

PUBLIC SERVICE COMMISSION

The policy of endeavoring to effect rate reductions through informal negotiations has been continued and extended by The Public Service Commission, acting in conjunction and harmony with People's Counsel Joseph Sherbow, and the wisdom of this course of procedure has been amply demonstrated by the accomplishments thereunder. Where preliminary studies of the Commission's staff indicates the possibility of a rate reduction, informal negotiations are entered into with the utility, and the Commission and People's Counsel endeavor to have the utility representatives agree to a reduction which, in the light of the Commission's investigation, is thought to be reasonable and proper. This method has many advantages, the principle one being that, where agreement can be reached, the saving to the rate payers is made promptly, and long drawn out, costly litigation is avoided.

In 1939, a reduction of more than \$1,000,000, a year for the gas and electric customers of the Consolidated Gas Electric Light and Power Company of Baltimore was obtained by the Commission and People's Counsel Sherbow, which, together with other reductions elsewhere in the State secured in the last two years, has resulted in a continuing saving of more than \$1,350,000.00 a year for Maryland users of gas and electricity. In addition to these reductions, charges for telephone service have, in the same period, been reduced more than \$50,000.00 per annum by various rate changes which have been effected.

Through the active efforts of the Commission and the People's Counsel, the extension of electric service in the rural districts of the State has been pressed during the period, with very gratifying results.

During 1939 over 550 miles of electric lines were constructed and, while the exact figures for 1940 are not yet available, the indications are that this figure will be exceeded for that year. Figures compiled by the Commission as of June 30th, 1940, showed that 16,500 farms in Maryland were receiving electric service.

The extension of telephone service has also proceeded, at an accelerated pace, during these years. Last year a survey was made to determine those communities in the State of Maryland which were without telephone service. It was found that there were fifteen places without service. Already, telephone facilities have been provided to ten of these communities, and arrangements to give service to three others have been made. Negotiations are under way looking to the extension of service to the two remaining places, and with the cooperation of the prospective customers, it should be possible to bring this about. Rural lines have been extended over 200 miles during the two years.

The quality of the telephone service in the rural sections and in small communities has also been improved by various means, including the reduction of the number of subscribers on some lines and the changing of many rural lines from magneto to common battery operation.

The Commission and People's Counsel have under way at this time preliminary investigations of several utilities and it is their purpose to endeavor to effect any reductions which may be indicated following the completion of its studies, through the conference method. In each case the utility has indicated its willingness to meet with the Commission and People's Counsel in an endeavor to work out a satisfactory settlement.