

**THE ANNUAL REPORT
OF THE
MISSOURI
PUBLIC SERVICE COMMISSION
1979-80**



Missouri Public Service Commission

Area Code 314
751-3234

P.O. BOX 360
JEFFERSON CITY
MISSOURI 65102

Commissioners:

CHARLES J. FRAAS

Chairman

LEAH BROCK McCARTNEY

LARRY W. DORITY

STEPHANIE A. BRYANT

JOHN C. SHAPLEIGH

HARVEY G. HUBBS

Secretary

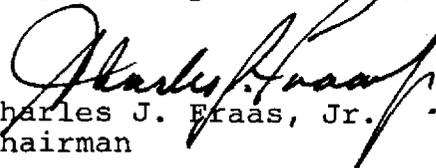
KENT M. RAGSDALE

General Counsel

TO: The Honorable Christopher S. Bond,
Governor of the State of Missouri
and
The General Assembly of the State of Missouri

On behalf of the Missouri Public Service Commission, I
submit to you its annual report for the fiscal year of July 1,
1979 through June 30, 1980.

Respectfully submitted,


Charles J. Fraas, Jr.
Chairman

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OPENING STATEMENT

The Missouri Public Service Commission (PSC) was established in 1913 to ensure that privately owned utility monopolies, such as gas, electric and telephone companies, charge fair prices and offer safe and adequate service to their customers. The Commission also regulates bus, truck and rail industries that also operate in an atmosphere of limited competition.

The PSC not only regulates investor-owned electric, gas and telephone companies, it also regulates mobile telephone, water, sewer, steam companies and mobile home and recreational vehicle manufacturers and dealers. The Commission has limited authority over electric cooperatives in the area of safety but does not determine their rules or rates.

The PSC does not regulate services provided by city and county governments, water and sewer districts and transportation authorities.

Also the PSC is limited in its jurisdiction to the intrastate operations of the companies it regulates. Interstate activities of those companies are subject to federal regulation.

The Commission is comprised of five Commissioners who are appointed by the Governor with the advice and consent of the state senate to six year terms or the unexpired term of the person being replaced. The Governor also names the Commission's Chairman.

The Commission employs a staff of about 250 people, including lawyers, accountants, economists, engineers, hearing reporters and staff support personnel.

COMMISSIONERS

ALBERTA C. SLAVIN

Commissioner Slavin was appointed to the Commission by Governor Joseph P. Teasdale on July 8, 1977, and served through August 22, 1977.

Due to difficulties with Senate confirmation, Governor Teasdale again appointed Mrs. Slavin to the Commission on November 22, 1977 and she was sworn in November 23, 1977 followed by confirmation by the Senate on January 9 1978. Governor Teasdale named her Chairman of the Commission on July 31, 1979.

Before her appointment to the Commission, she was president of the Utility Consumers Council of Missouri, a consumer organization which represents residential utility customers in cases before the Commission.

Chairman Slavin serves on three committees of the National Association of Regulatory Utility Commissioners - the Executive Committee, the Communications Committee, and the Ad Hoc Committee on National Energy Legislation. She also serves as a member of the Consumer Affairs Advisory Committee to the Department of Energy.

LEAH BROCK McCARTNEY

Leah Brock McCartney was the first black to serve on the Commission when her nomination was confirmed in 1977. That wasn't the first time McCartney was first.

She was the first black woman to graduate from the George Washington University Law School with a juris doctor degree. Even while working full-time, she managed to graduate in three years with the highest grade-point average in her third year class.

Mrs. McCartney was the first woman municipal judge of record in Missouri. A resolution from the Missouri Senate commends her for being the first woman to sit on the bench, whether by election or appointment.

Of all of her achievements, however, Mrs. McCartney is most proud of an award from the citizens of Kinlock thanking her for bettering their city while she was municipal judge.

Commissioner McCartney serves on the 24-member National Mobile Home Advisory Council of the Department of Housing and Urban Development and is a member of the National Association of Regulatory Utility Commissioners.

Commissioner McCartney is a Democrat. Her term expires May 22, 1983.

CHARLES J. FRAAS

Charles J. Fraas, Jr., was appointed to the Commission by Governor Joseph P. Teasdale in 1977, and served as chairman until 1979.

Just before joining the Commission, Fraas was Associate County Counselor for Jackson County. For more than five years he served as Chief Warrant Officer for the Jackson County Prosecuting Attorney's Office. He was a law clerk to a United States Appellate Judge immediately after graduation from law school, and was engaged in private practice prior to becoming an assistant prosecuting attorney.

Fraas received a bachelor's degree in history from Rockhurst College in 1958, and a juris doctor degree from the University of Missouri - Kansas City Law School in 1964.

Fraas serves on the Executive Committee, the Committee on Engineering, and the Ad Hoc Committee on the National Energy Act of the National Association of Regulatory Utility Commissioners.

Fraas is a Democrat. His term expires May 7, 1983.

LARRY WAYNE DORITY

When Larry DORITY was unanimously confirmed by the General Assembly in the spring of 1979, the 27-year-old Springfield Republican became the youngest person ever to serve on the Public Service Commission.

Dority graduated with honors from Drury College distinguishing himself in economics and business administration.

Dority received his law degree from the University of Missouri - Columbia in December, 1975, and was a member of the Springfield law firm of Bussell, Hough and O'Neal. He is a member of the Committee on Motor and Air Carriers and the Committee on Communication of the National Association of Regulatory Utility Commissioners.

Dority is the only Republican on the Commission. His term expires April 15, 1985.

STEPHANIE A. BRYANT

Stephanie Bryant became the second black and the fourth woman to be appointed to the Public Service Commission. She was the last appointment Governor Teasdale made to replace the last of the Commissioners who had been named by previous administrations.

The 29-year-old Kansas Citian had been involved in government and business-related fields before coming to the Commission. She is a graduate of Central Missouri State University. She served three years with the Kansas City Council acting as liaison between the council and citizens. Just before coming to the Commission Ms. Bryant was an area sales supervisor for the Helping Hand of Goodwill Industries.

Ms. Bryant has served as treasurer of the board of directors of IMPACT, a housing redevelopment agency; a member of the board of governors of the Citizens Association; a member of the Citizens for Educational Equality; the Spirit of Freedom Fountain; and the NAACP.

She is presently a member of the NAACP and the National Association of Regulatory Utility Commissioners.

Ms. Bryant is an independent. Her term expires April 15, 1981.

UPDATE ON COMMISSIONERS

Since preparation began on the Annual Report for 1979-80, some changes have occurred that affect the makeup of the Commission.

On January 22, 1981, Commissioner Charles J. Fraas, Jr., was named to replace Commissioner Alberta C. Slavin as the Chairman of the Commission. Commissioner Slavin, whose term had expired, subsequently resigned effective February 6, 1981.

On January 23, Governor Christopher S. Bond appointed John C. Shapleigh, a 31-year-old St. Louis attorney, to fill the vacancy brought about by the expiration of Slavin's term. Shapleigh was subsequently confirmed by the State Senate on February 11 and sworn in as a Commissioner on February 17.

Prior to joining the Commission, Shapleigh was a law clerk for the Consumer Protection Division of the Missouri Attorney General's office, a counsel to the Governor of Missouri, and an attorney with Lewis, Rice, Tucker, Allen and Chubb law firm in St. Louis.

Shapleigh has served on many committees of the Metropolitan Bar Association of St. Louis, Missouri Bar, American Bar Association and International Bar Association. In 1979 he received the President's Award of the Missouri Bar. He also serves as Chairman of the State Administrative Law Committee of the American Bar Association Section of Administrative Law and as Reporter to the Select Committee of the Missouri Bar studying the proposed new rules of professional conduct.

In 1972, Shapleigh graduated with senior year honors from Dartmouth College. He received his law degree from the Washington University School of Law in 1976 where he was an editor for the Washington University Law Quarterly.

Shapleigh presently serves on the Committee on Administration of the National Association of Regulatory Utility Commissioners.

