

THE PERQUIMANS WEEKLY

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Hertford sets electric rate hike of 15 per cent

The Hertford Town Council increased electric rates by 15 percent at a specially-called session Friday.

The town's action followed auditors' recommendations at the regular monthly meeting last Monday. Accountants Ottis Hurd and Edward Lang told town commissioners then that the town either needed to increase electric rates or slash the 1980 budget in order to fund the some

\$43,206 deficit in the general fund carried over from the 1979-80 fiscal year and inflate a nearly depleted cash flow.

According to Hertford Mayor and Town Manager Bill Cox, the 15 percent increase in per kilowatt cost, effective Nov. 1, should generate approximately \$95,886.20, a figure he said was based on the amount of kilowatts sold in the town last year.

Cox told the council Friday that the town needed to generate between \$65,000 and \$85,000 "just to slide through this year without any major breakdowns, and that's a conservative figure."

According to the accountants' report last week, the town actually needs some \$97,543 to be considered in good shape. Aside from the \$43,206 deficit carried over from last year's general fund, the

town is short another \$15,543 in the water-sewer fund (required to make that fund self-supporting), and some \$39,000 in the over-budgeted electrical fund.

The \$15,543 needed for the water-sewer fund is to cover that department's bonded indebtedness (for Hertford's waste treatment plant), which was previously carried by both the general and electrical funds.

The \$39,000 needed to balance the electrical fund was discovered after last week's audit report indicated that the \$939,000 budgeted as revenue from electric charges would actually bring only \$900,000 at the end of this fiscal year.

Cox later said that budget cuts would absorb whatever shortfall not funded by the electrical rate increase, the hike in water-sewer prices, and the increase in

the price of ice for resale at the town ice plant.

Increase not unanimous

The move to increase electric rates was opposed by council member Jesse Harris, who maintained that the 15 percent hike would "place too much of the burden on just a few people."

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Mr. ugly returns

Variety show is Saturday

The Perquimans County High School auditorium will be the scene of a good time and some easy listening Saturday night, (Oct. 18), when the Band Booster Club sponsors the second annual Variety Show to benefit the county band program.

Showtime is 8 p.m., and admission is \$2. No advance tickets are being sold.

A performance by the high school band will open the evening. Local music will also be provided by Detour, making their initial appearance.

Returning to this year's show is the man know as "Mr. Ugly," chosen by the National Enquirer as the second ugliest man in the U.S.A.

There will be singing by the current Miss Suffolk, Joyce Roberts, and

baton twirling by award-winning Laura White.

Andy Damiani and his group will be on hand. Damiani was an international recording artist in the 1950s, and is one of Europe's well-known musicians.

Chavez Mabry, a young actor featured in the recent Tidewater Dinner Theatre production of "The King and I," will also perform.

The Nothin' Doin' Band, a progressive bluegrass group, will highlight this year's show.

Emcee of the event is Beverley Burton, afternoon deejay, program and music director of WQZQ-Q92, who will also conduct an auction of the several items on sale to aid the band program.

Refreshments will also be for sale.



Audit shows county sound

Perquimans County stayed well within its budget during the fiscal year that ended June 30, according to a recently released audit.

Beginning the year with a fund balance in the general fund of \$622,059.91, county government wound up the year with a fund balance of \$671,357.14.

"I like to think of it mostly as a savings account," said county finance officer D.F. Reed Jr. of the county's healthy fund balance.

The fund balance is carried over from year to year as sort of an operating cushion, he said.

Much of it is invested and drawing interest, but some is kept in cash to meet emergencies, and to fund county operations during periods of lean cash flow. Not all of the money is surplus, Reed said.

General fund expenditures came to \$934,394.81 during the year, \$76,461.19 less than a general fund budget of \$1,010,856.

Revenues also exceeded budget. The county had anticipated general fund revenues of \$891,738, but actually took in \$983,690.91, a difference of \$91,952.

In essence, the county took in some \$49,000 more than it spent in the general fund.

Much of the excess came from interest on invested funds. With rates soaring during the year, the county picked up \$29,432.26 more than budgeted in interest income, even after an amendment during the year that increased the amount anticipated.

The local option sales tax netted \$23,886.73 more than the county had budgeted, and taxes and interest netted \$18,103.30 more than the \$490,200 budgeted in the general fund.

Several revenue sources generated less money than anticipated, but the only ones of significance were a \$7,229.59 underage in Care and Food Stamp program contributions, and a miscellaneous revenue shortfall of \$1,596.66.

Several other funds were left with

monies in them that were carried over into the present year.

A court facilities fund holds \$30,248.56, but that amount is restricted by state statutes to be spent only on court facilities. Last week the commissioners decided to pave the parking lot behind the Blanchard Building for courthouse use from the facilities fund. Commissioner Lester Simpson had gotten a price estimate of \$3,055.05 for removing cement flooring remaining from the demolition of the one story portion of the building and paving the lot.

The commissioners also discussed using some of the funds to improve a troublesome heating and air conditioning system in the courthouse.

