

TOWN ELECTRIC DEPARTMENT TO MAKE HISTORY----AGAIN

Sometime after 7 am Sunday morning, town leaders will turn out the lights on Main Street for the first time since their forefathers proudly turned them on 94 years ago in one of Clayton's most historic moments.

And, when they turn them back on Sunday afternoon, the town will have completed the first major overhaul of its electric system since those early days---another historic moment.

"Nobody in town will be able to tell the difference, but we will," said Electric Department Director Ronnie Wood. "I feel almost like we need to celebrate. This is a big milestone for the town."

The old Moore Street substation near downtown, the last remnants of the old 4 kb system, will be bypassed Sunday, completing the long awaited switch to the new 23 kb system. Other parts of town have been using the new system for some time.

"It's been a very gradual thing," Wood said. "They've been working on that for the past 25 years or so. It's the end of an era."

When the old substation is dismantled and hauled away this spring, along with it will go the last remaining connection to those heady days in 1913 when the leaders of the world's richest small town, a designation that Clayton enjoyed back then when cotton was king, brought the luxury of electric lighting to downtown.

The Dec. 18, 1913 edition of the old Clayton News put it this way: "Just at dark the current was turned on in full for the first time. And the transformation that was wrought turned the night into dazzling brightness ...and the entire city took on a changed appearance. There is an uninterrupted glow of brilliant light that has turned the streets into a transformed highway, shining and illuminated with all the wizard effects of the electric current. It is quite a nice gift that our city fathers have turned over to the city, just at Christmas time. To the mayor and the honorable board of aldermen and their efficient and faithful secretary and treasurer, we extend the thanks of the entire city for the good they have accomplished."

And except for the stray outage from time to time, it's been that way ever since.

The update will allow the electric system to operate more efficiently and with much greater capacity, which is needed for the town's latest historic lighting project---the lighting of the Highway 70 corridor through Clayton. The project began two years ago and already lights are up and burning from Shotwell Road to Lombard Street. Wood said the stretch from Lombard Street to Highway 42 is expected to be completed by the middle of summer.

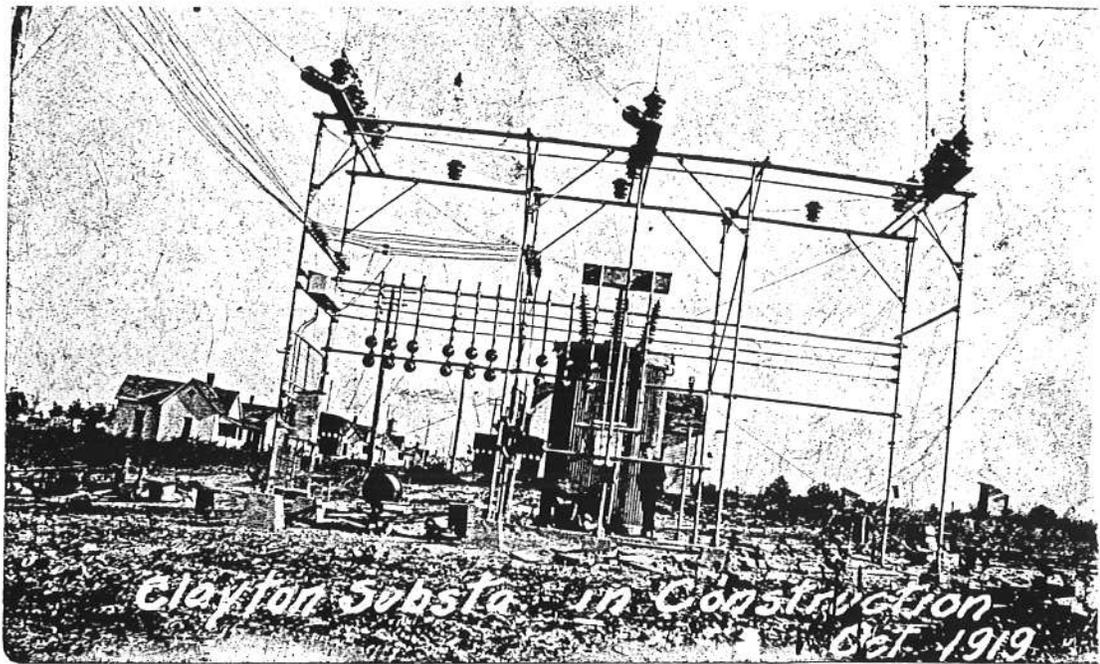
The Electric Department is also planning another big project, a new \$ 3 million substation on the north side of town. The new facility would strengthen the town's ability to provide reliable service by providing a second feed in the event of an interruption at the substation on Highway 70.

Sunday's planned outage will affect Main Street from O'Neil to Ellington downtown from 7 am to 5 pm.

