

# THE NEWS - RECORD



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March 27, 1975

## French Broad EMC Replies To Questions

The Honorable Ronald W. Howell  
Attorney at Law  
P. O. Box 52  
Marshall, N. C. 28753

Dear Mr. Howell:

Your letter dated March 13, 1975 addressed to the Board of Directors and Managing Officials of the French Broad Electric Membership Corporation was received in the Corporate Offices on Monday, March 17, 1975.

The Corporation is pleased that the concerned consumers and members of the Co-op have asked you to represent them in presenting in writing the requests and questions raised in the public meeting held on March 11, 1975.

Subsequent to the receipt of your letter on Monday, the Executive Committee of the Board of Directors and Managing Officials have gone over the requests and questions in detail, and have called and held a special called meeting of the Board of Directors for the purpose of considering the matters outlined.

Due to the complexity of the operations of the Electric Membership Corporations, the complexity of the rate structure, and the present pending litigation before the Federal Power Commission, and due to the broadness of the questions raised by the concerned customer, the Board agrees that a public meeting should be forthcoming. The EMC of Directors, the Attorneys who represent French Broad and 17 other Electric Co-ops before the Federal Power Commission in connection with the rate request by Carolina Power & Light Company, the rate experts who advised the Co-op Management and Directors as to the rates required to meet the requirements of the Rural Electrification Administration, a representative of the North Carolina Rural Electric Co-op, a representative of the auditing firm who audit the books of the Co-op, so as to have an expertise group who can discuss all the questions posed in detail.

Inasmuch as the Board of Directors are distributed over

the four North Carolina Counties and One Tennessee County, served by the French Broad Electric Membership Corporation, and inasmuch as a number of out-of-town people will be required at the meeting, it is preferred that a day meeting be held. It is suggested that your group select a representative from each section of the system to represent the group at the above mentioned meeting. If this is not practicable, or possible, of course, a general public meeting would be required.

As the French Broad Electric Membership is required to pay its power bill to Carolina Power & Light Company within 15 days of the rendering of the bill, the Co-op must have sufficient money on hand to meet these payments. The delay of 15 days incurs a 7 percent interest penalty against the Co-op.

Members and consumers of the Co-op are allowed 15 days from the date of the billing to pay their bill at the net amount. Payment thereafter is subject to the payment of their gross bill. Under current service rules and regulations a second 5-day notice is sent to the delinquent accounts, and when in arrears 25 days, a collector will call on the customer. The Board is aware that the large increase in current billing is placing a hardship upon certain consumers. It has been, and will continue to be, the policy of the Board to consider any hardship case, and to work out an arrangement for payment. It is the intent of the Board and Management to work with all of its customers to the best interest of all concerned; however, it is also the duty of the Board of Directors to maintain a strong, healthy, solvent Corporation for its members, to pay its bills, and meet the requirements of the Rural Electrification Administration.

Management of the Co-op in its districts are authorized to consider the grievance of any member and consumer, and the Board has no objection to the concerned consumers appointing a grievance committee for the purpose of

reviewing any power bill which is alleged to be in error, and to make their report to the Management of the Corporation for adjustment or correction as indicated.

As you know, the Electric Membership Corporations are not permitted to buy power from the TVA. The N. C. Electric Co-ops must buy power either from Duke, Virginia Electric Power & Light Company, or from Carolina Power & Light Company, as none of them have their own generating facilities. Our Congressman and Senators should be made aware of our problems, so that the best thought can be used to solve this important problem. There is some hope that in the future the N. C. EMC's can generate their own power; however, this is a long term project, and will require enabling legislation, and, in addition, will require funding from some source. It is not likely that generation of electricity by the Electric Co-ops in North Carolina could possibly alleviate the situation within the immediate foreseeable future.

Prior to 1935 the large private power companies were only interested in serving metropolitan areas where there was a high density of meters per mile of line. None were interested in serving the rural areas.

In 1935 the State of North Carolina passed an Electrification Act which set up a Rural Electrification Authority and provided the enabling legislation for the organization of Electric Membership Corporations.

This act provides that the Directors of a Co-op may be compensated not to exceed \$30 for each day of their attendance at meetings for which their attendance has been duly authorized. It also defines the powers of the Board, provides the terms and conditions of membership, prohibits discrimination as to rates or service, grants general and special powers, controls certain other aspects of the business of an Electric Membership Corporation.

Prior to 1965 the substations, transmission lines, poles, buildings, trucks, equipment, and inventory of Co-ops were exempt from North Carolina County and Town ad valorem taxes. However, in 1965 the Act was amended, and now your Co-op is required to pay tax to each County and Town in which any part of its system is located. These tax rates are the same as the tax rates which you pay on your property. In addition, your Co-ops are now subject to pay gross receipts tax of 6 percent. All of these taxes must be paid from the revenue's of your Co-op.

