(The information requested by Senator Cannon follows:)

FLORIDA POWER & LIGHT CO.,
Miami, Fla., June 12, 1967.

Hon. HOWARD W. CANNON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CANNON: This letter is written in compliance with your request concerning the rate reductions included with my testimony on the 8th day of June before the Senate Commerce Committee.

You will recall that I testified our company had made ten rate reductions in the last ten years, amounting to some $46,000,000 per year. Individual reductions were as listed below.

Date	*Amount of annual reduction*
Apr. 22, 1957	$1,128,000
Aug. 26, 1957	3,597,000
May 26, 1959	2,864,000
Apr. 1, 1960	200,000
Jan. 1, 1961	6,256,000
May 1, 1964	10,000,000
July 1, 1964	242,000
Feb. 1, 1965	3,742,000
Jan. 1, 1966	9,500,000
Jan. 1, 1967	8,722,000
Total, 10 reductions	46,251,000

If there is any other information you need please let me know.

I want to again thank you for the opportunity to testify before the Committee.

Yours very truly,

ROBERT H. FITE,
President and General Manager.

[From the Congressional Record, Feb. 28, 1967]

THE IOU OVERCHARGE

Mr. METCALF. Mr. President, a principal inflationary cost in millions of family budgets is the overcharge in the electric bill.

This extra consumer cost is not generally recognized, for several reasons.

First, there is a lack of understanding of monopoly pricing. The IOU's—investor-owned utilities—rates are not established in the market place. To determine whether a utility charge is excessive you compare the "allowed" rate of return established by a State regulatory commission with the actual rate of return earned by a utility. Few utilities earn only the "allowed" rate. Utility overcharges in many cases are increasing even though the rates are decreasing because of the sharply decreasing costs of producting and distributing electricity, thanks to interconnections, nuclear generation, larger plants, technological developments and because of the failure of State regulatory commissions to regulate.

In 1946 the return on invested capital of the investor-owned utilities was 5.6 percent. The IOU's averaged 6.2 percent return on invested capital during the 1959–63 period, according to Edison Electric Institute, the IOU trade association. The 35 principal electric utilities, which account for about two-thirds of the industry's profits, averaged an 11.4 percent return on invested capital in 1965, according to Fortune. The electric utility rate of overcharge is increasing more than the bank rate of interest is increasing.

A second reason for the lack of general understanding of utility overcharges is the misleading advertising and public relations program of the investor-owned utilities. The utility promoters have done as much for the managers—if not the customers—of the IOU's as Samuel Insull did when he invented State regulation of electric utilities and had his people help write the laws which make regulation ineffective.

Because of this misleading advertising, financed with customers' money:

First. The growing overcharge in electricity bills is believed to be the biggest bargain in the family budget;