

Federal Action Sought Against Rates

Guest Editorial

The following timely editorial, titled "The Vepco Probe", appeared in Sunday's edition of The Daily Advance:

It was the consumer anger that really started the state's investigation of why Northeastern North Carolina residents have to pay so much more for electricity than those living in other parts of the state.

And now, finally, the results of the wide-ranging probe will be unveiled tomorrow morning in Raleigh before the North Carolina Utilities Commission.

It was back in September when the commission, under direction from Governor Hunt, launched a probe of Virginia Electric & Power Co. to find out the reasons their rates are so out of proportion with those charged by Carolina Power & Light Co. and Duke Power Co.

As widely reported, Vepco's rates to average residential customers run 23 per cent more than Carolina Power & Light and 36 per cent more than Duke Power Co. That can mean a sizeable amount of money for Albemarle customers, particularly those on fixed incomes.

So, with the report in — all 405 pages of it — a considerable amount of mud slinging can be anticipated from just about all parties involved. Vepco officials, of course, will probably shoulder most of the blame with charges of mismanagement and errors in judgment for hanging onto old methods of generating power. And most of the facts do point in their direction.

Inevitably, charges of unconcern will be laid against the utilities commission itself for continuously granting Vepco its rate requests without blinking an eye. It will be difficult for the commissioners to defend their actions.

And perhaps some of our past administrations will be linked to the problem since they, like the utilities commission, failed to see what the increases were doing financially to Northeastern North Carolina residents.

But when all the blame is laid, and the reasons for such high utility rates finally determined, let's hope the Raleigh officials won't walk away and consider the job done.

After all, the purpose for the entire investigation was not so much to lay blame but to bring about some lower rates for dwellers in the 22 northeastern counties served by the Virginia utility. Frankly, we are all getting tired of the sometimes shockingly high utility bills found in our mailboxes.

The state utilities commission and, indeed, all Raleigh officials should be aware that the 68,000 North Carolina customers served by Vepco will not be satisfied until the rates are rolled back.

One Of Three

Edenton-Chowan Board of Education made not one, but three decisions at a special meeting Friday night. The board members were divided in favor of a motion to seek a second school bond referendum, unanimously favored a plan to delay consolidation until September, 1980, and divided

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WASHINGTON — A Northeastern North Carolina insurrection against a Virginia power company will move out of state shortly as leaders of the movement take their complaints to the Feds.

Stanley Hege of Edenton said a minimum roll-back of 25 per cent in electric rates in this section of the state is anticipated. "We pledge not to drop the ball on this thing until we achieve this goal," he added.

Hege predicted a lot of mud slinging in the next few months. This will begin following Monday's release of a study of Vepco — the most comprehensive study of its kind ever done on a public utility firm in North Carolina.

"Vepco will try to defend the high rates under poor management and the Utilities

Commission will try to defend previous action allowing rate increases," he continued.

Hege noted that since 1974, electric rates in Northeastern North Carolina have increased 68 per cent. He charged that retired families and others on fixed incomes are being held up by Vepco.

Richard S. Coiner, chairman of Operation Overcharge, a movement started by Chambers of Commerce in Northeastern North Carolina to protest electric rates being charged by Virginia Electric Power Company (Vepco), made the following statement Friday:

"Leaders of Operation Overcharge have met this week with officials of Electricities to discuss the concerns of the municipal electric systems in our region over the exorbitant wholesale rates being charged them by Vepco and

passed on to their citizens using electric power.

"We have informed the Electricities officials that we have asked Rep. Walter Jones to make an appointment for us with the Federal Energy Regulatory Commission so that we can protest the wholesale rate increases granted to Vepco over the years. What has happened, in effect, is that the Federal Energy Regulatory Commission has allowed Vepco to pass on the costs of its poor management to its customers rather than those costs being borne by the company's stockholders. This is wrong and we're going to tell the Federal officials that it's wrong."

Coiner went further to say today that if the Vepco stockholders had to pay costs of poor management at the company that some new people would be in certain jobs.

Coiner said the facts are quite solid that Vepco is charging the cities about 20 per cent more than the highest priced North Carolina power company charges the municipalities it serves.