Shapleigh is a Republican. His term expires on April 15, 1985.

UTILITIES

Much of the work done by the staff of the Public Service Commission deals with the regulated electric, gas, telephone, water and sewer companies. The activities of the various groups that work with the regulated utilities are coordinated by the director of the Utilities Division.

The activities of those working in the Utilities Division are described in the following pages under the Electric, Natural Gas, Telephone and Water and Sewer titles. There also is an additional section describing the support services that provide assistance to those throughout the Utilities Division.

ELECTRIC

The Public Service Commission is responsible for regulating the safety, service and rates of the privately-owned utilities within the state. Staff personnel specializing in all utility management disciplines, from forecasting future demand to the fine details of nuclear power plant construction, contribute in the effort to meet the public's need for electric power and to ensure adequate amounts of that power are safely delivered at a reasonable price.

In 1979, the state's 11 regulated electric utilities provided over 30 billion kilowatt-hours of electricity to their customers.

In the last fiscal year, the Commission decided a number of major electric company cases and a decision by the Missouri Supreme Court also had a dramatic effect on both the Commission and the electric companies. Those decisions are explained in the following pages.

Also provided in this section is a listing of the regulated electric companies, their annual sales and number of customers, and the electric rate cases decided by the Commission in the last fiscal year.

FUEL ADJUSTMENT CLAUSE

A fuel adjustment clause allows utilities to automatically pass-on to customers any changes in the price of fuel from its fuel suppliers. In 1974, the Public Service Commission authorized the state's electric utilities to apply the fuel adjustment clause to residential and small commercial customers (they had previously charged it only to large industrial customers). But, on June 29, 1979, the Missouri Supreme Court disallowed the fuel adjustment clause and ruled that the Commission did not have statutory authority to grant any rate increases to electric companies without a full hearing.

As a result of the court's decision, the Commission directed its staff to audit all funds collected through the clause. The staff also developed a plan, with the cooperation of the Office of the Public Counsel and the utilities, to allow fuel costs incurred prior to the court ruling to be rolled into basic rates.

On October 19, 1979, the Cole County Circuit Court ordered the state's major electric utilities to refund approximately \$14 million collected through a surcharge to the fuel adjustment clause during 1976 and 1977. In addition, the court ordered the companies to add 6 per cent interest to the refund.

Now fuel costs can be passed on to the customer only after the company files a formal rate increase request with the Commission and hearings are held. The Commission in its report and order will then decide how the added cost of fuel should be handled.

For the Commission, the decision means electric companies will probably have to file for increases on an annual basis as long as the inflationary spiral continues.

PURPA

The Public Utilities Regulatory Policies Act (PURPA) was passed by Congress in November of 1978 to encourage conservation of energy, efficient use of utility facilities and ensure equitable rates.

PURPA requires all utility regulatory agencies to review 11 rate and regulatory guidelines. Each commission has the option of deciding whether the standards are appropriate for adoption in its state. However, if a commission decides one or more of the standards is not appropriate, it must provide the reasons why.

The Missouri PSC held hearings and considered comments on four of the five PURPA regulatory standards. They were: master metering, consumer information, termination procedures and advertising. Consideration of the fifth standard, automatic adjustment clauses, was moot as a result of the Missouri Supreme Court decision that held such clauses to be invalid.

The six ratemaking standards suggested under PURPA are considered by the Commission on a case-by-case basis as utilities request rate increases. In October, the Commission staff received a \$179,875 grant from DOE to gather the data needed to discern what effect experimental rate designs would have on Missouri customers. The Commission has applied for a grant to develop innovative rate designs which would encourage use of renewable resources.

PURPA rate guidelines cover cost of service, declining block rates, time-of-day rates, seasonal rates, interruptible rates and load-management.

In addition, the Commission must consider whether lifeline rates, which would provide minimum essential utility service to indigent customers, should be implemented by utilities.

NECPA

NECPA is the National Energy Conservation Policy Act of 1978--an effort by the federal government to slow down the drain on scarce energy supplies.

One section of the act requires all electric utilities with annual sales in excess of 750 million kilowatt-hours and gas companies with sales in excess of 10 million mcf, to offer residential conservation programs.

Many costs of such programs will be borne by the consumer. Federal guidelines require that administration, public relations, billing and financial costs be charged to all customers. In addition, costs for the installation of conservation measures or construction is to be paid by the individual. However, the utility will help by arranging for loans which can be paid back in monthly installments with the customer's bill.

The state utility regulatory body--in Missouri's case the PSC-- has the responsibility for determining how the costs of the residential conservation program will be allocated. In August, 1979, the Commission initiated an investigation into cost allocation and asked the state's major electric companies for their suggestions.

The Department of Natural Resources has developed a proposed state conservation plan mandated by the act, which was submitted for Department of Energy (DOE) approval in May.

UTILITY STATE SALES TAX

Effective Jan. 1, 1980, the 80th General Assembly passed a law to exempt from sales tax all sales of metered water and sewer service, electricity, electrical current, natural artificial or propane gas, wood, coal or home-heating oil for domestic use.

This law exempted domestic utilities from the state sales tax, conservation sales tax and local taxes. However, any city or county has the option to reimpose their local sales taxes by providing the Department of Revenue, Business Tax Bureau with an ordinance stating that the city or county wishes to continue their tax.

As of July, 195 cities and six counties chose to reimpose their local sales taxes on utilities.

REGULATED ELECTRIC UTILITIES

<u>NAME OF COMPANY</u>	<u>Kw. HRS. SOLD 1979</u>	<u>Inc. or (Dec) Kw. HRS. Sold FROM PREV. YR.</u>	<u>TOTAL OPERATING REVENUES 1979</u>	<u>TOTAL OPERATING REVENUES 1974</u>	<u>TOTAL NUMBER RESIDENTIAL CUSTOMERS</u>	<u>TOTAL NUMBER OF CUSTOMERS</u>
Arkansas Mo. Power	808,416,681	8,335,650	\$ 58,802,206	11,855,582	22,295	26,222
Citizens Electric Corp.	383,220,899	14,559,695	13,384,311	5,677,096	15,089	16,688
Empire District Electric	1,592,816,794	(23,359,258)	54,717,405	26,807,046	68,682	80,072
Kansas City Power & Light	5,862,045,484	(97,855,934)	256,388,641	126,777,874	201,250	231,293
Missouri Edison Co.	805,464,959	25,233,037	39,886,181	14,662,903	25,767	30,319
Missouri Power & Light	1,651,203,834	12,602,980	92,159,569	33,327,370	78,685	92,189
Missouri Public Service Co.	2,188,589,000	34,743,000	128,942,025	48,815,957	113,060	129,006
Missouri Utilities	796,048,066	7,236,737	59,450,427	16,477,436	44,246	57,560
St. Joe Light & Power	1,029,567,383	(9,295,606)	55,451,405	20,700,304	49,737	56,363
Sho-Me Power Corporation	253,657,502	(1,683,418)	40,592,174	14,193,826	7,194	8,805
Union Electric	<u>14,626,524,000</u>	<u>78,822,802</u>	<u>572,852,400</u>	<u>303,375,303</u>	<u>618,065</u>	<u>689,137</u>
<u>TOTALS:</u>	<u>29,997,554,602</u>	<u>49,339,685</u>	<u>\$1,372,626,744</u>	<u>636,864,523</u>	<u>1,244,070</u>	<u>1,417,654</u>