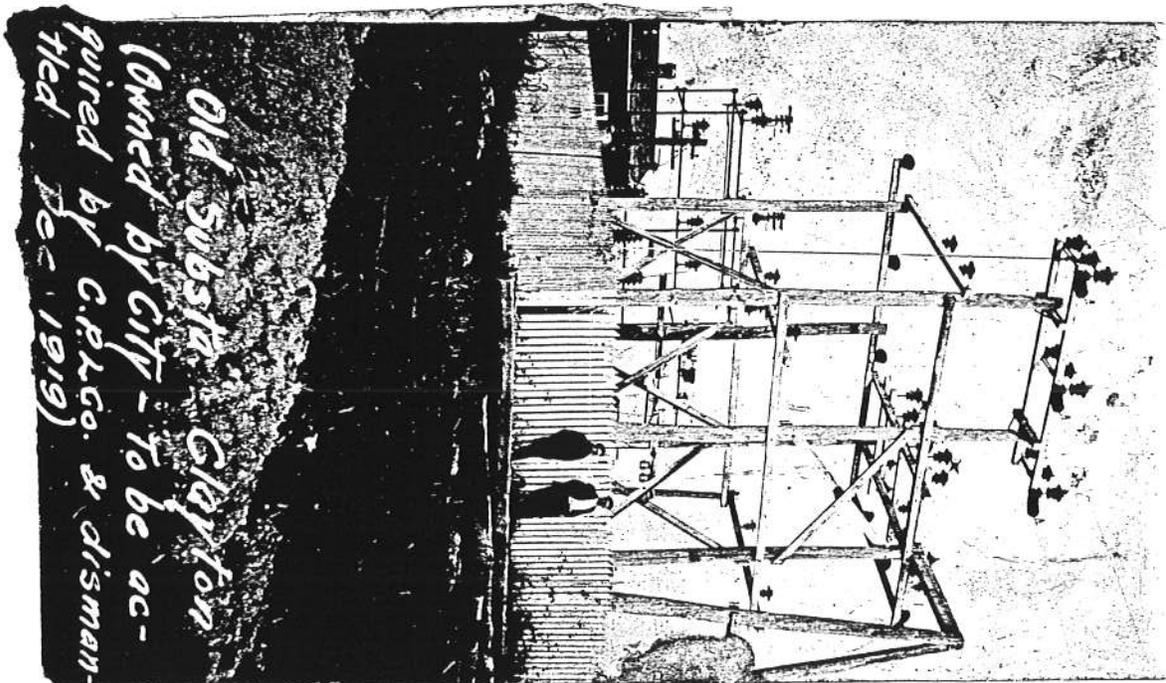
The 10-person Electric Department serves nearly 5,000 customers.

Cutline for attached photo:

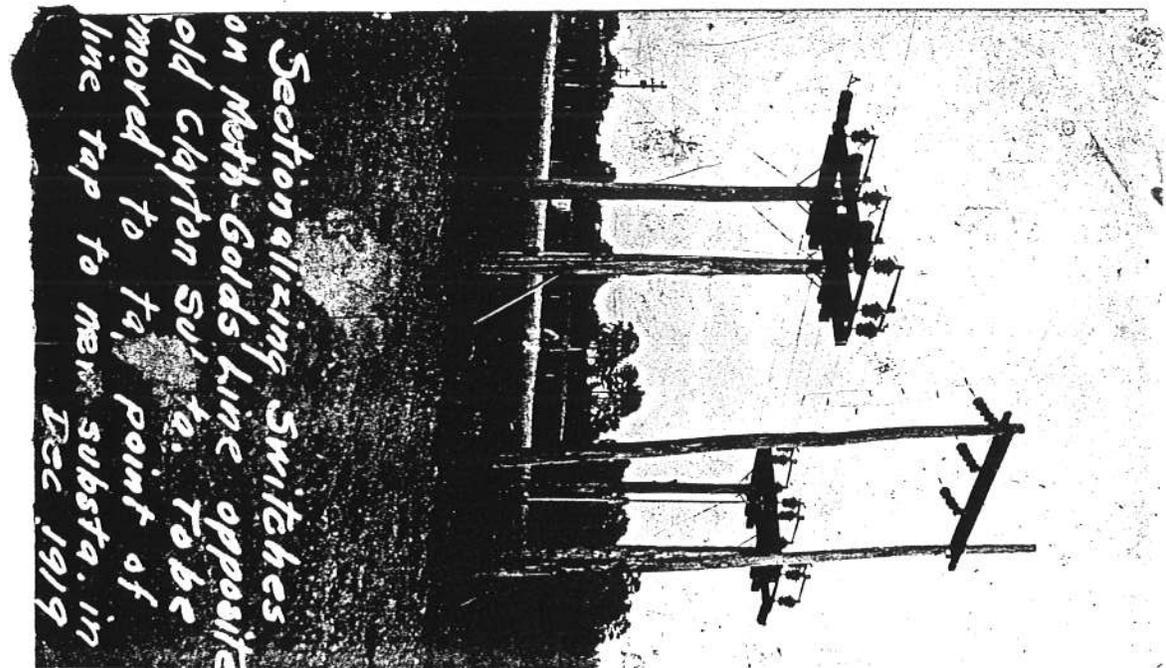
How the town's first substation looked in 1913.



Clayton substa. in construction
Oct. 1919



Old substa. Clayton
(owned by City - to be ac-
quired by C.P.R.Co. & disman-
tled Dec. 1919)



Sectionalizing switches
on Meth-Golds line opposite
old Clayton substa. to be
removed to tap point of
line tap to new substa. in
Dec 1919

Clayton should charge more for power, consultant says

Smithfield Herald
BY ELIZABETH DAVIS
STAFF REPORTER

CLAYTON — It's time for residential power customers in town to pay more, a consultant told councilmen on Monday.

Andy Givens, of Raleigh-based Cardinal Energy Service Inc., said a 5-percent increase would generate an extra \$365,000 next year. That money would help the town cover its costs, invest in equipment and retire the debt held by public power towns, he said.

"Essentially, we're proposing an increase of \$5.35 (per month) per residential customer to meet the objectives of the town," Givens said. "Our analysis of electric rates was done for three reasons. One, because of the 6-percent rate increase in wholesale power costs in 2002, the town will start to pay more. Second, capital investments are coming along,

and third, you've got to deal with the debt load."

Also on Monday, Givens recommended the council abandon the special rate that it charges churches and schools. Essentially, the rate does churches and schools no favors, he said.

"There are some churches with a light load, comparable to residential loads," Givens said. "Out of the 41 customers in that rate category, none is well served by the existing rate."

