Text as published on gao.gov, https://www.gao.gov/products/b-139348, archived 2026-09-02. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-139348, May 12, 1959

Number: B-139348

Date: 1959-05-12

B-139348, MAY 12, 1959

FRANKLIN FLEETE, GENERAL SERVICES ADMINISTRATION:

REFERENCE IS MADE TO YOUR LETTER DATED APRIL 10, 1959, FORWARDING A COPY OF THE SUPPLEMENTAL MEMORANDUM OPINION AND THE ORDER OF JUDGE JOSEPH L. CARTER IN THE CASE OF WILFORD T. MCQUAID, PEOPLE'S COUNSEL, ETC. V. STANFORD HOFF, ET AL., CONSTITUTING THE PUBLIC SERVICE COMMISSION OF MARYLAND AND BALTIMORE GAS AND ELECTRIC COMPANY, CIRCUIT COURT NO. 2, BALTIMORE CITY, MARYLAND.

PARAGRAPH 5 OF THE ORDER DIRECTS THE BALTIMORE GAS AND ELECTRIC COMPANY TO ACCOUNT FOR, AND REFUND TO ITS CUSTOMERS, ALL MONIES COLLECTED FROM ITS CUSTOMERS WHICH REPRESENT RATES FOR SERVICES PREDICATED UPON THE ILLEGAL INCLUSION IN ITS RATE BASE OF $32,200,000 OF PROJECTED ADDITIONS TO ITS UTILITY PLANT, AND DIRECTS THE PUBLIC SERVICE COMMISSION OF MARYLAND TO DIRECT THE MANNER AND FORM IN WHICH THE SAID REFUNDS SHALL BE MADE. YOUR LETTER STATES THAT SINCE THE UNITED STATES GOVERNMENT IS A SUBSTANTIAL CONSUMER OF THE SERVICES OF THE COMPANY, IT WILL BE ENTITLED TO A SUBSTANTIAL REFUND.

IT IS OUR UNDERSTANDING THAT BILLINGS AND PAYMENTS UNDER THE CONTRACTS IN QUESTION ARE MADE DIRECTLY TO AND BY THE INDIVIDUAL CONSUMING AGENCIES INVOLVED. IF AND WHEN THE ORDER OF THE COURT BECOMES FINAL, IT IS POSSIBLE THAT THE MARYLAND PUBLIC SERVICE COMMISSION MAY DIRECT REFUNDS TO BE MADE IN THE FORM OF CREDITS AGAINST CURRENT BILLINGS.

ALTHOUGH WE HAVE NO REASON TO BELIEVE THAT REFUNDS WILL NOT BE MADE IN THE PROPER AMOUNTS IN ONE FORM OR ANOTHER, WE BELIEVE IT WOULD BE DESIRABLE FOR THE CONSUMING AGENCIES INVOLVED TO BE ADVISED OF THE AMENDED RATE SCHEDULES WHEN THEY ARE FILED, AND THE PERIOD DURING WHICH IMPROPER RATES WERE CHARGED, SO THAT THOSE AGENCIES WILL HAVE A BASIS FOR CHECKING THE ACCURACY OF THE REFUNDS. IF SUCH INFORMATION IS NOT GIVEN CONSUMERS BY THE MARYLAND PUBLIC SERVICE COMMISSION, WE BELIEVE IT WOULD BE DESIRABLE FOR GENERAL SERVICES ADMINISTRATION TO FURNISH IT TO THE CONSUMING AGENCIES.

REFUNDS OF OVERPAYMENTS OF THIS NATURE SHOULD, STRICTLY SPEAKING, BE CREDITED TO THE APPROPRIATION FROM WHICH THE OVERPAYMENT WAS MADE. HOWEVER, IN VIEW OF THE PROBABILITY THAT REFUNDS TO INDIVIDUAL USING AGENCIES WILL NOT BE IN LARGE AMOUNTS, IT WOULD APPEAR TO BE IMPRACTICAL TO REQUIRE SUCH ADJUSTMENTS BETWEEN APPROPRIATIONS.

WE THANK YOU FOR CALLING THIS MATTER TO OUR ATTENTION, AND IF ANY PROBLEMS ARISE WE SHALL BE GLAD TO GIVE WHATEVER ASSISTANCE WE CAN IN THEIR SOLUTION.