ELECTRIC RATE CASES DECIDED DURING FISCAL 79-80

<u>Date</u>	<u>Case No.</u>	<u>Company</u>	<u>Requested</u>	<u>Allowed</u>
7/19/ ⁷⁹ 80	ER-79-60	Missouri Public Service Company	\$22,100,000	\$ 1,200,000
9/25/79	ER-79-120	Missouri Edison	3,300,000	1,673,000
12/20/79	ER-80-107	Sho-Me Power (a)	2,214,158	2,214,158
3/18/80	ER-80-204	Kansas City Power & Light (b)	36,100,000	25,000,000
3/20/80	ER-80-30	Arkansas-Missouri Power Co.	5,898,966	3,150,000
4/23/80	ER-80-172	Empire District Electric (c)	11,500,000	7,023,737
4/24/80	ER-80-17	Union Electric Company	52,000,000	20,500,000
4/25/80	ER-80-53	St. Joseph Light & Power	14,735,261	9,000,000
4/30/80	ER-80-24	Citizens Electric	930,000	244,546
5/1/80	ER-80-231	Missouri Public Service Co. (d)	14,250,000	10,250,000
5/29/80	ER-80-83	Sho-Me Power	569,169	104,663
6/19/80	ER-80-48	Kansas City Power & Light	76,400,000	45,700,000

- (a) An interim increase made permanent in the Commission's decision on ER-80-83.
- (b) An interim increase which is included in the \$45,700,000 allowed by the Commission in the decision on the permanent case, ER-80-48.
- (c) An interim increase subject to refund pending the Commission's final decision on the company's permanent request for a \$16.1 million increase.
- (d) An interim increase subject to refund pending the Commission's final decision on the company's request for a permanent \$28.4 million increase.

NATURAL GAS

There are nearly 1,700,000 natural gas customers throughout the state of Missouri. All but 70,000 of these customers buy gas from the 14 investor-owned companies regulated by the Commission.

Nonetheless, the average St. Louis residential natural gas heating customer saw his annual bill increase 42.5 percent from 1978 to 1979. The PSC staff estimates 90 percent of this increase was due to federal regulation and the rest to Commission action.

Since the energy crisis opened the floodgates of federal regulation, the Commission staff spends much time monitoring the state's gas companies to ensure they are in compliance with government guidelines. These pricing regulations are found in Title I of the Natural Gas Policy Act of 1978 (NGPA) in the section dealing with the Purchase Gas Adjustment Clause.

Deregulation of the price of natural gas at the well head, is the federal action that has contributed most to the escalating cost of natural gas. The process of progressively increasing the cost of natural gas began with the Natural Gas Policy Act of 1978 (NGPA). Under the act, all newer wells will be completely deregulated by 1985 so suppliers and producers can recover the expense of exploration and development. Under section 104, the price of natural gas from old, established wells--which account for the vast majority of natural gas Missouri customers buy--will never be deregulated although the price will continue to go up.

NGPA provides for phased deregulation of most newly discovered natural gas by 1985. Title II, the incremental pricing provision of the act, transfers a larger proportion of the higher costs of new gas to large industrial boiler fuel users. The stated objectives of incremental pricing are to partially shelter residential and other high priority users from the full immediate impact of higher gas costs and to mitigate potential disruption in the natural gas market following deregulation.

Under incremental pricing as it currently exists, the cost of natural gas to these large users will be dictated by the price of alternate fuel (high sulfur No. 6 residual fuel oil) instead of costs that result from average cost pricing.

The Commission staff predicts oil prices will begin to outpace natural gas for the remainder of 1980. Because incremental pricing became effective January 1 this year, the price of natural gas will go up along with oil for those industrial users who consume more than 300 million cubic feet per day.

Increases in the cost of natural gas, as in any limited resource, are inevitable. The Commission attempts to keep them to a minimum and ensure that any increases granted are fairly divided between all customers.

One way to ensure each customer pays his fair share of the cost is through rate restructuring. Recent restructuring has resulted in a flattening of rate schedules; that is, customers are charged a per month flat rate per unit of energy used (which encourages conservation) instead of paying progressively less for more consumption through a declining block rate schedule. Large users benefitted from declining block rates. Small users will ultimately benefit from the flattening of rate schedules.

Missouri Power and Light and Associated Natural Gas Company have already undergone rate restructuring to flatten rates. Great River Gas Company and Missouri Utilities restructured their rates during FY-1979-80.

In the following pages is a description of the Commission's Gas Safety Section, a diagram showing the effects of federal deregulation on the consumer's bill, a listing of the regulated gas companies, their total sales and number of customers, and a listing of the gas rate cases decided by the Commission.

SAFETY

The Gas Safety Section conducts routine safety field inspections of the natural gas distribution operators throughout the state to ensure their construction, operation and maintenance programs meet established minimum safety standards. PSC safety engineers inspect 33 municipal systems and the 54 districts within the 14 investor-owned companies.

Any violations of the rules and regulations are reported to the operators, who are then responsible for implementing necessary corrective actions to achieve compliance. Although most enforcement is accomplished on an informal level, the matter may be referred to the Commission and its legal staff for appropriate action if compliance is not achieved in a reasonable period of time. In FY 1979-80 the Gas Safety staff conducted 21 safety field inspections.

All natural gas-related incidents resulting in a fatality, personal injury or property damage in excess of \$1,000 are reported to the Gas Safety Section. Based upon the report received from the operator concerning the incident, the gas safety staff determines whether an on-site investigation is necessary.

Formal natural gas accident reports are submitted to the Commission for approval and release as public information. Follow-up to recommendations contained in these reports is conducted by the gas safety staff. Should sufficient responses not be received from the operator involved, the matters are referred to the Commission and its legal staff for appropriate action.

During FY 1979-80 the gas safety staff handled 21 natural gas-related customer complaints, three of which required field inspections.

The staff was also involved in:

- * a natural gas pipeline map update
- * redesigning natural gas accident report forms
- * writing a consolidated Commission Gas Safety Code, which incorporates all current Commission and federal standards.

* a program to ensure all natural gas distribution operators maintain the entire length of service line from the main to the meter. One company adopted acceptable standards in FY 1979-80 and another is expected to do so in early FY 1980-81.

* technical responses to proposed federal regulations.

LACLEDE GAS COMPANY

A typical residential space heating customer's annual bill:

@ 9/1/78 = \$355.21

@ 9/1/79 = \$506.10

Dollar increase in one year -	\$506.10
	<u>355.21</u>
	<u>\$150.89</u>

Overall % increase $\frac{\$150.89}{\$355.21} = 42.5\%$

Summary of increases by sources:

Missouri Public Service Company =	\$ 14.84	=	4.2%
Federal Agencies (FERC, DOE) =	<u>136.05</u>	=	<u>38.3%</u>
Total Change (increase) =	<u>150.89</u>	=	<u>42.5%</u>

% of Mo.PSC increase & % of FERC to total change:

Mo.PSC =	\$ 14.84	=	9.8%
FERC =	<u>136.05</u>	=	<u>90.2%</u>
Total Change =	<u>\$150.89</u>	=	<u>100%</u>

NATURAL GAS STATISTICS

<u>COMPANY NAME</u>	<u>OPERATING REVENUES</u>	<u>THERMS, CCF'S OR MCF'S</u>	<u>NUMBER OF CUSTOMERS</u>
<u>Laclede Gas Co.</u>			
Residential	\$ 226,478,291	720,234,457 th.	510,595
Commercial & Small industrial	134,975,437	500,989,273 th.	33,744
Large industrial	26,854,127	107,790,348 th.	15
<u>TOTAL</u>	<u>\$ 388,307,855</u>	<u>1,329,014,078 th.</u>	<u>544,354</u>
<u>Missouri Utilities Co.</u>			
Residential	\$ 12,826,924	5,008,804 M.	41,696
Commercial & Industrial	6,430,089	3,062,553 M.	4,425
Interruptible	650,555	405,787 M.	19
<u>TOTAL</u>	<u>\$ 19,907,568</u>	<u>8,477,144 M.</u>	<u>46,140</u>
<u>St. Joseph Light & Power Co.</u>			
Residential	\$ 1,712,051	541,665 M.	3,959
Commercial	1,395,971	498,798 M.	589
Industrial	759,449	280,995 M.	9
<u>TOTAL</u>	<u>\$ 3,867,471</u>	<u>1,321,458 M.</u>	<u>4,557</u>
<u>Rich Hill-Hume Gas Co., Inc.</u>			
Residential	\$ 244,939	85,431 M.	548
Commercial & Industrial	39,741	15,845 M.	30
<u>TOTAL</u>	<u>\$ 284,680</u>	<u>101,276 M.</u>	<u>578</u>
<u>Associated Natural Gas Co.</u>			
Residential	\$ 12,467,936	4,581,341 M.	39,629
Commercial	5,521,111	2,289,166 M.	5,315
Industrial	6,415,531	2,906,256 M.	62
<u>TOTAL</u>	<u>\$ 24,404,578</u>	<u>9,776,763 M.</u>	<u>45,006</u>
<u>Great River Gas Co.</u>			
Residential	\$ 4,159,812	1,755,551 M.	10,555
Commercial	1,404,675	642,297 M.	1,250
Industrial	578,579	267,630 M.	27
<u>TOTAL</u>	<u>\$ 6,143,066</u>	<u>2,665,478 M.</u>	<u>11,832</u>