Your attention is called to North Carolina General Statutes Chapter 117, for the statutory provisions authorizing the creation of an Electric Membership Corporation.

The French Broad Electric Membership Corporation was organized under this Statute, copy of the original charter and amendments thereto being hereto attached. This charter and the amendments thereto are of public record in the corporate records in the

Register of Deeds Office in Madison County.

News media and press and the Carolina Country, which is received by every member of the Co-op, has extensively treated the question of power rates in North Carolina. The Public did not become interested in learning of the situation until Carolina Power & Light Company placed a

substantial rate increase and passed on the Fuel Adjustment to consumers and wholesalers on or about January 2, 1975.

The French Broad EMC and 17 other EMC's in North Carolina were purchasing power from CP&L under a contract, which did not expire until December 31, 1974. Under the contract these

membership Co-ops and their consumers had a very beneficial and very low power rate to which we all became accustomed. On July 1, 1974, CP&L filed with the Federal Power Commission a petition which in effect would have set aside the contractual rate which the 18 EMC's were enjoying, and permit fossil fuel adjustment clause to

become a part of CP&L's rates, effective September 1. The 18 Co-ops including French Broad EMC, through their Attorneys Crisp, Bolch, and Smith, Raleigh, N. C., intervened to resist any change in the existing contract between CP&L and the EMC's.

In the April 1974, July 1974, September 1974, and December 1974 issues of Carolina Country, your Manager made a Manager's report to the Membership as follows:

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## Meeting Notice

TO ALL MEMBERS AND PURCHASERS OF ELECTRICITY FROM THE FRENCH BROAD ELECTRIC MEMBERSHIP CORPORATION:

Another meeting has been called by members of a committee of consumers who met previously at the Madison County School on March 11, 1975. Cheaver Metcalf, one of the members who formed the group, indicated that the public is demanding that another meeting be held. He also indicated that issues to be discussed at this meeting, which will be held on Tuesday, April 1, 1975, at the Madison County High School, Marshall, North Carolina are:

1. The election of local committees from each Township.
2. A report on the Charter and By-Laws of the French Broad Electric Membership Corporation and the rights of its members.
3. To afford an opportunity to the officials of the French Broad Electric Membership Corporation to answer

4. A report on the present status of the Carolina Power and Light Company's wholesale rate increase, which is presently pending before the Federal Power Commission.
5. A discussion of the Federal Legislation prohibiting the purchase of power from the Tennessee Valley Authority.
6. A report on the response, if any, from the French Broad Electric Membership Corporation to the letter of March 13, 1975.

## Sunrise Service

### At Oak

### Hill Sunday

There will be a sunrise service at the Oak Hill Baptist Church at Rector's Corner this Sunday morning at seven o'clock.

The public is invited.



THE MADISON HIGH FFA LAND JUDGING TEAM placed first in the parkway Federation at East Yancey high school on Thursday, March 20. The team will represent Madison and Yancey Counties in the State Land Judging meet to be held at Wadesboro, N. C. on April 5. Shown above are members of the team. Kneeling, left to right, Steve Cutshall, Steve Messer; standing, left to right, Steve Burns, Gary Moore, and Jack Cole, Advisor. Other Advisors are Garland Woody and Lamar Lunsford (not pictured).

## Letter To Taylor, Morgan, Helms Cites EMC Cost Hike

Dear Sir:  
Please be advised that as an Attorney at Law in Marshall, North Carolina, I represent a large group of consumers who are members of the French

Broad Electric Membership Corporation, which is a rural electric co-operative, providing electricity to portions of Madison, Buncombe, Yancey and Mitchell Counties

of North Carolina, and also a part of Unicoi County, Tenn. The North Carolina residents are, of course, your constituents. This letter is written in their behalf

I have observed from the newspapers that you have perhaps received letters on this subject which were of a general nature. In this letter, I hope to solicit your support in taking immediate and specific action to alleviate the problem facing a sizeable portion of the above counties. The group of consumers, above referred to, met at the Madison County High School on March 11, 1975. The attendance was estimated at approximately 2500. This meeting was prompted by a drastic and inherently oppressive rate increase, which was passed on to members of the French Broad Electric Membership Corporation in January of 1975. For example, in the Marshall area alone, officials of the French Broad Electric Membership Corporation report that the wholesale rate of power went up 166.2 percent or from \$8.57 to \$22.47 per 1000 kilowatt-hours. The officials of the Corporation further reported that they had no choice but to pass this increase on to their consumers. (Reported in the Asheville Citizen on March 11, 1975.)

As you already know, the French Broad Electric Membership Corporation serves a part of Western North Carolina, which is already depressed economically. This drastic and unexpected rate increase has created a terrific hardship on practically all citizens receiving their electricity through the Corporation. Incidents of tragic hardship are numerous.

