

## MAKES ANNAL REPORT TO WINNETKA COUNCIL

(Continued from Page 3)

13. The operating ratio for the electric utility (i. e. ratio of operating expenses to gross revenue) for the past year was 51%, including an allowance of 10% of gross revenue for taxes which would have been paid by a private utility. Operating ratios as high as 70% are not unusual for electric utilities.

A summary of the financial facts relating to the electric department for the past ten year period was made during the year for the information of the Council which showed the following facts, for the ten year period ending March 31, 1928:

Total gross revenue.....	\$1,883,057
Total operating expense .....	843,580
Net Revenue .....	\$1,039,477
Regular dividends .....	230,974
Operating surplus .....	808,503
Surplus used for construction .....	499,715
Surplus used for special dividends .....	225,000
Surplus at end of period .....	197,140

The foregoing figures show that the municipally owned electric utility has paid in dividends to the General Fund during the past ten years a total of \$455,974 which amount has been spent by the Council for public improvements which could not otherwise have been provided except by the issuance of bonds or an increase in the tax rate. These improvements may be summarized as follows:

New Village hall .....	\$247,000
Improvement of Chestnut court .....	15,000
Village Service yard .....	81,000
New Fire station .....	40,000
Public Benefits and Improved Village service .....	72,974
Total .....	\$455,974

That the foregoing surplus earnings of the electric utility are not wholly due to the present difference in lighting rates in Winnetka, as compared with the territory served by the Public Service Company is shown by the fact that until January 1st, 1924, our rates were practically the same as those of the Public Service Company. On January 1st, 1924, the Public Service residential lighting rate was reduced about 10% below ours, and on May 1st, 1926, was again reduced, so that since that date the lighting rate has been approximately 18% below ours. This difference applies only to lighting and not to power service. From the foregoing, it will be seen that a considerable portion of the surplus earnings of the plant were accumulated during the period of rate equality. An estimate has been made of the effect of this differential on earnings, and it is believed that the reduction in the present surplus would not be more than \$125,000.

The present earnings of the electric utility now appear to justify a reduction in lighting rates to approximately the same level as those of the Public Service Company, and a study of the rate situation and a report to the Council was made during the year, recommending a revised rate schedule to achieve this result.

During the year the electric department continued the good record of the previous year with reference to freedom from serious service interruptions, and such minor interruptions as occurred were handled promptly by the distribution and plant departments and service was resumed with a minimum of inconvenience to the customers. It is believed that the record of the department, both as to continuity of plant operation and freedom from distribution trouble, compares very favorably with general public utility practice. Continuous electric service is becoming more and more important with the increased use of electric energy for other purposes than for lighting, such as for the operation of house heating appliances, refrigeration equipment, elevators, etc.

While no serious interruptions in plant operations have occurred in recent years, it should be realized that with an isolated generating plant, the possibilities of some unforeseen contingency which might cause prolonged interference in electric service, cannot be eliminated. In the case of an electric utility system, where several independent plants are tied together by transmission lines, a shutdown of a single station is not serious; this safeguard is not present in the case of our

plant, and even with best of equipment and operating care, the possibility of a major accident is always present. For this reason, and because of the increasing dependence of uninterrupted electric service, it is recommended that serious consideration be given to the provision of the necessary cable and transformer equipment which would make it possible to secure an emergency temporary supply of energy from other electrical systems in the vicinity of Winnetka, without now actually making a physical connection with such lines; if this procedure is felt by the Council to be contrary to the established policy of the Village and unwise, consideration should then be given to the feasibility of an alternate plan of providing complete duplicate mechanical and electrical equipment at the plant, sufficiently independent to be unaffected by a major accident.

The department continued during the year to keep a close supervision on voltage regulation and accuracy of consumers' meters, keeping well within the standards established by the Illinois Commerce Commission for electric utilities.

As an added service to our consumers, there was installed at the plant during the year the necessary equipment to provide mathematically accurate control of current frequency, permitting the installation of electrically operated and regulated clocks by consumers, for the purpose of receiving observatory time service from the power station. These clocks have been placed on sale at the Village office, and a considerable number of them have been installed by consumers, with apparently good satisfaction.

## Prize Cast to Present Play, "The Undercurrent"

With the cast which won first prize in the recent amateur contest of the Chicago Drama league, "The Undercurrent," a one act play, will be given for Evanston townspeople and Northwestern alumni as a part of the closing ceremonies of alumni day, Saturday, June 16. The play will be presented in Annie May Swift hall, on the university campus, at 7:30 p. m.

"The Undercurrent" was written by Mrs. M. H. Ehlert, wife of the Chilean consul in Chicago, while she was a student in the school of speech at Northwestern university. It was produced by the Northwestern University Playshop and won a cash award of \$500 and a silver loving cup when it was given at the Goodman theater.

Mrs. Ehlert's play will also be presented at the Palace theater the week of June 24.

Mrs. William Peterson, 733 Elm street, and her small niece, Chrystal Beall, left last Sunday for a trip to northern Michigan to visit Mrs. Peterson's parents, Mr. and Mrs. J. W. Beall, at Trayeres City.

## Gen. Dawes to Judge World's Fair Posters

Vice-president Charles G. Dawes will be one of the judges in the international poster competition which the president and trustees of the World's fair have announced to artists and designers.

The competition, open to artists all over the world, will be for the best posters illustrative and indicative of the coming World's fair. Specifications demand that no posters shall exceed 18 by 24 inches nor have more than eight colors. They must be indicative of the Chicago World's fair in 1933 and of the city of Chicago in that year. The competition will be open until Sept. 15, 1928, in the Americas, and until Sept. 1 in Europe. Posters shall be sent to the director of the Art institute, Chicago. Prizes will be \$1,500, \$500, \$250, \$150 and \$100.

## AL LEAVES NORSHORE

Al Kvale, popular leader of the jazz collegians at the Norshore during the last year, is moving to the Oriental Sunday to take charge of Paul Ash's merry-mad gang.



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