

# The WHY of the New Gas Rate

The Public Utilities Commission of Illinois, has authorized an increase of 20c per thousand cubic feet in this company's gas rates, making the net price \$1.50 to \$1.25 effective December 1, 1920.

Particularly in these days when the public sees many prices declining we wish to give the information necessary to an understanding of why gas rates are increased.

For a considerable time the gas rate has not been high enough to meet the enormous increases in the COST of producing and delivering gas. During this time the company has been engaged in the effort of meeting these high costs by means of the only possible remedy—higher rates.

The cost of producing and delivering gas has not gone down. It remains at the highest point in the history of the industry.

Because our costs have been high and remain high relief could not longer be delayed if good service was to be continued.

As we have many times stated to the public, gas rates are determined by the actual cost of supplying gas to the consumers' homes, plus a fair rate of depreciation and earnings based on the actual fair value of the property employed in the service.

The Commission's temporary order fixing the new rate reads in part, "that the present schedule of temporary rates now in force is insufficient, that it does not permit the petitioner to earn enough to pay operating expenses and taxes, and, in addition thereto, allow enough for depreciation and yield a fair return upon the very lowest value which it is possible to place upon the property of the petitioner for rate making purposes."

The Company's main valuation case is pending before the Commission and is to be decided at an early date. Pending that decision this temporary order was issued, owing to the Company's critical financial condition.

The total increase that the Company has received from time to time by orders of the commission is now 46% over pre-war rates.

The public is fair when it has the facts to deal with. We believe you will agree that the gas rate increase is not excessive in view of the fact that coal and oil are more than 100% higher than pre-war prices.

According to statistics of the Bureau of Labor, the average rate of railway freight rate increase over pre-war rates is 81%; many commodities remain from 100% to 200% higher. These are comparisons but the continuing high prices of coal, oil and labor are responsible for our 46% increase to date.

The new temporary rates effective December 1, 1920, are—

## CUBIC FEET CONSUMED PER MONTH

300 OR LESS  
 FIRST 5,000  
 NEXT 5,000  
 NEXT 10,000  
 NEXT 10,000  
 OVER 30,000

## RATE PER 1,000 CUBIC FEET

NET \$0.50  
 GROSS \$1.60 NET \$1.50  
 GROSS \$1.55 NET \$1.45  
 GROSS \$1.50 NET \$1.40  
 GROSS \$1.45 NET \$1.35  
 GROSS \$1.35 NET \$1.25

The public has always shown its willingness to pay fair prices for good service,—they have always demanded GOOD service,—nothing less.

Our standard of Service is high and we shall make every effort to continue this high standard.

# North Shore Gas Company