Finally, Givens recommended the council do away with separate summer and winter rates. "There is no difference now in wholesale power rates between winter and summer," he said. "If we level rates across the board, residential customers will see no increase in the summer, and the recommended increase will occur in the winter months."

Givens said the town was do-

ing a good job of encouraging its customers to use power in off-peak hours, when Clayton pays less for electricity. "Your load-management system is a big factor in keeping the wholesale cost down," he said. "This will have a significant impact on the wholesale power cost and will be a big help to your financial situation. Your wholesale cost isn't increasing as much as your revenue, which does improve your finances."

Still, Biggs believes the cost increase is minor.

"Even with the increase, that's still less than the credits customers may receive if they participate in the load-management system," Biggs said. "We don't want to increase customers' bills, but the load-management program is definitely an incentive."

The council heard Givens' recommendations but took no action on them.



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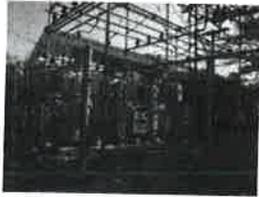
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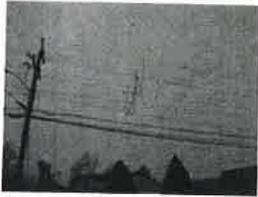
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MOORE ST. 4 KV SUBSTATION TAKEN OUT
OF SERVICE 1-29-07
1:35 P.M.

TOWN OF CLAYTON HISTORY OF ELECTRIC DEPARTMENT

In 1909, the Town of Clayton already being served by a telephone system longed for the modern convenience provided by electricity. Over the next year it was a major topic of discussion and planning by the Town's Mayor and Aldermen. The decision was made that the town would construct its own electric distribution system. On December 18, 1913, just at dark according to a newspaper article dated such, the current was turned on in full for the first time. The system was referred to as the best and most modern type. It provided street lighting around the depot and Main Street. The local newspaper stated that it transformed the streets into a highway, shining and illuminated with all the wizard effects of electric current. It also provided lights for the business houses as well as a lot of other residences, which were wired and ready to receive it.

The town received its power at that time from a small 4kv substation located at approximately the same location as Carolina Power and Light company (PEC) substation is today, at South Fayetteville Street extension and Hwy 70. In 1919, the town constructed a new substation on Moore Street and sold the original site and facilities to CP & L, where they dismantled it and built their station.

As the load on the town's system continued to grow over the years, property was acquired adjacent to CP & L's substation on S. Fayetteville St. An additional station was constructed there in 1981. This station consisted of two 23kv circuits and associated equipment. By 1991 the town's electric load had grown to the point that a third circuit was added. In a period of time leading up to the above-mentioned improvements the electric department converted areas of town which were experiencing voltage problems from 4kv to 23kv.

In 2002, the rapid increase in load, along with the projected load growth, and in an effort to address some service reliability issues, it was necessary to do a major upgrade at the substation on Fayetteville St. extension. This consisted of purchasing additional property and installing two new runs of 750 MCM underground cable from CP & L's point of delivery (POD) to each end of the town's station. The station was expanded to accommodate the installation of equipment for a fourth circuit. The equipment was arranged such that the voltage regulators were placed on the load side of the circuit recloser. controls rather than on the source side, as was the previous placement of the equipment. This arrangement greatly decreases the chances of a town wide power interruption due to failure of one regulator. The updated design and construction also brought the circuit exits from the fenced area of the station out underground. This upgrade also created two additional bays to allow for future growth. The cost of this project was approximately \$330,000.

Raleigh Times
2-4-1956

Clayton

Centennial

1912 CP+L shows service

836-6111

By Charlie Barden

Times Correspondent

CLAYTON—The people of Clayton went quietly about their work this week, unmindful of the fact that their town had just turned 100.

Clayton had its centennial on Jan. 30. But there were no beards, no barbershop quartets, no pageants — just business as usual. That's the way Clayton people are . . . modest.

But one man was ready to blow Clayton's horn a little. He's John T. Talton, unofficial town historian who compiled a booklet on the town in 1909 and another in 1936. And this insurance man knows all the notes in Clayton's "Century Song."

The town, says Talton, got its name from John M. Clayton, senator from Delaware. That was on Jan. 30, 1856. Before then Clayton was called Stallings Station.

The post office was located a little east of the town and was known as "Gully's Store." When the town was incorporated (April, 1869), the post office's name was changed to Clayton, too.

Town's First Booster

Ashley Horne, who was once an unsuccessful candidate for Governor and who later became state senator, was one of the first people to boost Clayton.

After the Civil War, Horne came home to find that some of Sherman's men were occupying part of his farm. Horne went right ahead and built a fortune from the unoccupied portion (and two horses that he stole one dark night from Sherman's guards in Raleigh). His son, Charles Horne, later became associated with him and at one time the two Hornes owned a large part of Clayton. They also held interests in many firms throughout the state.

Horne's mansion still stands on Main Street and is now used as a residence and rooming house. It was one of the first houses in this part of the country to have screen wire and people came from miles in

their buggies just to see this "spectacle."

The first school was established in Clayton in 1853, but only one session was held due to the unpopular teacher. He wore "store clothes and a silk beaver hat." In 1855, school began again with another teacher. Around 1900, the school term was seven months a year.

During two months of summer, the school was operated something like college today—only a little cheaper. The students got dormitory rooms for \$8. for the two months. Tuition was from \$3 to \$6, depending on the course. Elocution, bookkeeping, and music were among the courses offered.

Some of the firms that began around the turn of the century and that are still in business are: J. G. Barbour & Son, 1882, Clayton Cotton Mills, 1900, and Clayton Oil Mill, 1903. (Clayton Cotton Mills has become Clayton Spinning Co. and Clayton Oil Mill is now Central Oil & Milling Co.)

