

## A STORY OF PRIVATE INITIATIVE AND LOCAL CAPITAL

## Chapter II

## "THE LAKE COUNTY EXPERIMENT"

TWENTY-ONE YEARS ago a group of public utility pioneers headed by Mr. Samuel Insull began an experiment in northern Illinois. Their laboratory was Lake County. Their materials were twenty-two towns scattered along the lake shore north of Chicago.

Many of these communities numbered no more than 300 families. Twelve of them had no electric service of any kind. The other ten had electric service of a sort. Service began at five o'clock in the evening—six hours later it stopped. Generating plants were locally owned and financed. They were located in makeshift buildings and coal was stoked by hand. When the weather was bad, customers got out their oil lamps. They knew better than to expect electricity.

It was the aim of the public utility pioneers to supply a higher type of service by centralizing the production of electricity required by these towns. They wanted not only to improve the service rendered the ten communities already receiving electricity. They wanted also to extend service to the twelve communities that had no service of any kind.

Extreme measures were adopted. The ten neighborhood electric plants that had been supplying ten of the towns were purchased. They were abandoned within a short time. To replace them, what was then a gigantic new electric plant had been erected near Lake Michigan. Tons of copper wire were strung on wooden poles to carry the current from the central electric plant to the twenty-two communities. Little substations were built along the way. It was a costly undertaking. Most

people shook their heads and predicted failure.

But here is what happened: Within two years, the ten villages that had formerly been getting six-hour service—as well as all but two of the other twelve towns that had had no service of any kind—were receiving electricity twenty-four hours a day. Up to the attic went the old oil lamps.

During these same two years, the users of electricity doubled. And because of quantity production, fuel costs at the generating station were lowered 70%. Other operating costs were reduced 84%. Customers received electricity at lower rates than ever before. More important still, there was money to pay interest on new capital for bettering service and expanding facilities.

The success of this Lake County Experiment demonstrated new electric light and power possibilities in suburban and rural areas. To repeat the original experiment on a grander scale, four relatively small electric and gas companies in northern Illinois combined in August, 1911, to form the Public Service Company of Northern Illinois. During the next few years, 18 additional locally-managed utility companies merged with it. The haphazard part-time service they had been supplying became reliable twenty-four hour service. Rates were lowered several times.

How the Lake County Experiment led to the development of a "superpower network" in northern Illinois and the extension of electric service to an ever-widening area will be told in next week's story.

### PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS

*This is the second of a series of stories chronicling the development of the Public Service Company of Northern Illinois and the service it is bringing to the area into which Chicago is growing*

TWO DECADES IN THE SERVICE OF NORTHERN ILLINOIS