

And which is proceeding—

will provide greater predictability in pipeline cases, making prolonged and expensive litigation unlikely, except in cases raising novel questions.

And the Committee on Rulemaking itself, in its report adopted by the entire Conference, had this to say:

The beneficial aspects of prompt settlement of rate cases are obvious. The primary dangers involve the possible sacrifice of the public interest in order to avoid formal proceedings or to make a paper record of accomplishment. On balance, the committee is impressed with the possibilities of the use of settlement procedures in connection with rate filings and suspensions, and urges that agencies make more extensive use of this technique as a method of reducing the volume of formal actions the agency must process as a result of suspensions. Of course, the agency must make it perfectly clear to all interested persons that if complaints are filed against rates accepted after settlement negotiations, such competitive use of settlement techniques include, one, submission of detailed information in support of rate filings.

This we require.

Two, vigorous staff participation during the early stages of a case.

This is the uniform practice.

Three—

Mr. Moss. Would you repeat that, please? I did not get it.

Mr. SWIDLER. The second requirement is vigorous staff participation during the early stages of a case.

I interpolated that this is the uniform practice.

Three, the early designation of a presiding examiner and the effective use of conference procedures.

I interpolate, our regulations have been amended to provide for extensive use of prehearing conferences and for the early designation of the presiding examiner.

Finally, the existence of sufficient guidelines so that a settlement can be built on expectations concerning ultimate agency decision.

And we proceed, case by case, to narrow the area of doubt.

Now, this represents the studied appraisal of objective experts not trying to help and not trying to hurt, but just to report the facts to the Administrative Conference.

As the summary statements that I read make clear, the pipelines had accumulated so much in the way of rate suspensions that it was impossible for them to show firm financial figures. It impaired their ability to finance. This unquestionably has been of great help in enabling the Commission to work out its settlement program on a firm basis. I do not say that settlements this favorable can always be worked out. What I do say is that the Commission has been alert to take advantage of the fact that the pipelines for reasons of their own were willing to settle on a fair basis.

The next item that Mr. Morgan complains about is that we have not yet changed the Commission rule on the treatment of liberalized depreciation. There is a history on this problem. A long time ago, the Commission decided that it wanted to review the precedents and we selected a case as a vehicle for doing so, the Alabama-Tennessee case. Hearings—oral argument, rather, was ordered in the Alabama-Tennessee case on this one issue.