J. G. Barbour & Sons has since been incorporated. Two of the grandsons and one great-grandson still own and operate the business.

"Actually the firm began before 1882," said Swade E. Barbour, one of the grandsons. "J. G. Barbour operated a country store near Clayton. It was a general store located about five miles southeast of here. He moved to this location in 1882."

Once the richest small town in the world, Clayton's wealth is now divided more equally among everyone due to the "Great Depression" and high corporation taxes. To quote from the Raleigh Evening Times of April 22, 1907, "Today this thriving little town stands forth, financially, of all the cities in the United States, it having been shown by United States statistics that there is more money per capita in Clayton than any city its size in the world. The city has ten large corporations, none of which failed to pay a dividend of less than eight per cent last year. The cotton lands are said to average a bale and a half to the acre and 10,000 bales were sold last year."

At this time (1907), the tax rate was 25 cents on the hundred compared to the still

low rate of \$1 to the hundred today. The town boasted of a Pythian orphanage (1909), tobacco market, watermelon market, and a cotton market.

However there were not any public utilities. The question of public utilities was being debated in 1909, according to Talton, but as of that date, no decision had been reached. Streets were looked after by taxation and convict labor.

The watermelon market was at its height around this period and some 105 carloads were exported each season.

Cotton was the main source of revenue. This is still true today, as practically every business in town is either wholly or for a large part dependent upon cotton.

Today, there are three cotton mills, a cotton seed oil mill and a cotton broker's office in town, plus numerous cotton gins in and near Clayton. Cotton can be grown, ginned, bought, sold, processed, spun, knitted, and then sold as merchandise. Cotton seed can be processed for its many by-products.

The three mills and oil mill employ approximately 780 persons per year.

Churches, Schools Grow

Clayton churches have grown in membership and in plants. There are five denominations within the city limits and several rural churches with large memberships within a short radius of the town.

From the "one-teacher school" in 1853, Clayton now has facilities for about 850 white and 750 Negro pupils.

The white school has a new industrial arts building, new gym, and four new classrooms complete with a teacher's lounge. Just completed, the plant is of a modern one-story structure.

The Negro plant, like the white, is located away from the old buildings. It is a high school only, with gym, agriculture shop and classroom, home economics room, library, science lab, five classrooms, music room, book storage, First Aid room, teacher's lounge, and a general room. The plant

October 14, 1915

no headline

A 750 watt electric light now shines forth from the top of the water tank, 150 feet from the ground, and at night can be seen for many miles in every direction. The lamp was put in place Tuesday, and was lighted Tuesday night. The work was done by Mr. T. Miller White, superintendent of the water and light department. It is quite a neat job and will serve will as an advertisement for the town, as it can be easily seen from every approach to the town.

November 11, 1915

Mrs. Joe Tisdale Dead - did not copy

The Clayton News

THE CLAYTON NEWS

W. S. PENN, - - EDITOR AND PUBLISHER

CLAYTON, N. C., Dec. 18, 1913

"Entered as second-class matter September 1, 1911, at the post office at Clayton, N. C., under the act of Mch. 3, 1879."

ISSUED EVERY THURSDAY.
Price. . . . 50 Cents per Year

LIGHTS TURNED ON.

The last work that marked the completion of the city's lighting plant was finished Wednesday, and just at dark the current was turned on in full for the first time. And the transformation that was wrought turned the night into dazzling brightness, which will remain the normal condition of our streets for time to come. The last work was finished Wednesday, all the street lamps having been put in place, and the business houses and a lot of the residences already wired in readiness took advantage of the first night, and the entire city took on a changed appearance.

Around the depot for several blocks there is an uninterrupted glow of brilliant light that has turned the streets into a transformed highway, shining and illuminated with all the wizard effects of the electric current, while Main street for a distance of several blocks has taken on a similar brightness.

The system of lights that has been installed here is of the very best and most modern type, and the entire system has been pronounced practically perfect.

The water works and sewer system have been completed for some time, and a number of the people are now enjoying these modern improvements.

It is quite a nice gift that our city fathers have turned over to the city, just at Christmas time.

To the mayor and the honorable board of aldermen and their efficient and faithful secretary and treasurer we extend the thanks of the entire city for the good they have accomplished.

Rev. C. W. Robinson to New Charge

Rev. C. W. Robinson, who for the past three years has been pastor of the Methodist church in Clayton, was appointed, by the Conference which closed last week to serve during the coming year the Jonesboro circuit, in the Fayetteville district. Mr. and Mrs. Robinson left for their new home Wednesday. During his stay here Mr. Robinson has made a great many friends, not only in his church, but all over the city in every denomination. He takes with him the good wishes of all for

Clayton got its electric lights 75 y

By CALVIN EDGERTON
Herald Staff Writer

We take our brightly lit Christmas trees and our illuminated avenues for granted this time of year. But an event that occurred in Clayton 75 years ago this week reminds us that it hasn't always been this way.

The Clayton News reported in its December 18, 1913 edition that "the last work that marked the completion of the city's lighting plant was finished Wednesday, and just at dark the current was turned on for the first time."

Clayton's residents had enjoyed "water works" and a modern sewer system for several years, but had not been given the privilege of electric lights, except those folks who could afford an expensive gasoline-powered generator.

"The transformation that was wrought turned the night into dazzling brightness, which will remain the normal condition of our streets for time to come," The Clayton News said. "The last work was finished Wednesday, all the street lamps having been put in place, and the business houses and a lot of the residences already wired in readiness took advantage of the first night, and the entire city took on a changed appearance."

The News described the magnificent glow that all at once engulfed a town that had previously known only darkness at night: "Around the depot for several blocks there is an uninterrupted glow of brilliant light that has turned the

streets into a transformed highway, shining and illuminating with all the wizard effects of the electric current, while Main Street for a distance of several blocks has taken on a similar brightness."