<u>COMPANY NAME</u>	<u>OPERATING REVENUES</u>	<u>THERMS, CCF'S OR MCF'S</u>	<u>NUMBER OF CUSTOMERS</u>
<u>Missouri Edison Co.</u>			
Residential	\$ 2,187,169	6,197,209 C.	4,946
Commercial	1,100,964	3,644,831 C.	746
Industrial	5,279,714	30,123,923 C.	7
<u>TOTAL</u>	<u>\$ 8,567,847</u>	<u>39,965,963 C.</u>	<u>5,699</u>
<u>Missouri Public Service Company</u>			
Residential	\$ 11,123,304	5,155,904 M.	36,170
Commercial	3,696,801	1,787,788 M.	3,934
Industrial	5,727,662	3,504,293 M.	83
<u>TOTAL</u>	<u>\$ 20,547,767</u>	<u>10,447,985 M.</u>	<u>40,187</u>
<u>Osage Natural Gas Co.</u>			
Residential	\$ 178,757	51,643 M.	575
Commercial & Industrial	102,248	31,409 M.	98
<u>TOTAL</u>	<u>\$ 281,005</u>	<u>83,052 M.</u>	<u>673</u>
<u>O'Fallon Gas Service, Inc.</u>			
Residential	\$ 1,534,780	349,870 M.	2,800
<u>Total</u>	<u>\$ 1,534,780</u>	<u>349,870 M.</u>	<u>2,800</u>
<u>Missouri Power & Light Co.</u>			
Residential	\$ 11,854,923	4,219,951 M.	31,194
Commercial & Industrial	8,448,563	3,619,392 M.	3,582
Inter Dept.	122,725	59,600 M.	1
<u>TOTAL</u>	<u>\$ 20,426,211</u>	<u>7,898,943 M.</u>	<u>34,777</u>
<u>Bowling Green Gas Co.</u>			
Residential	\$ 433,509	163,275 M.	1,166
Commercial & Industrial	195,626	84,724 M.	217
<u>TOTAL</u>	<u>\$ 629,135</u>	<u>247,999 M.</u>	<u>1,383</u>
<u>The Gas Service Company</u>			
Residential	\$ 124,456,555	62,075,193 M.	372,843
Commercial	35,512,416	18,765,997 M.	22,767
Industrial	72,034,709	48,971,371 M.	561
<u>TOTAL</u>	<u>\$ 232,003,680</u>	<u>129,812,561 M.</u>	<u>396,171</u>
<u>Peoples Natural Gas</u>			
Residential	\$ 496,654	156,443 M.	1,217
Commercial	335,007	124,708 M.	221
Industrial	69,671	26,198 M.	4
<u>TOTAL</u>	<u>\$ 901,332</u>	<u>307,349 M.</u>	<u>1,442</u>

NATURAL GAS RATE CASES

<u>Case No.</u>	<u>Company Name</u>	<u>Amount Requested</u>	<u>Amount Granted</u>	<u>Percent of Increase</u>
GR-79-114	Gas Service Company	\$14,237,000	\$2,400,000	1.2%
GR-79-145	Great River Gas Company	432,000	336,155	6.0%
GR-79-61	Missouri Public Service Company	1,400,000	46,096	0.1%
GR-79-270	Missouri Utilities Company	1,740,235	1,636,077	10.3%

TELEPHONE

Missouri's 49 telephone companies serve over 1.9 million customers. In the last fiscal year, 108,044 new stations were installed.

The Commission's Telephone Section primarily is responsible for the review, analysis and processing of all rates and practices implemented by Missouri's telephone companies. When a telephone company submits a proposed change in either its rates or practices, the section's staff prepares testimony detailing the effect on the customers and the company for consideration by the Commission. Based on that evidence and the evidence presented by other parties, the Commission issues its report and order. The staff then verifies that the changes made by the company are in accordance with the Commission's decision.

In the last year, the Commission ordered three telephone companies to reduce their rates. The companies and the amount by which they were ordered to reduce their rates is listed below.

Date	Company	Amount
9-5-79	Continental Telephone	\$311,084
10-31-79	Fidelity Telephone	\$228,000
12-19-79	United Telephone	\$1,317,084

The Telephone Section also handled two telephone company requests for rate increases. The Southwestern Bell Telephone Company requested a \$114.4 million increase and, in March, 1980, was authorized to increase its rates by approximately \$37 million. In April, 1980, the Doniphan Telephone Company, which sought a \$515,700 increase, was authorized to increase its rates by \$390,000.

In addition to supplying rate information, the telephone section also monitors the quality of service and conducts field investigations stemming from complaints and other non-rate related matters.

Innovations in the telephone industry improved service for many customers in Missouri last year. Computerized digital switching in central offices now provides faster and clearer connections throughout most of the state, and computerized directory assistance finds numbers from entire area code regions more quickly.

The use of 911 emergency service continues to expand. The first system was installed in Columbia in 1972 and now a total of 17 cities offer this service.

Rural telephone service continues to improve in Missouri. The Commission has given telephone companies until 1981 to reduce the number of party lines in rural areas. In 1978, 1.9 percent of stations in the state had more than four parties. In 1979, only .9 percent had that many. In a few cases, the Commission has granted a temporary variance from the goal because of the savings that can be achieved if the company has the time to generate the funds internally instead of borrowing funds to make the improvements.

Extended area service, or toll-free calling between exchanges, continues to be a service desired by many customers. Hearings to investigate the feasibility of offering this service were held in eight areas. To provide EAS, the company must install trunk lines and central office equipment between the exchanges involved. Most often the expense of offering the service does not offset the amount saved by a small group of customers.

The Commission's telephone section continues to review rates for improved mobile telephone service, a radio-telephone system by which the customer can place and receive calls from a mobile unit in much the same way as with standard telephone services. In those areas, customers may dial their calls from mobile units instead of using an operator to place the call. There are 18 mobile telephone companies operating in Missouri in addition to the 13 telephone companies that are provided mobile telephone service. There are 2,135 mobile telephones in the state.

Western Union is the only telegraph company offering service to customers in Missouri. Telegram message services, although declining in use, still accounted for 13,995,000 of Western Union's message volume in 1979. Mailgrams, which are delivered by the U.S. Postal Service, are becoming more popular. Last year 37,428,000 mailgrams were sent, compared to 32,696,000 in 1978. Western Union also provides money order service, telex, twx switch record services, and special private service for government and business.

Attached is a listing showing the state's 49 telephone companies, the addresses of the main offices and the number of customers.

