

# ELECTRICITY IS GREAT AID TO GINS AND MILLS

In the Carolinas the huge cotton gins and textile development has had a most helpful accessory resulting from the development of electric power.

At the present time a great majority of the mills and gins of the two states receive their power from one or the other of the six major power companies, strategically located for distribution. While, as a

general rule, each serves its particular area, distribution facilities are criss-crossed to permit the feeding of power to another area where surplus energy is required. Available statistics do not indicate the exact number of cotton mills using the services of the power companies, but it is stated that the great majority of the plants operating in the two states are largely dependent upon the major power companies for operating power.

## Ginners Back Cotton Improvement Program

North Carolina cotton ginners, who are taking an active part in the one-variety cotton improvement program and the free classing service

under the Smith-Doxey Act, are not only making a fine contribution to the war demand for superior cottons but they are also helping put extra cash in the pockets of Tar Heel growers, says Dan F. Holler, Extension Cotton Marketing Specialist at N. C. State College.

He cites the work of W. D. Westbrook of the Green's Creek Community in Polk County as a good example of the cooperation between the ginner and the grower. Five years ago the farmers decided on Coker 100 as the best variety for them to grow, and each year Westbrook has brought in pure seed for his customers. This spring he placed more than ten tons of special seed of this variety with them, to provide seed plots for next year's crop. He has also equipped his gin so that pure

seed can be ginned without mixing. Westbrook has encouraged growers to put their cotton in the proper condition for ginning, since it is impossible to do a good job of ginning on green cotton or wet cotton. In spite of a bad harvesting season last year, only 59 bales out of 1,603 bales of cotton at the Westbrook gin were reduced as much as one grade, and this was due to the cotton being either green or wet when ginned, Holler says.

Westbrook collected samples of each bale of cotton ginned for free government classification under the Smith-Doxey act and thus growers were able to determine the grade of each bale of cotton and its staple length. They were not only able to sell their cotton on a better basis but they could check it from a seed

standpoint. Forty-three bales were found to pull less than one staple and the growers who delivered them have been supplied with purified seed.

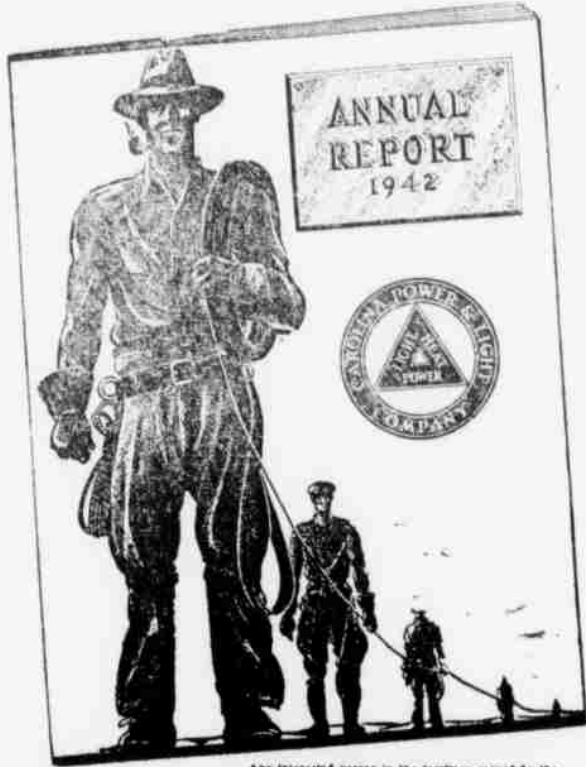
## NEVER TOO LITTLE OR TOO LATE

Some remarkable facts in connection with the light and power industry have gone almost unnoticed.

For example, while wages have advanced to record highs since 1933 and living costs have jumped in

proportion, the price of electricity has actually dropped 22 percent in that period. There has been no rationing or shortage of electric power, as there has been of other commodities, in territories served by this outstanding private enterprise.

Commenting on this remarkable record, J. A. Krug, Director, Office of War Utilities War Production Board, said: "Power men, public and private, should be proud of the job that has been done in providing power supply. This is in sharp contrast to the situation as to many other vital necessities. . . The job has been done with the minimum possible interference with the rest of the war program."



Any interested person in the territory served by the Company may obtain a copy of this Annual Report as long as the supply is available, by writing to the General Office of the Company in Raleigh, N. C.

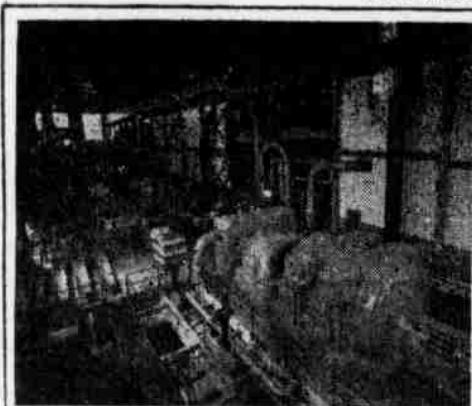
## A Report to the Public . . .