The reporter took note that "the system of lights that has been installed here is of the very best and most modern type, and the entire system has been pronounced practically perfect"—and added that "it is quite a nice gift that our city fathers have turned over to the city, just at Christmas time."

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Electric Christmas lights were a common thing by 1938, but some Johnston County people lived by attitudes and philosophies that folks in our day might think belonged in the Dark Ages.

The Christmas season had taken hold in Smithfield in December 1938, but an old argument about whether or not movies should be shown in local theaters on Sundays did its best to prevent the seasonal peace on earth, good will toward men.

The issue was brought up by local theater owner H.P. Howell and became so intense by the middle of the month that the Town Board called a special meeting just to hear the pros and cons. Supporters of both sides of the issue met at the Courthouse on a Friday evening for a tense discussion that ended with the Town Board's calling for a referendum on the matter.

Sunday movies had never been shown in Smithfield, so local folks had no idea what it was like to spend a couple of relaxing hours on a Sunday afternoon at the local theater. An old state law passed in 1845 had prevented all kinds of things on Sundays, and the Town Board had passed an ordinance in 1937

specifically outlawing movies. Mr. Howell had tried his best to change the law several times.

Of course, Mr. Howell argued in favor of Sunday movies. The Herald reported that the following arguments were forwarded by Mr. Howell: there were Sunday movies in other towns near Smithfield; his business has been falling off because local people are going to Raleigh and other towns to see Sunday movies; and "he feels that it is not wrong to show pictures on Sunday, at least no worse than other things that are legally permitted."

N.C. Shepard spoke in favor of Sunday movies, noting "that there is a difference of opinion among intelligent Christian people as to what is right or wrong to do on Sunday." He said he saw "no harmful effects in Sunday movies."

The Rev. J.J. Boone, pastor at Centenary Methodist Church, declared that he must be against a "movement detrimental to a holy day." He said he had been criticized for being a liberal in his attitude toward certain secular institutions, including the movie theaters, "but to the observance of Sunday as a holy day he is naturally definitely committed," the Herald reported.

Mr. Boone called Sunday movies and liquor stores "twin sisters" because they are usually found in the same counties in Eastern North Carolina. The pastor declared that attending movies on Sunday was "undesirable" and read a letter from a citizen of Rich Square describing some of the problems that town was having with Sunday movies.

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USE A CLASSIFIED AD . . .
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Clayton got its electric lights 75 years ago

ALVIN EDGERTON
Herald Staff Writer

Our brightly lit Christmas streets are illuminated avenues at this time of year. But an event occurred in Clayton 75 years ago that reminds us that things have always been this way. The Herald News reported in its 18, 1913 edition that "the event that marked the birth of the city's lighting plant occurred Wednesday, and just at that moment was turned on for the first time."

Residents had enjoyed candles and a modern sewer system several years, but had not had the privilege of electric light those folks who could not afford a private generator.

Information that was needed the night into brightness, which will be a normal condition of our time to come," The Herald said. "The last week of Wednesday, all the streets having been put in the business houses and residences already wired in took advantage of the first time the entire city took on a new appearance."

It described the bright glow that all at once overtook the town that had previously been in darkness at night: a depot for several blocks of uninterrupted glow of light that has turned the

TWO-MINUTE TIME CAPSULE

streets into a transformed highway, shining and illuminating with all the wizard effects of the electric current, while Main Street for a distance of several blocks has taken on a similar brightness."

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The Rev. C.L. Gillespie, pastor of Smithfield's First Baptist Church, said the merits or demerits of Sunday movies was not the real

issue. He asked: "Do we in Johnston County want to save the Sabbath observance or do we want to throw everything wide open?"

Mr. Gillespie said that a vote against Sunday movies would be hypocritical if the town doesn't also "go back and rub out some marks that have already been made." He didn't explain what those "marks" were.

The Town Board figured the best way to settle this potentially explosive issue was to allow the voters of Smithfield to decide it at the polls. And, to keep public money out of the squabble, Mayor W.J. Huntley and the rest of the board agreed to finance the referendum out of their own pockets.

On January 10, 1939, 670 of Smithfield's concerned citizens cast their vote. The population of Smithfield was much less than it is today and the Herald called 670 a "majority of voters." When the smoke cleared and the votes were counted, Sunday movies were defeated by 74 ballots.

"Mayor Huntley said he considered the issue settled at least for the next two or three years," the Herald said. "There is already an ordinance against Sunday movies so there will be no further action by the board."

★ ★ ★

This week's trivia question: Smithfield's famous Hastings House hasn't always rested on the banks of the Neuse River. Where was its original location?

Answer to last week's question: Benson and Smithfield were considered in 1967 as possible sites for the filming of "The Ballad of the Flimflam Man," which starred George C. Scott and Mordecai Jones, the flimflam man. Producers eventually decided to shoot the movie—based on a book by North Carolinian Guy Owen—in Kentucky.

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10:00 a.m. - 5:00 p.m.

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Clayton News *December 13, 1988*

Clayton 'lighting plant' operational 75 years ago

The last portion of providing lighting in Clayton occurred 75 years ago this month as street lights powered by electricity became a reality.

The Clayton News of Thursday, Dec. 18, 1913 reported in an editorial that when turned on, "... the transformation that was wrought turned the night into dazzling brightness, which will remain the normal condition of our streets for time to come."

Barker Edwards, who with his wife Judy, have been restoring a house on Front Street, brought copies of this article to the town council at the last meeting. He mentioned his home had gas light lines still in place, and he has completed work on them so they are operational.

He is an employee of Carolina Power & Light Company.