COMPANY SIZE BY MAIN STATIONS

Year Ending 12-31-79

<u>COMPANY</u>	<u>Number of Main Stations</u>
1. Southwestern Bell Telephone - St. Louis, Mo.	1,498,819
2. United Telephone Company - Jefferson City, Mo.	130,719
3. Continental of Missouri - Wentzville, Mo.	115,866
4. General Telephone Company of Missouri - Columbia, Mo.	74,846
5. Central Telephone Company - Ft. Dodge, Iowa	37,981
6. Allied Telephone Company - Little Rock, Ark.	14,046
7. Missouri Telephone Company - Columbia, Mo.	13,332
8. Grand River Mutual Corporation - Princeton, Mo.	13,105
9. Doniphan Telephone Company - Doniphan, Mo.	9,882
10. Fidelity Telephone Company - Sullivan, Mo.	7,942
11. Chariton Valley Telephone Corporation - Bucklin, Mo.	7,156
12. Mark Twain Rural Telephone Company - Hurland, Mo.	3,864
13. Webster County Telephone Company - Marshfield	3,752
14. Northeast Missouri Rural Telephone Co. - Green City, Mo.	3,575
15. Citizens Telephone Company - Higginsville, Mo.	3,140
16. Mid-Missouri Telephone Company - Pilot Grove, Mo.	3,109
17. Kingdom Telephone Company - Auxvasse, Mo.	3,050
18. Steelville Telephone Exchange - Steelville	2,869
19. Green Hills Telephone Corporation - Breckenridge, Mo.	2,813
20. Eastern Missouri Telephone Company - Bowling Green, Mo.	2,236
21. Granby Telephone Company - Granby, Mo.	1,988
22. Seneca Telephone Company - Seneca, Mo.	1,964
23. McDonald County Telephone Company, Pineville, Mo.	1,860
24. Craw-Kan Telephone Company - Girard, Ks.	1,807
25. KLM Telephone Company - Rich Hill, Mo.	1,463
26. Carter County Telephone Company - Van Buren, Mo.	1,556
27. Rock Port Telephone Company - Rock Port, Mo.	1,469
28. Ellington Telephone Company - Ellington, Mo.	1,419
29. Bourbeuse Telephone Company - Sullivan, Mo.	1,277
30. Goodman Telephone Company - Goodman, Mo.	1,210
31. Iamo Telephone Company - Coin, Iowa	1,163
32. Oregon Farmers Mutual - Oregon, Mo.	1,009
33. Lathrop Telephone Company - Lathrop, Mo.	915
34. Miller Telephone Company - Miller	835
35. Orchard Farm Telephone Company - St. Charles, Mo.	816
36. Le-Ru Telephone Company - Stella, Mo.	805
37. Verona Telephone Company - Purdy, Mo.	744
38. New London Telephone Company - New London, Mo.	728
39. Stoutland Telephone Company - Columbia, Mo.	727
40. Nodaway Valley Telephone Company - Kansas City, Mo.	650

41.	Mo-Kan Telephone Company - Columbia Mo.	482
42.	Continental of Arkansas - Wentzville, Mo.	435
43.	Wheeling Telephone Company - Columbia, Mo.	378
44.	Choctaw Telephone Company - Halltown, Mo.	369
45.	Alma Telephone Company - Alma, Mo.	330
46.	New Florence Telephone Company - New Florence, Mo.	329
47.	Peace Valley Telephone Company - Peace Valley, Mo.	266
48.	F & M Telephone Company - Farber, Mo.	216
49.	Continental of Iowa - Knoxville, Iowa	<u>62</u>
	TOTAL MAIN STATIONS IN MISSOURI	<u>1,979,374</u>

WATER AND SEWER

The Commission's Water and Sewer Department is responsible for overseeing the rates and practices of the state's 123 regulated water and sewer companies (51 water, 49 sewer and 23 water and sewer). In addition to their other duties, the section's staff also checks to ensure water and sewer services are actually needed before allowing the company to operate and oversee the sale or transfer of ownership of the companies.

In the last fiscal year, the section handled 26 small company rate cases and major rate cases for six water and two sewer companies. The staff also provided assistance with the handling of four formal complaints and 156 informal complaints.

In order to ensure customers are provided with adequate service, the staff inspected 34 water, 30 sewer and 13 water and sewer companies. The staff also provided recommendations to the Commission on the sale of three sewer, one water and one water and sewer company and on the certification of two sewer and two water and sewer companies.

While the Public Service Commission is concerned with the quality of the customer's service, the Department of Natural Resources oversees the overall quality of water in the state and problems dealing with pollution.

The Department of Natural Resources also reviews the design of wells, treatment plants (both water and sewer), sewage collection systems, lift stations, water distribution systems and pressure booster stations.

Since the Public Service Commission and the Department of Natural Resources both oversee aspects of the water and sewer industry which affect the quality of the customer's service, a great number of problems are of a concern to both agencies.

SEWER RATE INCREASES

On July 13 the Commission approved Lake St. Louis Water and Sewer Company's proposal for instituting a temporary emergency sewer surcharge to cover the costs of repairing its system. The company, which operated at a loss in 1978, was allowed to assess a \$3 per month surcharge for each customer connection for a period of 39 months effective July 24.

SR-79-241

On July 17, the Commission approved a stipulated settlement allowing half of Raytown Water Company's requested rate increase. The company was allowed to increase its rates \$85,000 a year for the period from July 25 to December 31, 1980. On January 1, 1981, the company is to decrease its rates by \$38,000 annually.

WR-79-137

On August 3, the Commission approved a stipulated settlement allowing Joplin Water Works Company to increase water rates by \$207,500. The settlement amounts to an 11 per cent increase in revenues, which was less than half of the 25.5 per cent or \$460,000 increase requested by the water company.

WR-79-117

On September 25, the Commission approved a stipulated settlement allowing the Missouri Public Service Company to increase its water rates by \$235,125 in Clinton, \$124,875 in Nevada and \$15,000 in Osceola. Residential customers saw an increase of approximately 38 per cent in Clinton, 15.5 per cent in Nevada and 19 per cent in Osceola, based on average usage of 4,000 gallons a month.

WR-79-160

On September 26, the Commission approved a stipulated settlement allowing the Missouri Utilities' Company to increase its water rates by \$506,887 in the Cape Girardeau area. The company had requested a \$602,000 increase.

WR-79-147

On December 27, the Commission approved a stipulated settlement allowing the St. Joseph Water Company to increase its rates by \$592,000 a year effective January 1.

WR-79-219

Effective January 15, the Commission approved a stipulated settlement which allowed Saline Sewer Company to increase its rates by \$59,589. In the agreement worked out between the Commission's staff, the Department of Natural Resources and the company, Saline will use the increase to upgrade service and complete needed construction. The company requested a \$270,680 increase.

SR-79-187

On April 10 the Commission approved a stipulated settlement allowing the Missouri Water Company to increase its rates by approximately \$683,000 in the Independence area of Jackson County. In the settlement, the company agreed to alter its rate design by replacing its declining block rates with flat rates.

WR-80-43

SUPPORT SERVICES

The Utilities Division has some departments that don't oversee the rates or practices of any one type of utility but provide the Commission with accounting evidence, management studies and personnel to handle complaints.

In the following pages is a description of these departments and their activities over the last fiscal year.

CUSTOMER SERVICES

The Customer Services Department handles complaints consumers lodge against the companies regulated by the Commission. This department provides the Commission with a valuable link to the consuming public.

The department handles two types of complaints, informal and formal. An informal complaint can be made over the telephone or in written form. Once an informal complaint is lodged, the staff tries to work with the customer and the company to resolve the problem. A formal complaint must be in written form and, on occasion, can be the outgrowth of an informal complaint that was not resolved to the customer's satisfaction. As part of the process of handling a formal complaint, the staff will conduct an investigation, which might include a visit to the customer's home or overseeing the testing of a meter, and recommend to the Commission how the complaint should be decided. The Commission will then hold a formal hearing to let the customer and company present their evidence before reaching a decision.

The Commission has customer complaint offices in Jefferson City, St. Louis and Kansas City. The Commission also has a toll-free hotline, 1-800-392-4211, at its Jefferson City offices to allow customers who do not live in the metropolitan areas to call in their complaints free of charge.

Over the last fiscal year, the number of both informal and formal complaints handled by the Customer Services Department increased, continuing the trend over the last few years.