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## Courthouse Closed On Next Monday

It was announced this week that the Madison County courthouse will be closed next Monday in observance of Easter.

## Easter Coloring Contest Winners

- WINNERS:
- |   |  |
|---|--|
| ANNETTE PRESSLEY<br>Rt. 2, Box 30<br>Marshall, N. C.<br>Age 9 | PAMELA BUCKNER<br>Rt. 5, Box 117<br>Marshall, N. C.<br>Age 6 |
|---|--|
- ENTRIES:
- |  |  |
|--|--|
| Julie Allison<br>Tresa L. Ray<br>Rosella Roberts<br>Angie Lankford<br>Tina Wallin<br>Sherry Shelton<br>Tim English<br>Gregg Lloyd<br>Karen Shelton<br>Debra Lee Angel<br>Roy Wallin<br>Debra Ann Crowe<br>Rebecca Thomas<br>Bess Fisher<br>Tina Marie Woody<br>Ricky Dean McFalls<br>Edna Maxine Burns<br>Janet Worley<br>Darrrell Wayne Willett<br>Sandra Gunter<br>Allen Kirkpatrick<br>Jeff<br>Mark Shelton<br>Rebecca Riddle<br>Judy E. Moore<br>Lisa Gentry<br>Darlene Lewis<br>Kathy Diane Fox<br>Myra Sawyers<br>Kurt Herron<br>Rebecca Edwards | Randy Bailey<br>Jackie Pegg<br>Jennie Pegg<br>Rebecca Ammons<br>Randy Riddle<br>Teresa Griffin<br>Cecilia Worley<br>Brenna Fender<br>Sandy Peek<br>Donna Tipton<br>Christy Rigby<br>Brenda<br>Leann James<br>Lynn Price<br>Dag Swanson<br>Lisa Kay Finley<br>Billy Joe Nailton<br>Tammy Cogdill<br>Ricky Gunter<br>Karen Sams<br>Jeana Ferguson<br>Ricky Lee Allen<br>Danny Edwards<br>Dwight Carney<br>Harold Herron<br>Katrina Connor<br>Carmen Honeycutt<br>Kellie Ann LeGrand<br>Dwight Lillard<br>Sherry Blankenship<br>Evelyn Blankenship<br>Flex Ramsey |
|--|--|

Mr. Shade broke out a window where they escaped. They explained the flames were so intense at the doorway it was impossible to escape. The parents made every effort to save the little boy but flames had gained too much headway making it impossible. Both parents received minor burns and cuts.

When firemen reached the scene the old frame house was engulfed in flames. They tried desperately to save the house but their efforts were futile.

The house was owned by Swann Frisby, Jr., of Daytona Beach, Fla.

**FUNERAL SUNDAY**  
Graveside services for the victim were held at 2:30 o'clock Sunday in County Home Cemetery in Marshall. The Revs. J. E. Pedew and T. Spencer LeGrand officiated.

Surviving in addition to the parents are two sisters, Misses Tina and Tammy Shade of the home; a brother, Timothy Shade of the home; the maternal grandmother, Mrs. Carrie Henry of Marshall; and the paternal grandparents, Mr. and Mrs. Bill Shade of Asheville.

Bowman Funeral Home was in charge.

**EXPRESS THANKS**  
"We want to thank each and everyone for helping in our time of need. May God be with you all," Mr. and Mrs. Otis Shade stated.

