



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-178356

40155
October 31, 1973

Mr. Earl Duffel
United States Department of Agriculture
Office of Budget and Finance
Central Voucher Payment Center
Post Office Box 60800
New Orleans, Louisiana 70160

Dear Mr. Duffel:

This is in response to your letter of March 29, 1973, and subsequent correspondence, requesting our decision as to whether certain bills for services provided by the Iowa Electric Light and Power Company (hereinafter referred to as Iowa Electric) during the months of January and February 1973, in the amount of \$80,112.27 may be certified for payment.

The record shows that on November 20, 1958, the Agriculture Research Service of the United States Department of Agriculture and Iowa Electric executed Contract No. 12-14-100-2948(45). By the terms of this contract Iowa Electric agreed to furnish its services to the Animal Disease Research Laboratory at Ames, Iowa, at rates provided therein. After execution of the contract, the State legislature created a commission to regulate public utilities and pursuant to this authority rate increases were effected. Iowa Electric contends that the higher rates granted by the Commission supersede the contract rates and has requested payment in accordance with the increased rates.

Generally, rates fixed by contract between a public utility and a consumer are subject to State legislative regulation and can be superseded by a schedule of rates established by the legislature or a commission that has been delegated this regulatory power. See Midland Realty Co. v. Kansas City Power and Light Co., 300 U.S. 109 (1937); 27 Comp. Gen. 500, 502 (1948) and cases cited therein; and 29 C.J.S. Electricity § § 30 and 31.

In the absence of any indication in the record that the new rates are unjust, unreasonable or discriminatory, we do not object to payment for these services at the new rates prescribed by the regulatory authority. 27 Comp. Gen. 580, supra.

Sincerely yours,
[Signature]

Paul S. [Signature]

For the Comptroller General
of the United States

[Payment of Bills for Electric Service]

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