Since your electric service company's business is so closely related to the national war program, we felt that you would like to know how it performed its duties during 1942, the first full year in which this country was engaged in the war against the Axis powers.

The Carolina Power & Light Company is not eligible for the coveted "E" award, because it does not make goods directly for the war effort. Nevertheless, almost every operation in industry requires electric service in order to produce at the rapid rate now required. We are happy to say, that despite the increase in demand for our service for war purposes, both in our territory and in nearby areas, every need was met on schedule. Electricity was never too little or too late. As a result many production records have been established, and several industries using our service have been awarded the "E" banner for jobs well done.

The increase in the volume of our business, however, did not materially affect our revenues for the year. During 1942 we sold 1,093,505,000 kilowatt-hours of electricity. Total revenues for this service, plus fares paid on our bus systems, one of which was sold early in the year, was \$16,146,090. This amount is one per cent higher than in 1941. After expenses of all kinds were paid, including a tax bill for \$4,990,062, there remained \$2,290,094, or 24 per cent less than in 1941. Out of this sum \$1,255,237 was paid in dividends to the approximately 8,000 holders of the Company's preferred stock—about three-fourths of whom reside in the Carolinas; leaving a remainder of \$1,034,857 transferred to surplus.

L. V. SUTTON, President.



### 80,000 Horsepower Added to System

An 80,000 horsepower expansion program at our Cape Fear steam-driven electric power plant, which was started in December, 1940, when an order was placed for the first of two 40,000 horsepower units, is now completed, giving further assurance to our customers that they will have plenty of power for some time to come.

The first of these modern steam generators was completed and placed in service in September, 1942. The second was formally placed in service, and the entire plant dedicated, in April of this year.

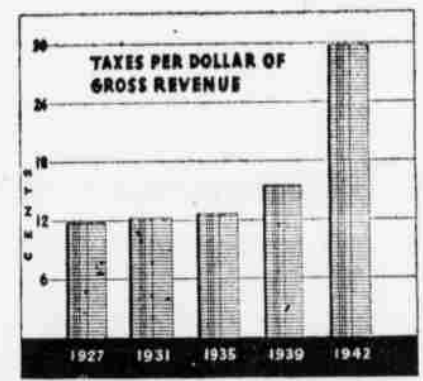
The system of the Carolina Power & Light Company now has a total available power capacity of more than 530,000 horsepower. And that much power means there is plenty of electricity for all the needs of our war and civilian customers.

### Taxes Up to \$4,990,062

War costs big money. This money eventually comes from the taxpayers. Your electric company has always been a big taxpayer, and in 1942 its provision for taxes reached an all-time high of \$4,990,062.

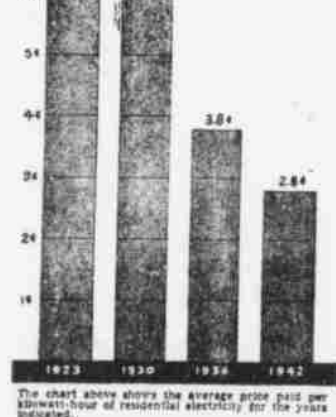
It is going to take a lot of taxpayers such as the Carolina Power & Light Company to help pay for this war. The more tax-free industries operated by the Government in competition with private business, the heavier the burden will fall on the individual taxpayer. Government and municipal power systems, for instance, have not been taxed one cent by the Federal Government to help pay for the war.

Last year 30 cents out of each dollar paid us was set aside for taxes. So you see, taxes take a large part of the money you spend for electric service.

