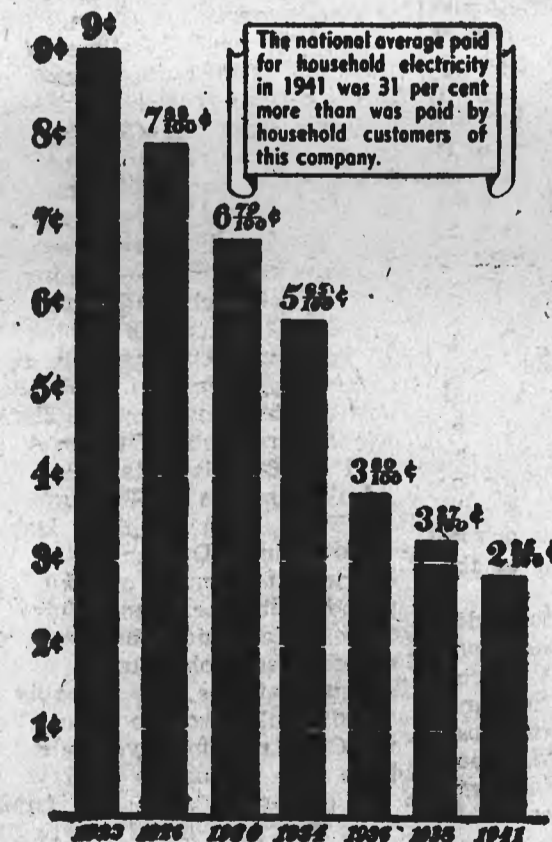
In addition to substantial amounts spent last year in each of the communities served for rent, taxes, dividends, and miscellaneous supplies, the company's pay roll of \$2,501,570 was distributed among approximately 1,500 employees who live in these communities where it was again distributed through normal channels for living expenses. At the time the Annual Report was compiled, 176 employees had reported for active duty with our armed forces. Today, more have been added to the list.

Our household customers get
More for LESS

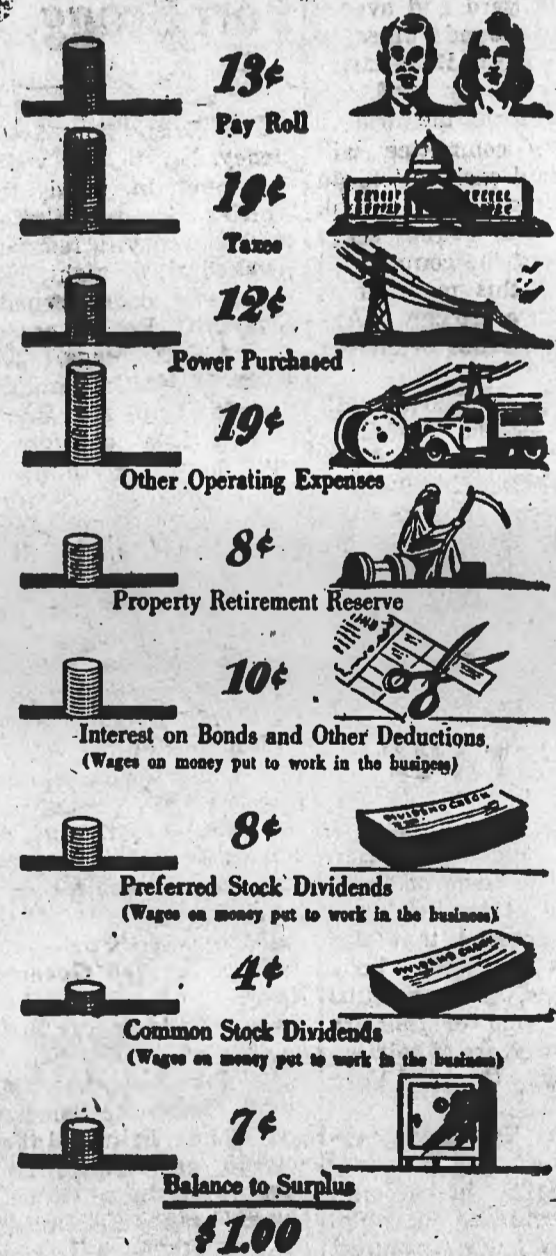
Use of Electricity is UP 118%
It was rate reductions and larger use of service that gave our household customers in 1941 the benefit of more than twice as much electricity as in 1931 for LESS money.



STEADY DROP IN PRICE OF ELECTRICITY FOR AVERAGE HOUSEHOLD CUSTOMERS



EACH \$1 WE RECEIVED WENT OUT LIKE THIS



CAROLINA POWER & LIGHT COMPANY

DIRECTORS

- C. J. CURRY, Secretary and Treasurer, Raleigh, N. C.
- R. LEE KELLS, President, Asheville, N. C.
- JAMES L. McNAIR, Industrialist, Laurinburg, North Carolina.
- L. V. SUTTON, President and General Manager, Raleigh, N. C.
- C. S. WALTERS, Vice President, Manager Western Division, Asheville, N. C.
- W. H. WEATHERSPOON, Vice President and General Counsel, Raleigh, N. C.
- ALEXANDER WESS, President, The N. C. Home Insurance Company, Raleigh, N. C.

OFFICERS

- L. V. SUTTON, President and Gen. Mgr.
- W. H. WEATHERSPOON, Vice Pres. and Gen. Counsel
- C. S. WALKERS, Vice President.
- S. P. VECKER, Vice President.
- C. J. CURRY, Secretary and Treasurer.
- R. B. CARPENTER, Asst. Sec. and Asst. Treas.