Overall, the Customer Services Department saw the number of complaints rise from 8,248 in 78-79 to 10,923 in 79-80. Below is a chart showing the number of complaints by type of utility and the number for the preceding year.

<u>Utility</u>	<u>1978-1979</u>	<u>1979-1980</u>
Telephone	3,897	5,000
Gas	1,852	3,101
Electric	2,020	2,280
Water, Sewer, general	479	542

Utilizing a breakdown by the office at which the complaint was received shows the St. Louis office saw the biggest increase in complaints. In the last fiscal year, that office received 2,653 complaints as compared to the 1,629 received during fiscal 1978-79. In the same time frame, the Jefferson City office saw the number of complaints increase from 2,378 to 3,018 and Kansas City office from 1,676 to 1,778.

Consumers also continued to utilize the telephone more frequently than other methods for lodging a complaint. During fiscal 79-80, the department saw the number of complaints received over the telephone increase to 8,774 as compared to the 6,647 received over the telephone in the preceding fiscal year. The number of written complaints increased from 1,448 to 1,935 and walk-in inquiries increased from 133 to 214.

The public's knowledge and acceptance of the Commission's toll-free hotline also seems to have improved with the number of complaints received via the hotline increasing from 2,565 to 3,474 over the last fiscal year.

ACCOUNTING DEPARTMENT

The Accounting Department provides the Commission with the technical experts needed to properly review requests made by utilities for rate increases.

The Accounting Department's interpretation of the financial records provides the basis for the staff's testimony on most requests for rate increases. By thoroughly auditing any company requesting a rate increase, the Accounting Department helps the Commission ensure that rates are fair and reasonable.

Over the last fiscal year, the Accounting Department completed 43 rate case audits, two rate reduction audits, 16 small informal rate case audits, 11 fuel clause audits and also reviewed the annual reports submitted by the utilities.

Its activities required a total of 46,520 man hours. In fiscal 1978-79, the department performed 69 audits that consumed 44,800 man hours.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services utilizes management expertise to audit and recommend to Missouri utilities steps that can be taken to improve their operations.

After an extensive audit, the staff will recommend ways a company can change its operations to improve its production and keep costs at current or reduced levels.

Once the plan is recommended and approved by the Commission, the staff conducts follow-up audits to ensure the company is working to adopt the proposals.

The office worked on the following utilities during the last fiscal year:

July, 1979 - 1980

<u>Case Number</u>	<u>Title - Type of Utility</u>	<u>Performed by</u>
EO 79-228	Missouri Power and Light; Management Audit; Electric, Gas, Steam	Office of Management Services; Audit Completed January, 1980
GO 79-197	Gas Service Company; Customer Service Audit; Gas	Office of Management Services; Audit Completed May, 1980
TO 78-220	General Telephone Company of the Midwest; Management Audit, Implementation Review #1; Communications	Office of Management Services; Audit initiated May, 1980
EO 77-162	St. Joseph Light & Power Company; Management Audit, Implementation Review #2; Electric, Gas	Office of Management Services; Audit Completed June 1980
EO 79-127	Kansas City Power & Light Co.; Management Audit, Status Reports on the Performance Improvement Program; Electric	Office of Management Services; Status Reports Reviewed in October of 1979 and April of 1980

TRANSPORTATION

The Transportation Division oversees the rates and services provided by Missouri's bus, truck and railroad companies and also the construction and sale of mobile homes and recreational vehicles.

The Commission only has authority over the intrastate activities of the companies or the routes they provide with service in Missouri. The interstate activities of the companies are subject to the jurisdiction of the Interstate Commerce Commission. Private carriers that do not operate for hire and farm-to-market truckers also are exempt from Commission regulation.

Through its various sections, the Transportation Division determines which routes Missouri truckers are allowed to serve and what goods they are allowed to carry. The division's staff also ensures truckers have adequate insurance coverage, are properly licensed to operate in Missouri and that state truck regulations are enforced.

State bus laws also are enforced by the Transportation Division's staff. Staff members oversee bus companies to ensure passengers receive safe transportation and prepare evidence on proposed route changes, which must be approved by the Commission.

Rail safety also is promoted by the Transportation Division. Through its contributions to Operation Lifesaver, a joint effort by industry, government and public officials, the division has tried to reduce the number of crossing-related deaths in Missouri.

In the following pages are descriptions detailing the Commission's decisions concerning the fuel surcharge, moving industry and reciprocity agreements. In addition, a breakdown of the important cases handled by the division and a comparison of the work done by the various sections this year as opposed to the last fiscal year also is provided.

Fuel Surcharge

On February 14 the Commission suspended the use of the automatic fuel surcharge by Missouri truck operators. The automatic fuel surcharge allowed truckers to pass on increased gasoline costs to customers without a formal hearing for a rate increase with the Commission.

A Missouri Supreme Court ruling in June, 1979, disallowed the automatic fuel surcharge on utility bills, and the Commission ruled that the fuel surcharge must also be eliminated for the state's motor carriers.

Deliberations on how the fuel surcharge ruling will affect the rates of various classes of carriers will continue through FY 1981.

The Moving Industry

Effective May 1, the Commission adopted a rule for regulating the practices of household goods movers that will give added protection to consumers moving within the boundaries of Missouri. There are approximately 80 household goods carriers providing service in Missouri. Changes affecting residential customers include:

- Moving companies must unload goods after the customer pays the estimated amount and an additional 10 percent if the bill exceeds its estimates by more than 10 percent. The customer then has an additional 15 days to pay the remainder of the bill.
- Moving companies must provide customers with an inventory of goods. If the shipment is not mixed with another shipment or bound for storage, the customer can waive the inventory requirement.
- Moving companies must attempt to settle damage or loss claims within four months after the claim is filed and notify the customer and Commission on the status of claims which cannot be settled within the four-month period.
- Residential customers will no longer pay a special rate movers charge for exclusive use of a moving van. The higher rate will be applied only to industrial and commercial customers because the charge was "being abused" when applied to residential customers, according to the Commission.

The new rules have been challenged by several companies in Circuit Court.

Reciprocity Agreements

Effective March 1, 1,700 trucking firms in six states and the District of Columbia began paying PSC regulatory fees for operating in Missouri.

Missouri law permits the Commission to enter into agreements with other states that allow carriers headquartered in those states to operate in Missouri without paying the license fee if Missouri truckers receive the same courtesy when they operate in that state.

A recent study by the Commission's staff showed a number of states have changed their reciprocity agreements. Truckers from New Jersey, Pennsylvania, Mississippi, South Carolina, Illinois and Maryland now pay \$25 per vehicle or \$5 for a 72-hour license when operating in Missouri.

MAJOR TRANSPORTATION RATE CASES

Cases T -41,890 and T-43,229

The state's dump truck carriers were granted a 22 to 26 per cent increase, depending upon the service, effective March 7, 1980.

Case T-42,383

Household goods carriers were granted an interim increase of .5 per cent on truck load and 7.8 per cent on less-than-truck-load shipments effective May 6, 1980. A permanent increase request was heard May 27, 1980, but was still pending when the fiscal year ended.

Case B-43,777

Continental Trailways was granted a 13 per cent increase in passenger fares and an 18.7 per cent increase in express rates effective April 14, 1980.

Case B-44,204

Jefferson Lines and Continental Trailways were granted a 20 per cent increase in charter fares effective April 15, 1980.

OFFICE OF RATES

The Office of Rates reviews all proposed tariffs and schedules filed by the rail and motor carriers. The office then recommends whether the Commission should allow the request or suspend it pending a hearing to determine if the request is reasonable.

Carriers wishing to change their rates are required to submit any revisions thirty (30) days prior to their effective date to allow the staff time for review. The notice requirement can be waived with approval of the Commission.

Requests are suspended if the Commission believes that more information is needed concerning the rate or schedule change. Objections filed by opponents to the request are also considered.

If suspended, there will be hearings scheduled on the request to give interested parties a chance to submit evidence. The Commission uses this information in addition to that supplied by the Audit Section in making its final decision.