As a reserve against the next revaluation, the county held \$66,900.03 at the end of the fiscal year.

Tax collections for the year totaled \$1,127,226.65, a figure amounting to 95.8 per cent of a net levy of \$1,176,178.40.

Uncollected taxes as of June 30 included land sales certificates totalling \$36,330.08.

County residents pay a tax rate of \$1.10 per \$100 valuation, with 48 cents appropriated to the general fund, a cent and a half designated for the revaluation fund, two cents bound for the general assistance fund, 36.5 cents appropriated to the general school fund, 12 cents appropriated to the school supplement fund, and 10 cents targeted for capital outlay for the schools.

The major criticism of monetary practices in the auditor's letter to the county was a lack of internal controls in the tax-water department.

The complaint has been the same for several years, but the auditor acknowledged that internal controls are always a problem for rural counties because of small staffs.

Over 1200 eligible

Fuel help program gearing up

The Perquimans County Department of Social Services is expected to begin processing applications for federal fuel assistance money for low-income county residents in the near future, according to social services director Paul Gregory.

The program will be administered solely through social services, and those persons eligible for fuel assistance should receive checks in mid-January, he said.

State estimates are that 1,215 households will be eligible for help on

their fuel bills this winter, but Gregory said that figure may be too low. It is difficult to determine precisely because final income eligibility has not been determined.

"They're toying with a poverty line figure," said Gregory.

Last year, fuel assistance was intended to be limited to \$200 per household. This year, Gregory said, the figure could be higher, depending on the needs of the family.

Social services will take applications

and send them to the state Department of Human Resources, which will determine whether or not the applicant is eligible, he said. The amount of assistance the applicant will receive will be decided by use of a computer program that takes into account 75 to 80 different variables, Gregory said.

A major change in the program this year is that all of the checks will be mailed directly to the recipients. Last year, most of the checks went to the fuel vendors for outstanding bills.

"We're all hoping they'll spend it on fuel," said Gregory, adding, "some will spend it various different ways."

Social services will try to make certain, though, that those who get checks are actually responsible for fuel bills.

Combined with the January check mailing, Gregory acknowledged that the direct payment may create a problem for some recipients.

"They (fuel vendors) cannot afford to

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Membership meeting

Vepco inefficiency outlined

The executive director of the N.C. Utilities Commission gets irritated when he hears claims that gubernatorial efforts to get Vepco out of Northeastern North Carolina are just politics as usual.

Robert Fischbach, featured speaker at the annual Albemarle Electric Membership meeting, came armed with facts and figures to prove that tirades against the out-of-state electricity supplier are more than just hot air.

"Their rates are not just higher, they're a lot higher, and nothing we've got shows there will be any change," said Fischbach.

The job of the public staff is to defend the public interest before the North Carolina Utilities Commission. The public staff had already brought a successful case against Vepco before the commission, and a rate reduction and refunds were ordered for Vepco customers in North Carolina.

But that ruling was overturned by the N.C. Court of Appeals on what Fischbach called a "legal technicality," and the case is now being appealed to the N.C. Supreme Court.

Part of the problem is that Vepco uses too many oil fired generating plants, Fischbach said. He said the public staff recommended converting to coal two years ago and Vepco officials argued against it. Then they suddenly began a desperate conversion process.

"In my judgement it wasn't the plan Vepco had on the books two years ago," said Fischbach. He said that the oil embargo hit in 1973-74 and Vepco had

plenty of time to begin conversions, but waited until the last possible moment at the expense of the consumer.

Fischbach used charts and graphs to present his case from several different angles. A typical retail user chart indicated that Vepco had begun climbing well ahead of Carolina Power & Light in October of 1978 and peaked out 49.5 per cent more per 1000 kilowatt hours as of July 1, 1980.

On Nov. 1, Vepco was charging its retail customers 39.6 per cent more than was CP&L.

Another chart indicated that Vepco industrial rates at various usage levels ranged from 22.5 to 43 per cent higher than CP&L.

"We believe that the rate charts for electricity to industry are extremely important because they have a lot to do with whether a new industry comes to an area," said Fischbach.

Vepco's capacity factors, or the percentage of capacity at which their generating units operate, are also very poor, Fischbach said.

He said that nuclear and coal units are the cheapest to operate and hence should be operated at greatest capacity, but Vepco hasn't gotten efficient production out of its coal and nuclear plants.

"What would you do if the car you owned ran only 30 per cent of the time you called on it?" Fischbach asked. "Would you keep it, or would you junk it?"

Heat rate was another area in which Vepco lagged behind the N.C. utilities.

Comparing heat rate to miles per gallon for a car, Fischbach said that Vepco required more fuel to generate a kilowatt hour of fuel than did the N.C. utilities.

Add to that the fact that Vepco pays nearly 3 cents per kilowatt hour for fuel, whereas CP&L pays about a penny, and you come up with consistently higher rates, he said.

Getting Vepco out of North Carolina, however, will not be an easy proposition. There will be both legal and engineering problems, Fischbach said.

For cooperatives and municipalities, the legal problems should be resolved with the expiration of contracts.

