

File No. 24027 Continued.

Water Company. Each revision shall take effect from the day of said Commission's consent thereto."

With this contract in force the Roland Park Water Company on November 29th, 1919, wrote the Mayor and City Council of Baltimore that they (the Water Company) had filed with the Public Service Commission a schedule of 50% increase in their prevailing water rates, and that according to this schedule the charge to the city for the use of hydrants, would be \$37.50 per hydrant, instead of the contract price of \$25.00.

The letter of the Water Company then says,-

"We will assume that the filing of this schedule will be regarded as a 'petition' to change the fire hydrant rental, and if you desire a formal hearing before the Commission, we shall be glad to arrange for it at any time that will suit your convenience."

It has been suggested that this new schedule would affect the price which the City would be required to pay the Roland Park Water Company in the event this property should be taken over. This is probably true, but the immediate question before me is the effect of their letter of the 29th upon their contract with the City.

In my judgment the letter of the 29th is not a sufficient compliance with the terms of the contract. It is evident from the agreement that both parties contemplated that the Public Service Commission would be the judge of the reasonableness of any proposed increase. Under the method adopted by the Water Company the Public Service Commission, has no knowledge of the reasonableness vel non of this schedule.

The rates set forth in the schedule, automatically become effective no matter how great the increase might be, and the only redress available is an investigation of the condition of the company by the Commission, which will only be made upon proper demand.

If it had not been contemplated by the parties to the agreement that the matter of a raise in rental be brought formally before the Commission under the existing law, the clause in the contract quoted above, is entirely unnecessary.