Errors and violations of tariff rules are determined through rate compliance audits. Last year, fifty-two audits were conducted. In 1979-80, the audits were done on seven household goods, seventeen general commodity, and twenty-four mobile home carriers. The audits indicated the following type of violations, which were all subsequently corrected by the carriers.

<u>Results of Rate Audits</u>	<u>1978-1979</u>	<u>1979-1980</u>
Number of rate audits	52	48
Bill of lading violations	2054	1296
Collection of charges violations	5654	23216
C.O.D. violations	29	243
Freight bills violations	0	35
Delivery receipt violations	0	52
Loss and damage rules violations	66	394
Authority violations	9	13
Tariff posting violations	57	9
Rate undercharges	327	344
	\$6124.00	\$4427.91
Rate overcharges	1059	438
	\$13532.00	\$9420.02

	<u>1978-1979</u>	<u>1979-1980</u>
<u>Follow-Up Investigations</u>	48	48
Hours spent in carriers' office conducting audits	519	447
Special investigations (other than rate audits)	1	4
 <u>Volume of Work Other Than Rate Audits</u>		
Truck tariffs received	3953	4483
Rail tariffs received	4132	5324
Service complaints handled	112	148
Special permission orders issued	42	78
Tariffs suspended	4	0
Tariffs rejected	8	25
Contract carrier rate filings	-	268

OFFICE OF OPERATING RIGHTS

Missouri truckers are authorized by the Commission to carry certain goods over set routes. The Office of Operating Rights handles requests carriers submit for authority to provide an area with a service. After a request is submitted, other carriers are notified of the request and a hearing is held to allow the Commission to determine if the new service is needed. On the basis of the evidence presented in the hearing, the carrier's request is either approved or denied.

Below is a breakdown of the work done by this office over the last two fiscal years:

	<u>1978-1979</u>	<u>1979-1980</u>
Applications for intrastate authority	193	152
Initial grants of authority	152	109
Additional grants of authority	118	128
Grants of temporary authority	115	111
Transfers of intrastate authority	273	258
Intrastate permits issued	1,915	2,198
Intrastate permits revoked	760	1,126

OFFICE OF INSURANCE

Missouri truckers are required by state law to have cargo and liability insurance. It is the responsibility of the Office of Insurance to ensure carriers have the necessary insurance before operating within Missouri.

Below the Office of Insurance's work for the last two fiscal years is detailed:

	<u>1978-1979</u>	<u>1979-1980</u>
New certificates received and filed	9,738	10,951
Cancellation notices received	5,591	6,404
Carriers suspended due to cancellation	2,568	2,758
Carriers reinstated upon renewal	1,397	1,481

OFFICE OF LICENSE

State law requires bus and truck companies to purchase stickers or stamps that must be carried by all vehicles operating in Missouri. The Office of License handles the sales of those stickers. The funds from the license sales make up a portion of the Commission's budget that is appropriated by the legislature.

The Office of License sells two types of licenses. The annual license is good for one year and costs \$25. A temporary license, for a 72-hour period, sells for \$5. The Commission charges \$1 for replacing damaged stickers.

The activities of the Office of License over the past two fiscal years is detailed below:

	<u>1978-1979</u>	<u>1979-1980</u>
<u>Bus</u>		
Annual licenses	3,990	4,419
72-hour licenses	210	637
<u>Truck</u>		
Annual licenses	65,604	89,597
72-hour licenses	51,827	50,884
Replacements	23	8
<u>Total Sales</u>	\$2,022,786	\$2,606,093

MOBILE HOMES

The Mobile Homes Department has the responsibility for enforcing federal construction standards relating to mobile and modular homes and recreational vehicles.

In 1976, the state legislature approved legislation allowing the Commission to contract with the Department of Housing and Urban Development (HUD) to act as its agent in Missouri for the enforcement of HUD's regulations on mobile homes. In return, the Commission receives federal funds calculated on the basis of the number of mobile homes sold in the state.

The same year the state legislature also passed another bill requiring manufacturers and dealers who do business in Missouri to register with the Commission. These manufacturers also must have seals attesting to the compliance with HUD regulations on any mobile homes, modular homes or recreational vehicles before they can be sold.

The department also investigates complaints concerning construction, performance and mobile home emplacement.

In 1979-80, the department did the following work:

INSPECTIONS AND INVESTIGATIONS

	1978-1979	1979-1980
Inspection of dealer lots	2,450	2,280
Inspection of out-of-state facilities	375	392
Inspections of modular home facilities	12	12
Consumer complaints handled	442	460

FEES COLLECTED

Transacted sales of 2189 RV seals	\$ 42,880	\$ 17,508
Issued seals for 47 modular homes	1,240	376
Dealer registration fees	1,905	1,165
Manufacturer registration fees	4,490	2,820
Receipts for HUD out-of-state inspections	43,979	50,462
Plan approvals	25,225	9,275
Receipts for units shipped to Missouri	48,289	40,062
Postage assessment	596	254
	\$168,604	\$131,922

DEPARTMENT OF RATES, AUDITS, FINANCIAL ANALYSIS AND RESEARCH AND PLANNING

The Department of Rates, Audits, Financial Analysis and Research and Planning is responsible for inspecting tariffs (rate schedules), auditing the financial reports submitted by the carriers, performing financial analysis of data submitted for rate hearings and application cases, and conducting economic research to identify quantitative needs, to evaluate statistical sampling plans and to design procedures to facilitate necessary research.

The work of this department is detailed below:

	<u>1978-1979</u>	<u>1979-1980</u>
Carrier field audits	8	16
Carrier ration analysis	352	347
Quarterly reports audited	668	450
Annual reports audited	1,105	1,056
Report correspondence	853	482
Rate case analyses and other investigations	2	12
Transfer and new authority financial reviews	146	466
Dump truck workshops	8	8

RAILROAD SERVICES DEPARTMENT

The Railroad Services Department has the job of enforcing the Commission's rules and regulations and also state statutes relating to Missouri's railroad industry.

In addition to investigating crossing accidents and derailments, the department also investigates complaints relating to poor maintenance at crossings and working conditions of railroad employees. The staff also prepares evidence on any changes proposed by a railroad that would affect the level of service delivered to the customers.

In an effort to provide for the safety of all motorists, the staff, which prepares evidence on requests for improving crossing protection, also participates in Operation Lifesaver, a joint effort by government, industry and local officials to help curb accidents at railroad crossings.

Staff members also participate in the Federal Railroad Administration's Track Safety Program. Over the last fiscal year, the three staff members involved in that program performed 324 inspections covering 6,476 miles of track.

A summary of the department's work over the past two fiscal years is detailed below:

	<u>1978-1979</u>	<u>1979-1980</u>
Fatal accident investigations	29	15
Railroad yard and building inspections	59	67
Grade crossing inspections	701	683
Grade crossing accident surveys	79	23
Railroad equipment inspections	22	19
Meetings with railroad officials	257	207

ENFORCEMENT DEPARTMENT

Through route inspections and investigations stemming from complaints, the Enforcement Department works to ensure Missouri's bus and truck companies adhere to the regulations established by the Commission and state law.

A carrier found in violation of the regulations can be prosecuted in the locality in which the incident occurred or can be called before the Commission, which can have its legal staff seek penalties in court.

A description of the department's work over the last two fiscal years follows:

	<u>1978-1979</u>	<u>1979-1980</u>
New carrier orientation	105	107
Carriers contacted	5,766	5,826
Vehicles inspected	7,057	8,327
Investigations conducted	2,315	1,981
Arrests by law enforcement authorities as a result of investigator's work	813	2,050
Bus stations inspected	115	33
Compliance surveys	44	17
Informal complaints	525	627

SUPPORT SERVICES

The Public Service Commission has a number of departments that don't oversee the rates or practices of any one type of utility, but provide the Commission with legal counsel, help in writing formal orders, computer services, and personnel to ensure records and data are properly maintained and readily available as needed by the Commission.