"It's tragic," he said, "that

North Carolina's poorest economic region is having to pay the highest electric rates."

"If an out of state company is going to come in here and charge those kind of rates, we don't need them here," Coiner emphasized.

Rate Reduction Will Cut Municipal Costs \$1.5-Million

RALEIGH — Electricities of North Carolina announced here Friday that it had reached tentative agreement with Virginia Electric and Power Co. (Vepco) for a reduction in the wholesale electric rate Vepco is currently charging to the municipal electric systems the Electricities association represents. Edenton is among these cities.

The agreement will result in a reduction in power costs to the cities involved of more than \$1.5-million a year, said Ralph W. Shaw, Electricities' executive director. The reduced rate cannot go into effect until the agreement is approved by the Federal Energy Regulatory Commission (FERC). That approval is expected by late spring, Shaw said. Friday's agreement will also require Vepco to refund about \$1-million the cities have paid under the existing rate.

"The importance of this agreement to our member-municipalities cannot be overstated," Shaw said. "Its effect will be to reduce the wholesale rate they pay Vepco to approximately the level of Vepco's North Carolina retail industrial rate. The direct effect of that is that our municipalities will be able to continue to compete with the private power company for customers."

As its part of the agreement, Electricities will not pursue the

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Jordan Consolidation Plan Approved

The "Jordan Plan" for consolidation of Edenton-Chowan Schools in September, 1980, was unanimously adopted Friday night. Additionally the school board approved, by split votes, calling another bond referendum and an attempt to consolidate the 11th and 12th grades at Holmes High School this fall.

Chairman Eugene Jordan

presented his own plan following discussion of other alternatives, including the Curriculum Committee's option to consolidate the top two grades. Mrs. Emily G. Amburn successfully offered a motion for a second bond referendum.

Mrs. Amburn, Dr. Edward G. Bond, Dr. J.H. Horton, and Cecil W. Fry favored setting into motion

machinery for the bond referendum as well as keeping alive investigation of the Curriculum Committee's top recommendation. Thomas Paul Griffin and Wilbur Ray Bunch voted against both motions.

Griffin commented: "Our No. 1 problem is that we are listening to everyone and doing nothing."

The Jordan Plan will consolidate grades 7-8 and 9-12 countywide in September, 1980, using existing buildings and changing locations of other grades as necessary, but keep grades K-6 in their home community.

The plan would not require temporary classrooms. It could require between \$80,000 and \$90,000 over the next two budget years. Funding of these permanent repairs and renovations would be included in the board's regular budget.

Jordan said his plan would not require any additional funds for buses because consolidation would

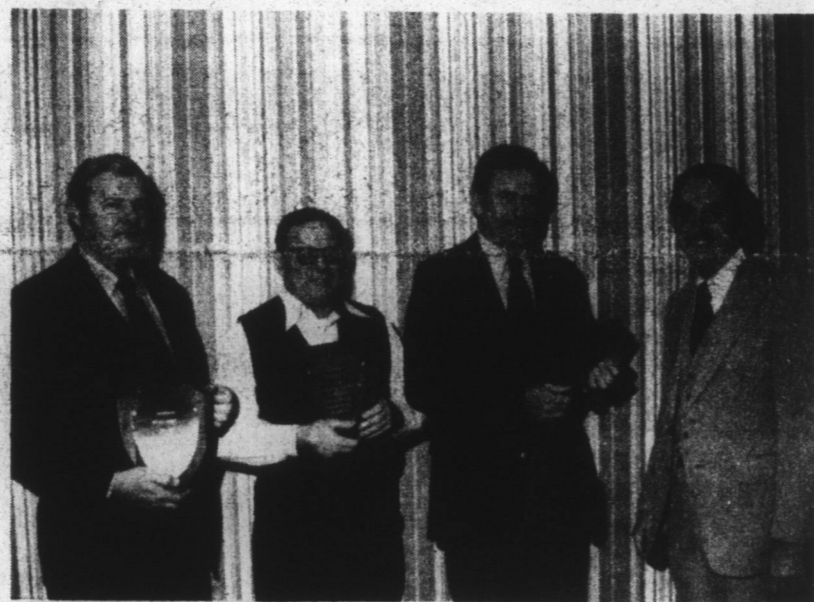
be spread out over two budget years.