## Sunrise Service

### At Pritchard

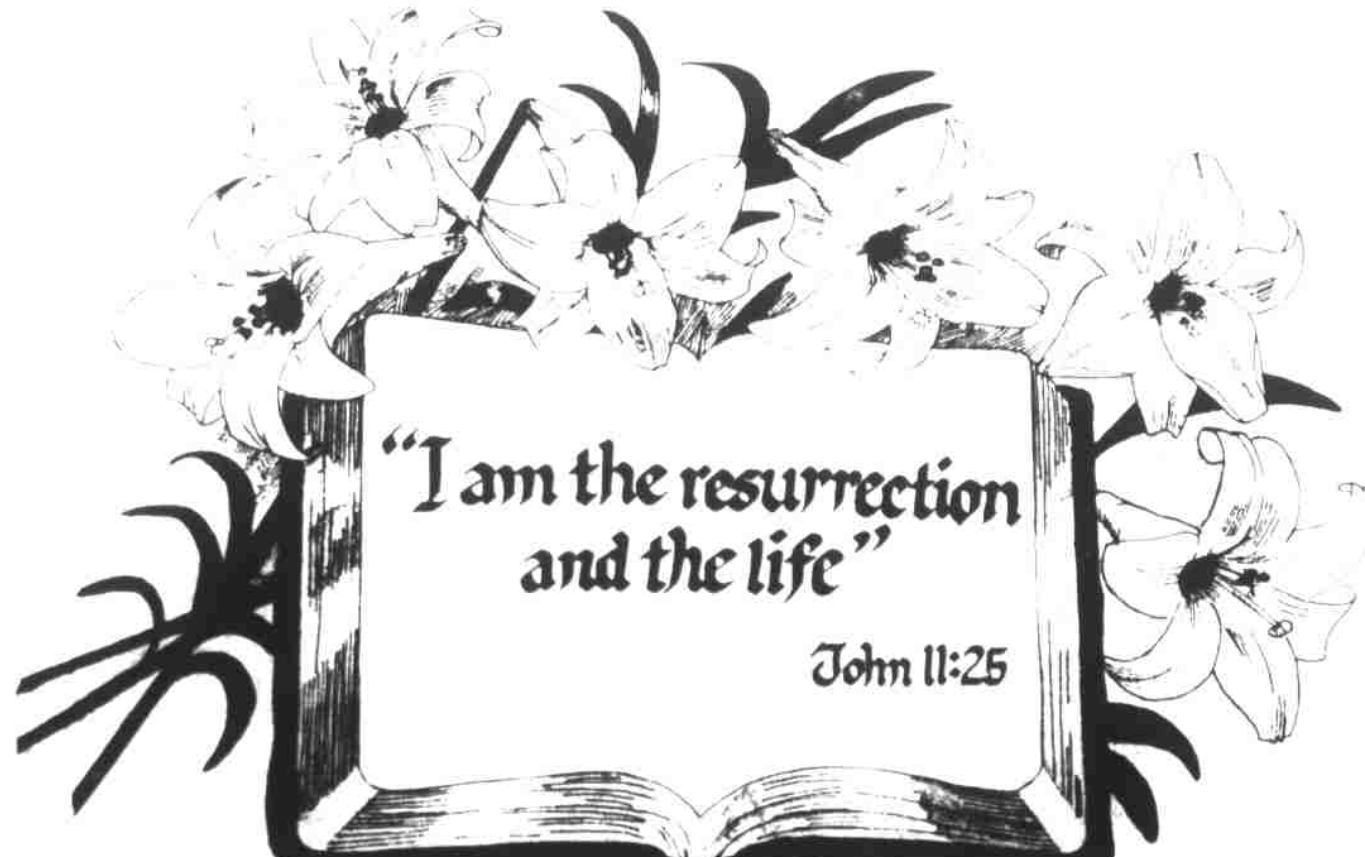
### Cemetery

### Sunday

Members of the Marshall Baptist Church will hold an Easter Sunrise Service this Sunday morning beginning at 7 a.m. at the Pritchard Cemetery near the railroad station. The Rev. Spencer T. LeGrand, pastor, will be in charge.

The public is cordially invited.

It was explained that because of rain or adverse weather, the service will be cancelled.



## For God So Loved The World . . .

By VICTOR CASSIZZI  
"For God so loved the world, that he gave his only begotten Son, that whosoever believeth in him should not perish, but have everlasting life." John 3:16 KJV  
Jesus the Christ, the Son of God, came in love to save the world through his own suffering. He knew what he would suffer beforehand, the persecution, the rejection, and the shame of the cross. He, the Son of God stepped down from

Glory to become a man of sorrows.  
Jesus had no earthly treasure, no family of his own, no home, not even a place to sleep. "Remember, I don't even own a place to lay my head. Foxes have dens to live in, and birds have nests, but I, the Messiah, have no earthly home at all." Luke 9:58 L.B.  
He denied himself every earthly pleasure in order to bring redemption to mankind. By the Spirit of God Jesus

preached good news to the meek, comfort to the broken hearted; he proclaimed liberty to the captives, and eternal judgment to the wicked. He taught love, even love for your enemies, mercy, forgiveness, and humility.  
"Blessed are the poor in spirit, for theirs is the kingdom of heaven. Blessed are those who mourn, for they shall be comforted. Blessed are the gentle, for they shall inherit the earth. Blessed are

those who hunger and thirst for righteousness, for they shall be satisfied. Blessed are the merciful, for they shall receive mercy. Blessed are the pure in heart, for they shall see God. Blessed are the peacemakers, for they shall be called sons of God. Blessed are those who have been persecuted for the sake of righteousness, for theirs is the kingdom of heaven. I say to you, love your enemies, and pray for those who persecute

you." Matt. 5 NAS  
All that were brought to him in sickness were healed. The deaf heard, the dumb spoke, the blind saw, the lame walked, and the dead were raised to life. Jesus spoke in boldness and acted in the power of God, not as the scribes and pharisees, the religious leaders of his day. The people followed him and because of envy the scribes and pharisees continually

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