In the following pages is a description of these departments and their activities over the last fiscal year.

ELECTRONIC DATA PROCESSING DEPARTMENT

The Electronic Data Processing Department provides the Commission with the computer technology needed to help streamline the regulation of the state's various utilities and motor carriers.

Began with one employee in 1973, the department has grown to serve a key function at the Commission. Over the last year, the department worked on a number of projects.

In the area of complaints, the department finished a redevelopment of the Commission's complaint system. The computer records allow staff members to retrieve information on complaints immediately and also provide the Commission with statistical information on those complaints.

The Commission's Docket System, in a cost-cutting move, was transferred from the McDonnell-Douglas computer system to the State Data Center computer system. The Docket System enables the Commission to keep track of the large volume of cases it handles and keeps the staff and Commission aware of filing deadlines and hearing dates.

By the second quarter of fiscal 1981, the department plans to have the majority of its systems switched over from McDonnell-Douglas to the State Data Center.

During the last year, the department began work on developing a Commercial Motor Carrier Information System, which should be completed this October. This will provide for better tracking of motor carriers.

Also in the area of transportation, the department hired a consultant, Coopers and Lybrand, to develop a system for analyzing motor carrier rate requests, annual reports, field audits and traffic surveys.

In an effort to save space, work was begun last year on transferring older case files and rate schedules to microfilm.

The processing of orders has been speeded up by the advancements the department has made in word processing.

THE OFFICE OF THE SECRETARY

The Office of the Secretary is responsible for providing the Commission with the administrative coordination needed to operate the various divisions in a proper fashion.

In addition to being the place where all cases and testimony are filed, the office also functions as the distributor of all Commission orders and aids in setting the schedule or docket for hearing the cases.

The print shop, which prints the necessary copies of orders, testimony and other documents, is an integral part of the distribution system without which many of the Office of the Secretary's activities would grind to a halt.

Since the legal record of the Commission must be maintained, the files on all cases are kept up-to-date by the offices' personnel. Those files are open to public inspection and copies of records can be obtained for a copying fee.

The Commission's Information Department, which ensures the news media is aware of the Commission's activities that might effect consumers in their reading or listening area, also is part of the Office of the Secretary. The number of news releases issued by the department increased from 425 in fiscal 1978-79 to 441 in fiscal 1979-80.

In the last fiscal year, the Information Department also provided information sheets for local hearings and answered inquiries from the public and the media.

The Hearing Reporters Department ensures a clear, concise record is kept of all formal proceedings before the Commission. In the last year, the department's staff heard 201 cases, spent 871 hours in the hearing room and filed 24,834 pages of transcripts. In fiscal 1978-79, the department heard 231 cases, spent 889.5 hours in the hearing room and submitted 27,666 pages in transcripts.

Through the Internal Accounting Department, the office prepares the budget that presented to the legislature and keeps track of the financial status of the Commission. The department also prepares and receives the assessments on Missouri utilities, computes the payroll, handles purchases of equipment and supplies, keeps records of all expenditures and does an annual audit of the transportation, license and mobile homes section. In the next three pages is a breakdown of the Commission's budget including the sources of income and disbursements.

PUBLIC SERVICE COMMISSION RECEIPTS

	<u>Fiscal Year 1979</u>	<u>Fiscal Year 1980</u>
<u>Public Service Commission Fund</u>		
Utility assessment	\$3,206,028	\$3,891,083
Out-of-state audit reimbursement	17,200	12,874
Department of Transportation reimbursement		
Railroad track safety program	47,469	24,568
Natural gas pipeline safety program	-0-	72,345
Miscellaneous reimbursements	183	266
Sale of surplus property	<u>2,821</u>	<u>1,036</u>
Total PSC Fund	<u>\$3,273,701</u>	<u>\$4,002,172</u>
 <u>State Highway Fund</u>		
Sale of bus and truck licenses	\$2,022,786	\$2,606,193
Sale of surplus property	2,141	6,741
Miscellaneous reimbursements	<u>-0-</u>	<u>278</u>
Total State Highway Fund	<u>\$2,024,927</u>	<u>\$2,613,212</u>
 <u>General Revenue Fund</u>		
Mobile Homes Division's Receipts:		
Sale of recreational vehicle seals	\$ 42,880	\$ 17,348
Sale of modular home seals	1,240	376
Payment for mobile home manufacturer construction monitoring	43,979	54,338
Payment for mobile home units shipped to Missouri	48,289	32,211
Dealer registration fees	1,905	1,165
Manufacturer registration fees	4,490	2,750

	<u>Fiscal Year 1979</u>	<u>Fiscal Year 1980</u>
Plan approvals	25,225	19,250
Postage assessment	596	252
Total Mobile Homes Division	<u>\$168,604</u>	<u>\$127,690</u>
Miscellaneous receipts		
Authority fees	54,208	18,971
Fees for copies of PSC documents	24,641	24,771
Total miscellaneous receipts	<u>\$78,849</u>	<u>\$43,742</u>
Total General Revenue Fund	<u>\$247,453</u>	<u>\$171,432</u>
<u>Grade Crossing Fund</u>		
Tax on car rentals by freight line companies	\$289,862	\$333,241
<u>Federal Funds</u>		
PURPA grant	-0-	\$161,888
<u>Total Receipts</u>	<u>\$5,835,943</u>	<u>\$7,281,945</u>

PUBLIC SERVICE COMMISSION EXPENDITURES

Operating Expenditures

	<u>Fiscal Year 1979</u>	<u>Fiscal Year 1980</u>
<u>Public Service Commission Fund</u>		
Personal service	\$2,095,499	\$2,683,389
Expense and equipment	<u>599,980</u>	<u>774,168</u>
Total PSC Fund	<u>\$2,695,479</u>	<u>\$3,457,557</u>
 <u>State Highway Fund</u>		
Personal service	\$1,105,109	\$1,176,914
Expense and equipment	<u>292,657</u>	<u>399,022</u>
Total Highway Fund	<u>\$1,397,766</u>	<u>\$1,575,936</u>
 <u>General Revenue</u>		
Personal service	\$ 112,281	\$ 117,903
Expense and equipment	<u>29,034</u>	<u>31,123</u>
Total General Revenue	\$ <u>141,315</u>	\$ <u>149,026</u>
 Total Operating Expenditures	 \$4,234,560	 \$5,182,519

Other Expenditures

License refund	14,970	15,000
Grade Crossing Fund	<u>277,562</u>	<u>266,314</u>
Total Expenditures	<u>\$4,527,092</u>	<u>\$5,463,833</u>
 Authorized number of employees	 <u>266.66</u>	 <u>244.66</u>

THE OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel is needed to provide the Commissioners with legal advice and to present the staff's position in the various cases.

As part of the hearing process, the legal staff also reviews the testimony presented by other parties and cross-examines their witnesses to help ensure the Commission reaches a reasonable decision.

The General Counsel's staff also represents the Commission in the courts and before federal agencies.

The formal rules and procedures by which the Commission operates also are drafted by the legal staff as is any legislation that is presented by the Commission to the legislature.

If the Commission decides to seek penalties against a company for a rules violation, it is the legal staff's responsibility to take action in the appropriate court.

The Office of the General Counsel's workload over the last two fiscal years is detailed below:

	Fiscal 1978-79	Fiscal 1979-80
Cases filed	466	484
Cases on appeal in Mo. courts	85	34
Penalty cases	25	25
Federal cases (FERC)	40	11
Federal cases (ICC)	8	7
Federal cases (NRC)	1	3
Federal cases (FCC)	8	0

HEARING EXAMINERS

Hearing examiners are lawyers who operate in a fashion similar to an administrative law judge. They preside over hearings, ruling on points of law, the admissibility of evidence and administering the oath, and help with the writing of the orders on the cases.

In fiscal 1979-80, the hearing examiners prepared 199 final reports and orders. In fiscal 1978-79, the hearing examiners prepared 215 final reports and orders.