At a meeting Monday night of last week the board deadlocked 3-3 over a plan which would have put the Ninth Grade, countywide, at Chowan High School. Jordan declined to vote, saying he wanted the board to get together. His plan apparently accomplished this, although the other two motions were split.

The county commissioners appeared at the special meeting Friday, both speaking as private citizens. Lester Copeland appealed to the board not to split off the Ninth Grade, and Alton G. Elmore expressed the opinion that a second bond referendum would be approved.

Copeland said he is not opposed to consolidation "so long as it is in an ideal situation." He said any plan should put the children first. He said there is no way that consolidation can be achieved at

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BOARD MEMBERS RETIRE — J. Gilliam Wood, second from right, chairman of the board at Chowan Hospital and two other members — Melvin Howell and W. Earl Smith — recently rotated off the board. They were recognized by hospital employees at a reception where Smiley Weatherford, right, hospital director, presented them with engraved plaques.

Expansion Funds OK'ed

Rep. Walter B. Jones of the First Congressional District has announced the approval by Farmers Home Administration of a loan of \$46,000 and a grant of \$312,000 to Chowan County for the purpose of building a water system extension.

The loan would be repaid in 40 years at 5 per cent interest. Also, it would be repaid from profits of the system with no county tax money going into the project.

This extension, known as Phase II of the countywide water system, will serve additional users who could not be reached in the previous phase of the project. The project will cover the most feasible areas of the county, serving a total of 2,166 rural residents when completed.

Cost of the new project totals \$630,000. State bond money as well as some reserve funds already generated by the system will be added to the FmHA loan and grant to provide sufficient funds for the budget.

Statewide Vote Is Requested

Edenton-Chowan Board of Education has adopted a resolution asking the General Assembly to call a statewide school bond referendum for new construction, equipment, additions and laterations. No amount of the referendum was mentioned but a "sufficient amount to meet the needs of 145 school units."

A \$3.5-million local referendum was defeated in September, 1978. It would have provided funds for a new consolidated senior high school in a rural setting.

The resolution, adopted unanimously, January 15 notes

that capital requirements exceed what can be obtained in the local budget. It stressed that the board felt for the "proper improvement and development of the school system, it is necessary to construct a new comprehensive high school to the end that a more balanced curriculum may be provided, as well as opportunities for occupational education."

Furthermore, the board feels the necessary funds might be advantageously obtained by a statewide referendum in lieu of attempting to raise such large sums via ad valorem taxes.

Weyerhaeuser Meets Air, Water Standards

The Plymouth Mill Complex of the Weyerhaeuser Company is in full compliance with all water and air quality regulations. And a spokesman says as the regulations change the company will meet them.

One change sure to come is conversion from oil fired furnaces back to coal. This will conclude the full cycle, for Weyerhaeuser was forced to spend millions of dollars going from coal to oil.

Michael D. Swearingen, Jr., a public affairs representative, says, the company now produces 90 per cent of the power necessary to operate the complex. Still, the company pays Vepco an average of \$30,000 per month for electricity.

Weyerhaeuser's operation in Martin County requires from 80 to 100-million gallons of water per day. It is drawn from the Roanoke River.

The company recently completed a \$300-million expansion project, most of it going into the Plymouth complex. The complex now has five giant paper machines in operation, turning out items from cardboard to fine paper.

The majority of the pulp used in the process for fine paper production comes from the company's operation near New Bern. In addition to other pulp, it is processed in Plymouth where Weyerhaeuser's first recycling facility is located. The facility can process up to 300 tons of cardboard