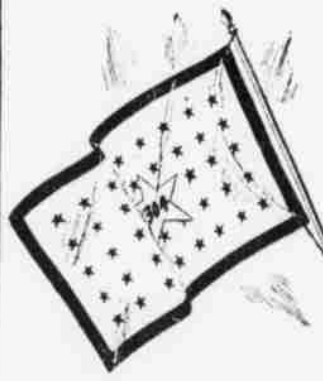
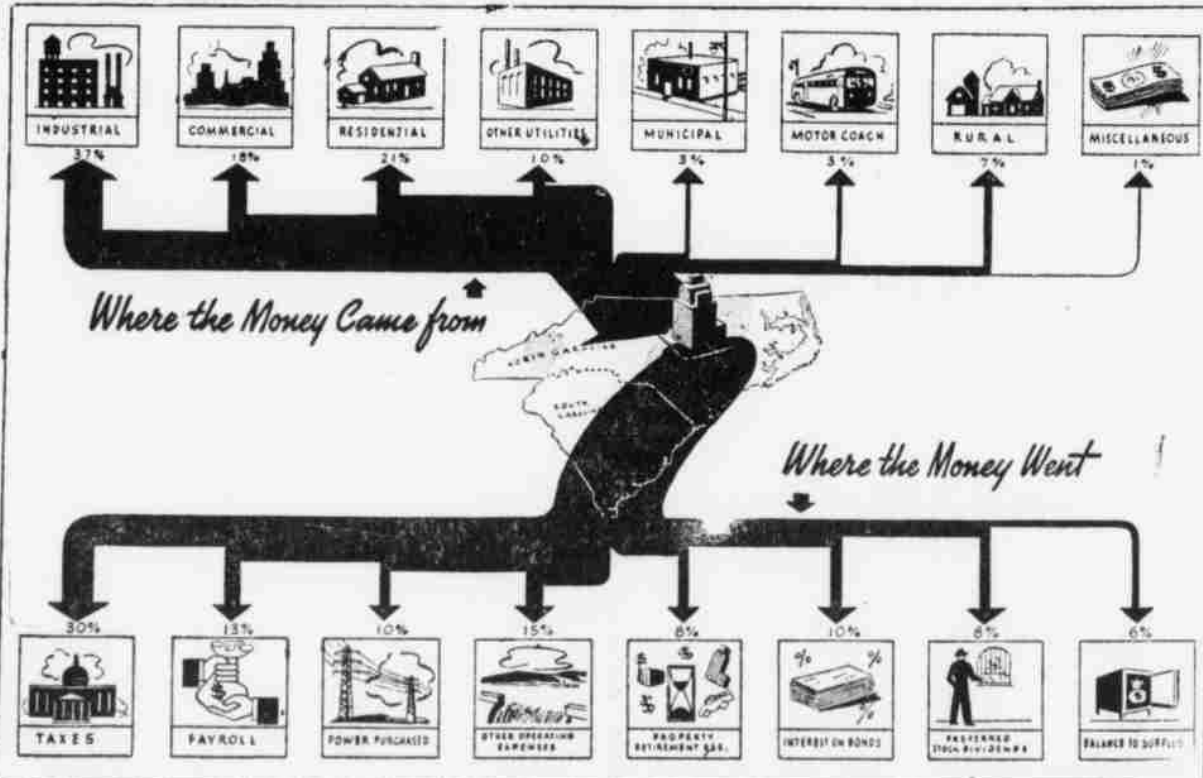


### Rates Below National Average

The price for residential electricity has dropped steadily, as indicated by the chart below. Electric rates are at least one item that did not go up in this area last year. Actually, during 1942, the average residential customer of the country as a whole paid 30% more for electric service than the average residential customer of this Company paid. The Company's rates for commercial and industrial service are also below the average for the nation, on the basis of comparative data available.



The chart above shows the average price paid per kilowatt-hour of residential electricity for the years indicated.



### Employees Fight On All Fronts

Over 300 employees of the Company have answered the call to arms, and many of them are now fighting on all fronts. Over 90% of our employees are buying War Bonds regularly, and many of them are engaged in civilian activities in support of the war effort. Their primary objective, however, is to meet promptly, and fully, every demand made upon the Company for electric power.

**Sales Program Geared To War**  
With the manufacture of electrical devices of most kinds curtailed or stopped for the duration of the war, the Company's Sales Department personnel has been reduced to a minimum, many members being transferred to other departments, and those remaining putting all their effort behind the war program. Outstanding in such activities was the assistance rendered industrial customers in planning plant conversion from peace-time production to war production, and in helping such customers procure war contracts.

To help electrical dealers convert from appliance sales outlets to electrical equipment service establishments, the Sales Department conducted a series of service schools for dealer personnel. These were well attended and present indications point to a successful change-over on the part of the dealers. The Company's home service staff conducted nutrition schools designed to improve the efficiency of employees engaged in war production, and to assist homemakers with food rationing problems.

**Accounting Control Titled**  
The long accounting controversy between the Company and the Federal Power Commission came to an end on February 24, 1943, when stockholders of the Company approved a reduction in Capital Stock of the Company, thus making it possible for the Company to comply with a Federal Power Commission order directing the Company to reduce the book value of its plant account by a total of \$18,648,438. Bookkeeping changes were made accordingly, but these changes in no way affected the actual value of the Company's property.

The Company is in healthy condition. It is rendering service to its customers, industrial and war users, than it ever has. Its power plant expansion program recently completed was well timed and has provided the Company with adequate power for all of the needs of its customers. The policy of the Company is to continue to serve the Carolinas and the war effort to the utmost of its capacity.

# Carolina POWER & LIGHT Company

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