The editorial, probably written by W.S. Penn, editor and publisher of the newspaper then, was titled, "Lights turned on," and follows in its entirety:

The last work that marked the completion of the city's lighting plant was finished Wednesday, and just at dark the current was turned on in full for the first time. And the transformation that was wrought turned the night into dazzling brightness, which will remain the normal con-

dition of our streets for time to come. The last work was finished Wednesday, all the street lamps having been put in place, and the business houses and a lot of the residences already wired in readiness took advantage of the first night, and the entire city took on a changed appearance.

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Panel passes on its toughest question

By KARIN SCHILL

STAFF WRITER

RALEIGH — Clayton Mayor Doug McCormac had hoped that the state would finally do something about the municipal debt and high electric rates that continue to burden Clayton and 50 other North Carolina communities.

But a panel investigating how — or whether — to open North Carolina's electric markets to competition is skirt-
ing the \$5.5 billion municipal debt issue in its recommendation to lawmakers in May, saying the matter is too controversial.



Treasurer Boyles offered his solution.

Some now predict that the General Assembly also will find the problem too hot to handle and that the 51 cities will be left out of the future deregulation plan altogether.

"I don't know if we can come up with a resolution," Sen. David Hoyle, a Gaston County Democrat and co-chairman of the panel, said Wednes-

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Mr & 23 2003

ELECTRICITY

CONTINUED FROM PAGE 1D

day. "This issue is a mess."

Hoyle and co-chairman Rep. Ronnie Smith, a Carteret County Democrat, presented their 29-member commission with a revised document Wednesday that postpones until 2001 a recommendation on how to handle the cities' debt. The group is expected to vote on the plan at its next meeting April 3.

A final recommendation will be sent to the legislature in early May, capping three years of meetings, studies and negotiations over how to introduce customer choice to the state's electric ratepayers.

The commission expects to meet again next summer and fall to continue to discuss the debt issue, but Hoyle offered no guarantees that it will be able to craft a solution.

State Treasurer Harlan Boyles said Wednesday he hopes the group's final recommendation will be changed to include language on the debt.

"It is my hope and my plea," he said. "It is important that they go ahead and address this."

The 51 cities amassed nearly \$6 billion in outstanding bonds after investing in expensive power plants Carolina Power & Light and Duke Power built two decades ago. The initial debt of \$2.2 billion nearly tripled over the years due to a series of refinancings and other fiscal decisions the state approved, but which some critics say have been imprudent.

Today the liability stands at \$5.5 billion, counting for one-third of North Carolina's public debt.

There is concern that unless the debt is resolved the cities might default on their bond payments if electric competition is introduced and their customers flee to other, cheaper providers.

Boyles, who is leaving his position as overseer of the state's finances at the end of this year after 23 years in office, offered the deregulation panel his solution to the problem Wednesday.

Boyles' proposal mirrored those presented last fall by the state's leading power companies and a group known as North Carolina Coalition for Customer Choice in Electricity. Those plans called for the divestiture of the cities' power assets, but suggested that the cities should have the option to "buy back" their distribution systems.

Ratepayers throughout the state would be paying a surcharge to help retire the remainder of the debt.

The panel chairman's recommendation that the municipal debt issue be avoided for now came as a relief to officials with ElectricCities, the power cities' trade organization. ElectricCities has insisted that the cities not be forced to sell off their power distribution systems.

The systems have provided jobs and revenues in towns during most of this century, and a number of communities want to keep it that way. Without a concession from those cities, however, Hoyle said his panel was unable to go forward with a recommendation. The General

Assembly is unlikely to approve a surcharge on all state ratepayers to bail out the cities unless they agree to sell off their power assets.

"Not knowing what's going to happen to you puts you on edge," McCormac, the Clayton mayor, said in a telephone interview. "We would have liked to see this handled a little more expeditiously."

Marshall Lancaster, who served as the executive director of ElectricCities between 1972 and 1978, said allowing the cities to craft their own solution might prove a good idea. Now an energy consultant, Lancaster recently wrote a report for The John Locke Foundation arguing that the cities' financial situation is not as dire as some have suggested.

"There is no evidence that other retail customers somehow owe a bailout to the municipal systems," Lancaster said.

Meanwhile, some cities are starting to voice their dissent to ElectricCities' position that their distribution systems be taken off the table.

"It's a head-in-the-sand approach," said Apex Mayor Keith Weatherly, whose town invested in CP&L plants in 1981 and continues to pay more than CP&L's own customers for power. "We want it to be known that there are [cities] out there that are not tied to their systems." Weatherly said. "First and foremost we need to be thinking about our ratepayers."

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How Johnston County Got

If it hadn't been for REA and the organizers of electric cooperatives, many rural North Carolinians would have had to wait a lot longer to have electricity. Before REA, power companies had little interest in extending service beyond main roads. But they quickly moved to take territory when they realized farmers were going to provide service for themselves. One of North Carolina's ablest editors, T. J. Lassiter of *The Smithfield Herald*, recalls how it was in Johnston County. His article, reprinted from his newspaper, was cited at a writers' conference in Raleigh as an outstanding example of how a feature story should be written.

No news story that I covered for the *Herald* in the 1930s excited the people of Johnston County more than the story of a clash between "private power" and "public power." It was told in many installments, from its beginning in the summer of 1935 to its epilogue in mid-winter 1938.

The local issue pitted a private utility against a farmer-controlled cooperative backed by the Federal Government. The antagonists fought over rights to provide rural electrification in the country.

Nationally, "private enterprise" was resisting what it called "socialism." Johnston County became a battleground in a war waged by private power against government entry into the business of extending the benefits of electricity.

In looking back, I see in that conflict evidence of the distrust of "big business" that permeated the political atmosphere of agrarian Johnston County in the Thirties.

