

To the People of Omaha:

The officers of the Omaha Electric Light and Power Company have remained silent during the past year and a half while its rates and affairs were under investigation, but now that the City government has taken an important step which vitally affects the rights and property of this Company the time has come for a frank, open statement to the public.

By the word "public" is meant the people of Omaha who are honestly and unselfishly opposed to unreasonable rates or to any imposition on the users of electrical energy in Omaha, but who are at least willing that the Company shall be dealt with justly. This statement is not addressed to any persons or faction who hope to profit politically by a loud propaganda against a public-service corporation.

Prior to August 12, 1915, the differences between this Company and the Mayor and City Commission had reached the point of litigation and on this date the Commercial Club of Omaha tendered to the City and to this Company its good offices for peace. The Club's proffer was accepted by both parties. The Special Committee was composed of the following well known citizens:

Mr. J. A. Sutherland, Chairman,
Mr. F. A. Brogan,
Mr. F. J. Farrington,
Mr. George H. Kelly,
Mr. F. S. Knapp,
Mr. T. J. Mahoney,
Mr. J. L. McCague,
Mr. F. H. Myers,
Mr. H. A. Thompson,
Mr. W. S. Wright,

The ability, standing and independence of the Committee members was beyond question. On every hand was testimony that they were unselfish, unbiased and without political or ulterior motives. Hence it was that the Company willingly placed before them, without concealment, change or modification, every record and fact covering the entire period of the Company's life and touching the value of its property for rate-making purposes.

The Committee devoted eighteen months of time to the preparation of its report and findings and was assisted by a corps of experts of national reputation and unquestioned character.

The Committee in its report found against the Company's contention that all of the present revenue was necessary for an adequate return on the investment and recommended to the City Commission that the Company's earnings should be decreased in the sum of \$80,000 per year. As to some of the conclusions set forth in this report in support of this reduction the Company is not convinced.

But the ruling recommendation of the report is clear and vital. Read it:

"It must be said, however, that the Company cannot afford to do business on the basis we are now suggesting, if there is to be a continuance of the litigation over the right to carry on all classes of business in the city of Omaha, nor, if the company is to be compelled to meet the competition of any other plant established within the city of Omaha and seeking the same business. Our recommendation is based on the supposition that both parties to the controversy will accept the recommendation which we have made, and that all disputes which have existed up to date will be thereupon terminated, so that the Company may be able to reduce its expenses to the basis of the adjusted expenses upon which we have based our report."

For the Company to accept this loss and reduction in its revenues on the basis of no litigation and freedom from unjustifiable attack is one thing, but to accept the reduction and continue to bear the burdens of litigation and confiscatory assaults is quite another thing.

The investigating Committee has outlined an honorable compromise, in which Omaha shall contribute the fair dealing which should prevail among honorable men, while the Company is to prove its fairness by reducing its rates. That is the spirit and the letter of the recommendation.

If this Company could know that both the officials of the City and the people generally are satisfied to accept that recommendation aid the action of the public officials thereon as a fair and just settlement of all controversies, we would assume full compliance with the terms of the new arrangement.

A matter of far greater civic importance than the rate reduction is the efficient lighting of the streets and highways of the City. For years, and continuing to the present time, miles of thickly populated yet nightly darkened and unilluminated territory have been offering tempting inducements to criminals and adding enormously to the burdens of a capable police force. In residential sections hundreds of men and women have to carry lanterns when they go out to visit nearby neighbors after nightfall.

The lighting system of the city is not a system. Everyone who lives here and every visitor who stays here over night knows it. The Company has long been willing to do much more than its share in modernizing the street illumination, although its proposal will require of it an additional investment of about \$100,000, for which it is not to be compensated by any additional street-lighting revenue. One of the Commercial Club Committee's experts stated to the Committee that the price paid by the City to the Company that the price paid by the City to the Company for the insufficient lighting now provided was \$25,000 per annum less than the City should pay. That was not news to the Company. The statement of the expert was much too conservative. And yet, because the Company desires to do its full share in the betterment and upbuilding of Omaha it has proposed to give to downtown Omaha a modern, slightly and highly-efficient system of illumination, and in addition to provide for the unlighted and dark places ten hundred and seventy additional high-candle-power lamps; and all for the same sum of money now paid by the taxpayers for the present lighting service.

The City Council has approved a street-lighting contract with this Company covering a period of five years. Opposition to this contract has been suggested. The opposing proposal is made that the City should hold on to and, if possible, enforce the six cent rate ordinance, (which the opposition concedes to be low) but to deny to the Company any contract right to the street-lighting market for electricity. The suggestion is made that without a contract for street-lighting between the City and the Company the City would be in a position to and should take over this market for electricity and establish destructive and coercive competition; or, if not to establish it, to retain it as a continuing threat against the security and investment of the Company.

If, as the Company assumed, there has been a settlement and compromise of all these matters, based upon the Commercial Club Committee's report, the contention referred to would, if it became effective, nullify every element of compromise and peace. The extremely low rate recommended by the Commercial Club Committee report and adopted by the Council would thus be imposed upon the Company without the slightest regard for the harmonizing recommendation of the Committee, which has formed the basis of all agreements between the Council and the Company.

Those who oppose this settlement present a contention which is so evidently unfair that it must surely fall—even without its being pushed. As has been pointed out by the Council the existence of this short-term contract can at no time stand in the way of the City's condemning and taking possession of the Company's property—which action would terminate the contract. It is not contended that the price for street-lighting is unreasonable. The objection is against the elimination of an advantage or threat which the enemies of the Company could use to the detriment of its stockholders.

This Company is confident that it can serve Omaha in the matter of lighting and power at rates so low as to completely satisfy every fair customer, if the people will extend to it co-operation instead of opposition. And if threats against the Company's credit shall disappear this Company will then have opportunity to do what it wants to do—devote its undivided energy to such "public service" as must meet with the continuous approval of the entire community. Nothing less than the best possible practice will satisfy us. We want every customer to be a contented customer and to that end we shall strive without ceasing.

It should be definitely borne in mind that the Company's thought and the action by the City Council on rate reductions and on the street-lighting contract are harmonious. The rate reduction and the street-lighting contract are inseparable, if it is certain that such peace as that outlined by the Commercial Club Committee is actual. But if the efforts of the Commercial Club Committee and the City Council are to be at naught and the street-lighting contract shall fail to become immediately effective, then we shall all be where we were more than a year ago.

If the good people of Omaha desire peace (and we believe they are weary of personal politics we offer them the vastly-greater and more efficient street-lighting service which is their most pressing municipal and individual need, and with it we combine a rate-reduction schedule which will give everyone of our twenty-seven thousand customers a New Year gift that will increase in value through the years to follow.

If war is to continue we cannot afford to make the rate reduction that would otherwise become effective next January.

This Company is a public servant. It wants to be a good servant. It asks no praise. It desires the friendship of those whom it serves. It welcomes legitimate criticism. It is ever an unwilling litigant.

The determination of whatever matter may now be at issue is in the hands of the people of Omaha.

Geo. H. Harries,
President.