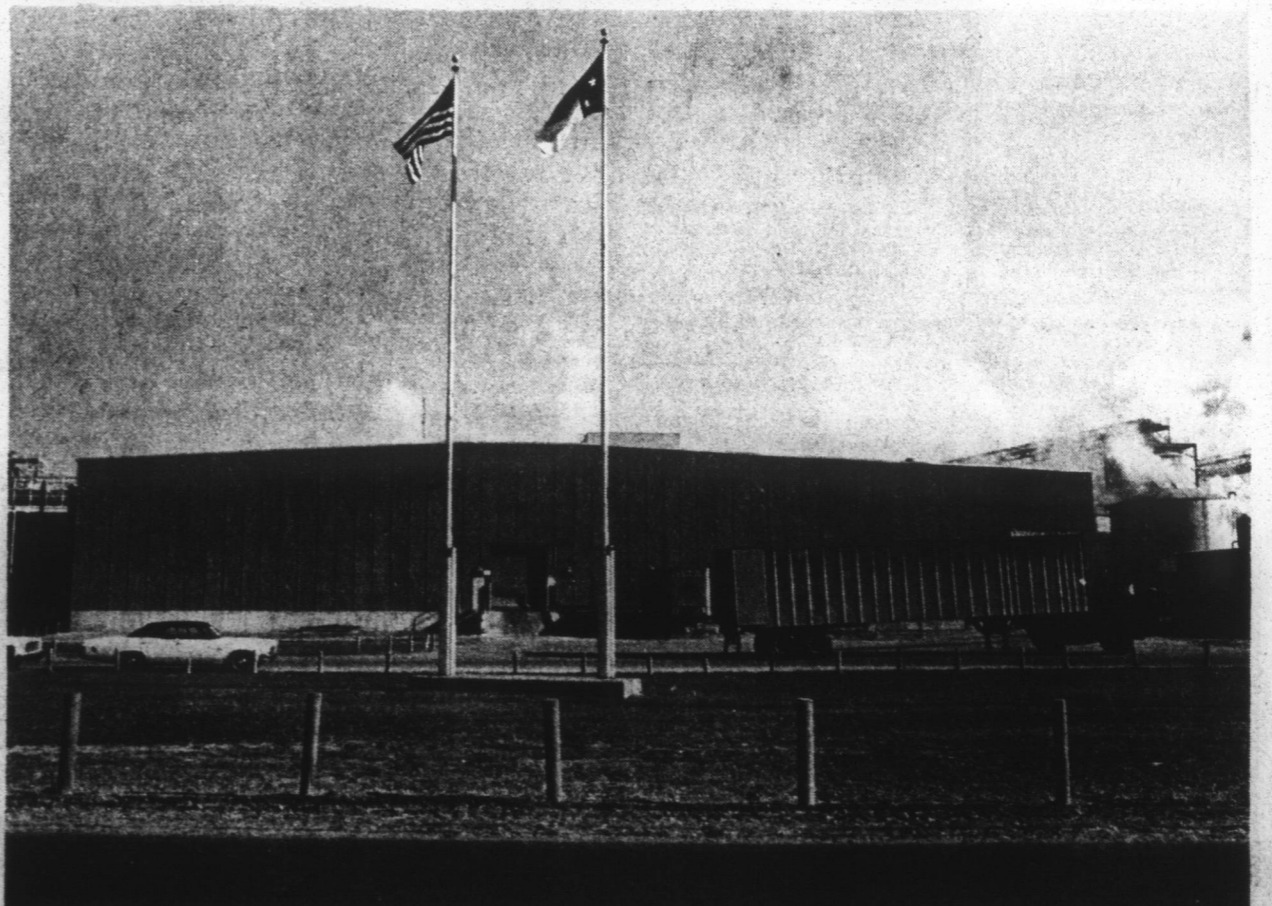
per day.

About one-half of the company's employees in North Carolina are in Plymouth where there is a payroll of \$70-million annually and where another \$200-million is spent each year for goods and services.

The company owns some 60,000 acres of timberland in Eastern North Carolina.

Swearingen boasts that at Plymouth the company has the most modern and highly technical fiber and paper facility in the world.

While visitors to the facility are well regulated, Swearingen said group tours can be arranged by his office.



WEYERHAEUSER'S RECYCLING FACILITY — The secondary fiber facility, shown here, is designed to recycle 300 tons of waste cardboard per day, which is processed as furnish pulp for two Weyerhaeuser paper machines at Plymouth. The process is a hybrid of the state-of-the-art methods in use in both Europe and America.