By 1950 no county in North Carolina had more miles of rural electric lines than Johnston. This county's rural electrification was provided by Carolina Power and Light Company. And even Johnstonians who had advocated "public power" in the 1930s acknowledged later that the private power company had "done a good job" in extending electric lines to every rural community in the county.

But Carolina Power and Light, controlled from New York in the Thirties by a holding company (Electric Bond and Share Company), had not initiated the movement that brought full-scale

rural electrification to Johnston County. CP&L was prodded by formation of a Johnston County rural electric cooperative encouraged by President Franklin D. Roosevelt's New Deal administration.

President Roosevelt saw rural electrification as a means of "closing the gap" between rural and urban living standards. In 1934 Secretary of the Interior Harold Ickes, carrying out wishes of FDR, proposed rural electrification legislation for adoption by the 1935 North Carolina General Assembly. The General Assembly rejected the proposal from Washington, but adopted legislation of its own creating the North Carolina Rural Electrification Authority and providing for organization of electric membership corporations (cooperatives) in the state. The state REA was to encourage cooperatives, private utilities, and municipalities to build power lines in rural communities.

Suspicious of corporate influence in state government, President Roosevelt didn't rely on states to develop rural electrification. In 1935 he created the federal Rural Electrification Administration by executive order. The federal REA was authorized to lend money to cooperatives for construction of rural lines.

In the middle Thirties private power companies throughout America were reluctant to build rural electric lines except in profitable territory where economic risk would be virtually nil -- thickly populated rural communities. Private power's policy seemed certain to leave many farm families "in the dark" -- families living in remote areas, places away from clusters of rural residences.

To the New Dealers in Washington and also to Populist-minded champions of agriculture in North Carolina, the rural electric cooperative seemed to be the answer to the problem of serving families not fortunate enough to live along main roads where there were many houses.

My introduction to the rural electrification movement came in June 1935.

I was invited to cover a meeting at the Courthouse on June 10. Some 300 men and women from all parts of Johnston County assembled at the Courthouse to hear D.S. Weaver, agricultural engineer at North Carolina State College, explain the Electric Membership Corporation Act passed by the 1935 Legislature. It was an enthusiastic meeting that resulted in creation of a committee instructed to explore ways and means of obtaining rural power lines for Johnston County.

J.W. Woodard of Glendale was elected chairman of the committee. A.F. Holt Jr. of Princeton became its secretary. Other members were the Rev. A.T. Lassiter of Cleveland Township, Bernard Hudson of Meadow Township, Howard E. Mitchiner of Wilson's Mills, and Chester Barbour of Elevation Township.

Later in 1935 a tri-county cooperative was established to develop rural electrification in Johnston, Wake, and Franklin counties. That co-op applied for a loan from the federal REA.

By early spring in 1936, Washington had not acted on the tri-county loan request. Johnston County farmers were restless. They saw no indication that Carolina Power and Light would move rapidly to build rural lines in Johnston County, nor any indication that CP&L would serve a large rural territory. Moreover, they were not satisfied with prospects of getting rural power through the tri-county co-op.

In March 1936, the state REA conducted a survey of prospective rural power users in Johnston County. The survey showed great interest in electrification among Johnston farm families. The tri-county project had called for only 155 miles of lines that would serve 836 customers. Johnston farm leaders wanted a much larger project.

An electric membership corporation for Johnston County only was established in the spring of 1936. It applied for a \$310,000 federal REA loan. Construction of 295 miles of rural lines was contemplated. The cooperative would buy electricity whole-

Rural Electrification

By T. J. L.

sale from Carolina Power and Light and distribute it among farm families at nonprofit rates.

The Johnston County co-op's board of directors included J.W. Woodard (chairman), A.F. Holt Jr. (secretary), Dr. Wade H. Atkinson of Washington, D.C. and O'Neals Township, Ira C. Whitley of Wilson's Mills, A.J. Whitley Jr. of Smithfield, Sneed Sanders of Bentonville and Chester Barbour of Elevation.

Rural electrification had no supporter more enthusiastic than Dr. Atkinson. A successful physician in Washington, he never lost touch with his home county of Johnston. And his social conscience showed in more ways than one. He conducted free health clinics for the people of O'Neals Township where he owned farm land. And he performed without charge many a tonsil and adenoid operation in Northern Johnston. He was full of the New Deal spirit, and he maintained a lasting faith in the electric membership corporation's capacity to provide rural power for Johnston County with federal REA aid. When conflict arose between the private power company and the farmer-controlled co-op, he was a fiery and unyielding fighter on the side of "the people" against "corporate interest." He remains one of the most memorable Johnston County personalities I ever knew.

Dr. Atkinson and his associates on the co-op's board of directors were elated when Washington in late May 1936 gave its promise that the Johnston County REA loan application would be approved. The directors were informed that \$80,000 would be provided for the first phase of the project. The first phase called for construction of 78 miles of rural lines.

The prospect for rural electrification in Johnston County looked bright.

But the co-op was soon to encounter trouble. Carolina Power and Light began working up rural power projects in the county, sending representatives

through the countryside to sign up prospective users of electricity. A bitter struggle for "territory" ensued. CP&L's leadership was strongly opposed to public power. It championed private enterprise and detested "socialized power." The company saw a threat to its philosophy in Johnston County.

Carolina Power and Light's activity in Johnston County infuriated directors of the rural electric co-op. They were convinced that the power company was a johnny-come-lately trying to break the back of the co-op by promising quick service to "the cream" of customer potential. That meant leaving "skimmed milk" to the co-op, which needed a good deal of the fat to survive.

The co-op's directors also suspected that Dudley Bagley, head of the state REA, was encouraging Carolina Power and Light to undermine the co-op's project. It was a suspicion deeply resented by Bagley, who insisted his objective was to obtain more rural power lines, no matter who provided them. He had many friends who were willing to vouch for his honesty.

