

A Statement to Our Consumers

REGARDING GAS RATES

We are filing with the Public Service Commission a petition for authority to increase the present rate of gas in Hammond, Whiting and East Chicago, in such an amount as will mean for the average family an increase in their gas bill of about 80 cents per month, or $2\frac{2}{3}$ cents per day, and while the extra cost to each consumer will be very small, the total sum will provide sufficient revenue to permit us to meet the present increased cost of manufacture, distribution, taxes and fixed charges that under existing rates our revenue is not sufficient to take care of.

In comparison with the increased monthly cost of food, clothing and practically everything required in the home, the increased cost for gas is but a very small item, in fact gas is the cheapest article entering the home. During the past three years practically every other city in the State of Indiana has added substantial increases to their gas rates. In some cities the rate for gas has been increased two and three times, so there can surely be no criticism by our customers that we have not been patient and carried all of the burden for the past three years instead of passing it on to them. We can no longer carry it and now must ask for and have relief.

The time has come when we cannot meet the changed conditions without additional revenue. The cost of gas is absolutely beyond our control and depends entirely upon the prices we are compelled to pay for materials and labor required to produce it.

Our deficit in this district without any increase in our rates for this year will be over \$185,000.00.

Every fair-minded person can therefore readily see that we have no choice but to increase our rates to a point that will permit us to exist and furnish you the service you should have.

During these times of high prices for all the necessities of living, we have no disposition to increase our rates one penny more than we are forced to do to maintain service.

As an illustration of how costs are continuing to advance, there has very recently been an increase of about 7 cents per gallon over 1919 prices of gas oil, and 9 cents increase per gallon over 1916 cost. About three and one-half gallons are required to manufacture a 1,000 feet of gas. This in itself adds something like 24 cents per thousand cubic feet increase for this year, over last year, and 32 cents per 1,000 cu. ft. over 1916 for cost of oil alone, in addition to which there will be substantial increases in taxes, due to the operation of new tax law, higher costs of coke and coal, higher cost of freight and other items that assure a greatly increased manufacturing cost over last year.

The new rate we are asking the Public Service Commission to approve for such time as present excessive price conditions continue is \$1.40 per thousand cubic feet, which, as before stated, means for the average family but about 80 cents per month increase in their gas bill, and unless the company is allowed this reasonable increase in its rates it will be impossible for it to finance the large expenditure required for its plant to meet the expansion that is taking place in this district and provide the service you should have. It is our intention that the proposed rate shall only continue during the present period of high costs and is not a permanent rate.

The Public Service Commission from an investigation of our books and accounts will determine what it is actually costing us to manufacture and distribute gas in this district and the public can be assured that no higher rate than is actually required to operate and maintain the property will be allowed, nor do we desire any greater rate.

Very respectfully submitted,

MORSE DELLPLAIN,

Vice-President.

Nor. Ind. Gas and Electric Co.