Then there is the question of whether another supplier can build lines to serve the municipality or cooperative at a reasonable cost, or whether a wheeling agreement can be reached, in which the power is transmitted over someone else's lines.

For North Carolina retail customers served directly by Vepco, legislation would be required. Vepco was granted a franchise to operate in North Carolina but the agreement included no clause for rescinding.

In any event, it will be extremely tough to get Vepco out of the state, Fischbach said.

But there is some cause to believe that Vepco's record in North Carolina will improve in the future. Top level management changes have been enacted that appear to be for the better, Fischbach said.

"From what we can see it's clearly a move for the better," Fischbach said. "We have some higher confidence in Vepco than we did a year ago," he said. "Maybe the question isn't whether Vepco is improving, but is there a better option?"

In the business portion of the meeting, Albemarle Electric general manager Ed Brown announced that the N.C. Electric Membership Association is buying into the Duke Power Catawba Nuclear Generating Station.

Though Albemarle Electric cannot buy directly from the power source, its acquisition should mean a savings down the road for cooperative members.

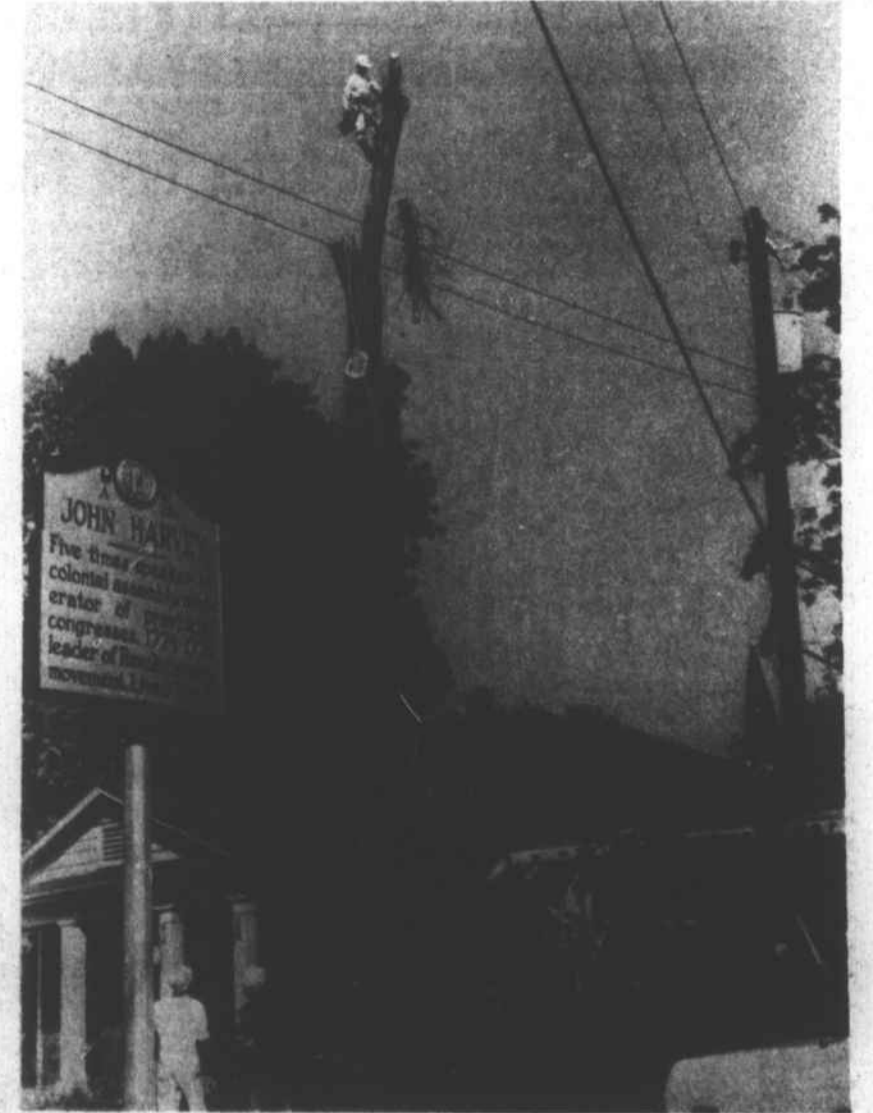
Brown said that 72 cents of each dollar the electric membership purchases is going towards electricity, and the membership has little control over prices.

"There's no reason to believe that electric rates will do anything but continue to increase," said Brown. "Your best bet is to conserve," he said.

The membership offers a free energy audit that points out ways to cut electricity usage in the home, he said.

Brown also announced that some \$50,000 in retired capital credits would be returned to Albemarle Electric members this year.

In the election of directors, three incumbents were returned to office. Earl Meiggs was elected from Camden County, Joseph Byrum from Chowan and Floyd Matthews, Sr. from Perquimans.



Up a tree

The tree by the social services building was taken down a piece at a time last week, until it was whittled to a length that could be safely dropped across

Dobbs Street. Up the tree with the chainsaw is Jerry Walker of J&L Tree Service.