In the summer of 1936, a news story in The Raleigh Times sent the anger of the co-op directors to boiling point. The directors felt the news story created an impression that Washington had forsaken the Johnston County co-op. The story noted that only \$80,000 for 78 miles of lines had been promised by the federal REA. The co-op's directors read into the story a hint that no more money would be forthcoming from Washington for rural electrification in Johnston.

The co-op directors let me know they suspected Bagley had "planted" the story carried by the Raleigh paper. They emphasized they had been assured by Washington that the full \$310,000 for 295 miles would be forthcoming.

The co-op directors responded to the Raleigh Times story by writing Bagley a strongly worded letter. In it, they

"wondered" whether the head of the state REA was "serving" the power company.

The letter to Bagley was released to the press. The Smithfield Herald gave it prominent display on its front page.

Dudley Bagley, a likeable man who had come to Raleigh from an agricultural background in Northeastern North Carolina, was furious when he received the letter.

In Smithfield one day, he came into the Herald office and asked: "Did you publish that letter I got from the co-op?" We told him we did.

"You'll be hearing from me and my lawyer," he exclaimed, leaving the Herald office in a hurry.

We did hear from Bagley and his lawyer, Carroll Weathers of Raleigh, later to become dean of the Wake Forest Law School. They came to the Herald office together. Weathers did most of the talking. He was polite. He prefaced his conversation by saying some kind things about my lawyer brother who practiced in Raleigh. Then he came to the point. "That letter you published and your story along with it contained serious charges against Mr. Bagley," he said.

Bagley and Weathers did not ask for a retraction of the story. What they wanted was publication of Bagley's reply to the co-op directors - Bagley's denial that he was serving the private utility or giving it preference over the co-op in the controversy over who would provide rural electric lines in Johnston County. They requested publication of Bagley's reply in the same prominent front-page position given to the co-op's charges.

It was a fair request. In keeping with the Herald's policy to give voice to all sides of disputes, we agreed to comply.

"Your headline didn't reflect accurately what was in the letter to Mr. Bagley," Weathers said.

While I pondered my lesson in journalism from a lawyer who later was to run a law school, the battle

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between the co-op and the power company over territory raged on.

By August 1936, the federal REA had granted the full \$310,000 for the Johnston County project. The co-op's directors reassured the people that the fight to save the government-backed project would continue.

But the odds were mounting against the co-op. Handwriting was even on the wall. The CP&L had been moving fast. By the end of August, it had completely blocked the co-op out of the southwestern sector of the county (all area to the west of the Smithfield-Benson highway and south of the Clayton-Smithfield highway). Moreover, CP&L was making inroads elsewhere in the county.

Still the co-op was determined not to give up the fight. In October 1936, it let a contract for construction of the first 78 miles of lines included in its 295-mile project.

The week that work began on the co-op's project, however, became a turning point in the dispute. CP&L obtained a temporary order restraining the co-op from further construction of lines. The power company alleged that the co-op "was about to duplicate services" already provided by private power.

The co-op struck back. It obtained an order temporarily restraining the power company from further construction of rural lines in Johnston County. At that time, J.W. Woodard continued to serve as chairman of the co-op's board and A.F. Holt Jr. was still its secretary. There were two new members of the board, however. G.T. Scott of Selma and J.L. Lee of Meadow had replaced Ira C. Whitley and Chester Barbour.

The co-op won a decision in the Superior Court, but construction of all lines was held up pending outcome of the power company's appeal to the State Supreme Court.

Meanwhile, CP&L proposed a compromise. It promised to build "all feasible lines" and to reimburse the co-op for expenses incurred in proceeding with its project. The co-op directors said, "No deal."

On June 30, 1937, the State Supreme Court upheld the co-op's right to construct electric lines. But a few days later (on July 8) the co-op's

board, in a decision that surprised many Johnstonians, voted 4-2 to abandon its project and let CP&L take over its territory. The power company had made a proposal agreeing to construct 325 miles of lines. Atkinson and Holt were the directors who voted against it.

The federal REA then stepped into the thick of the controversy. It opposed letting the co-op's agreement with the power company become effective before farmers of the county could be given a hearing.

On July 28, 1937, John M. Carmody, federal REA administrator, came to Johnston County surrounded by legal aides and advisers. He appeared at a widely advertised meeting of farmers in the Courthouse. Governor Clyde Hoey, whose sympathies lay with the power company, was invited to attend the meeting, but he declined the invitation.

At the Courthouse meeting, speakers sympathetic to the co-op were cheered loudly. When Carmody called for a show of hands indicating whether the farmers wanted the co-op to provide them electricity, all the people assembled did not respond. But 200 hands went up in favor of the co-op. Only six hands showed opposition.

In a subsequent communication, Carmody's office declared that the co-op board's agreement with the power company was illegal.

Some Johnston County farmers responded to that support from Washington by obtaining a court order in August temporarily restraining CP&L from carrying out its agreement with the co-op. But Superior Court Judge Henry A. Grady denied a permanent injunction, and the power company was free to construct rural power lines in Johnston County. The last-ditch defenders of the co-op appealed to the State Supreme Court. The high court handed down its decision on February 2, 1938. It dismissed the action to block the agreement between CP&L and the co-op.

The same week the Smithfield Herald announced that Carolina Power and Light had already strung between 350 and 400 miles of lines in rural Johnston. That accomplishment by CP&L was only a beginning. Hundreds of additional miles were to be strung. Johnston County was destined to lead the state in rural electrification.

Defenders of the power company have maintained that Johnston County would have received full rural electrification from CP&L had there been no co-op threatening its territory. But many Johnstonians through the years have remained steadfast in belief that the county became a beneficiary of FDR's New Deal that prodded overly cautious and reluctant private power to fulfill needs of the people that might have been ignored for years.

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