



**THE ANNUAL REPORT
OF THE
MISSOURI
PUBLIC SERVICE COMMISSION
1980-81**



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

JOHN C. SHAPLEIGH

CHARLOTTE MUSGRAVE

HARVEY G. HUBBS

Secretary

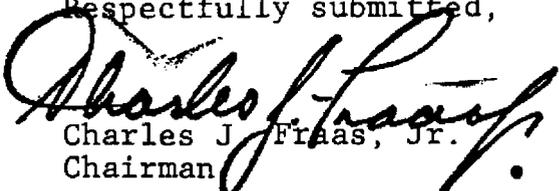
KENT M. RAGSDALE

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, 1980 through June 30, 1981.

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 comprises 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.

CHARLES J. FRAAS

Charles J. Fraas, Jr., was appointed the Chairman of the Public Service Commission on January 22, 1981 by Governor Christopher S. Bond. Appointed to the Commission on November 22, 1977, Fraas previously served as Chairman during 1978 and 1979.

Immediately prior to joining the Commission, Fraas was Associate County Counselor for Jackson County (Kansas City).

For more than five years, Fraas served as Chief Warrant Officer for the Jackson County Prosecuting Attorney's Office, where he was responsible for initiating all criminal prosecutions within the county. He conducted the proceedings before the continuing Grand Jury, as well as other trial duties.

Fraas also has practiced as corporate counsel for a firm in the data processing industry and has taught legal subjects at the undergraduate level. He was a law clerk to a United States Appellate Judge immediately upon graduation from law school and 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.

A member of the Missouri Bar Association and the National Association of Regulatory Utility Commissioners (NARUC), Fraas also serves as a member of NARUC's Executive Committee, the Ad Hoc Committee on the National Energy Act, the Ad Hoc Committee on Liaison with the Office of Management and Budget and the Committee on Engineering.

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

LARRY WAYNE DORITY

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

DORITY received a B.A. degree, cum laude, in 1973 from Drury College, graduating with departmental distinction in Business Administration and Economics.

DORITY received his law degree from the University of Missouri-Columbia School of Law in December 1975 and was a member of the Springfield law firm of Bussell, Hough and O'Neal prior to joining the Commission.

A member of the National Association of Regulatory Utility Commissioners, DORITY serves on NARUC's Committee on Communications.

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

LEAH BROCK McCARTNEY

Leah Brock McCartney became the first black to serve on the Public Service Commission when her nomination was confirmed in 1977. This is only one of the many milestones she has achieved in her legal career.

That career began with a major achievement when she became the first black woman to graduate from the George Washington University Law School in Washington, D.C., 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 also 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, either by election or appointment.

Of all her achievements, however, Mrs. McCartney is most proud of an award from the residents of Kinloch thanking her for the steps she took to improve their community while municipal judge.

Mrs. McCartney also served as a tax attorney with the Internal Revenue Service and as an attorney-advisor for the Treasury Department.

Before moving to Jefferson City, she was a Director of the Legal Aid Society of St. Louis, a trustee of the University City Public Library and a member of several boards and agencies of the United Methodist Church.

In addition to graduating from George Washington Law School, Mrs. McCartney received an education degree from Lincoln University in Jefferson City.

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

STEPHANIE A. BRYANT

With her appointment in July 1979, Stephanie A. Bryant became the second black and the fourth woman to be appointed to the Public Service Commission.

The 20-year-old Kansas Citian was involved in government and business-related fields before coming to the Commission.

Prior to joining the Commission, Ms. Bryant was an area sales supervisor for the Helping Hand of Goodwill Industries. Before that, she served three years with the Kansas City Council acting as liaison between the council and residents.

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.

JOHN C. SHAPLEIGH

John C. Shapleigh, 32, of St. Louis, joined the Missouri Public Service Commission on February 17, 1981, following his appointment by Missouri Governor Christopher S. Bond and confirmation by the Missouri Senate. Prior to joining the Commission, Shapleigh was a law clerk for the Consumer Protection Division of the Missouri Attorney General's Office, Counsel to the Governor of Missouri, and an attorney with the St. Louis law firm of Lewis, Rice, Tucker, Allen & Chubb. He graduated with senior-year honors from Dartmouth College in 1972 and received his law degree from the Washington University School of Law in 1976, where he was an Editor for the Washington University Law Quarterly. While practicing law in St. Louis, he also taught at the Washington University School of Law as an Instructor in Law and served in 1979-80 as the Prosecuting Attorney of Webster Groves, Missouri.

Shapleigh has served in many positions with 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 and the Distinguished Service Award of the Young Lawyers Section of the Missouri Bar. At the request of the Missouri Supreme Court, he has served as Special Representative for the 22nd Judicial Circuit (St. Louis) Bar Committee, which handles cases involving allegations of attorney misconduct. He is a former member of the Board of Directors of the Missouri Lawyers Credit Union and the Council of the Missouri Bar Young Lawyers Section.

Shapleigh now serves as Chairman of the State Administrative Law Committee of the ABA Section of Administrative Law, as Reporter to the Select Committee of the Missouri Bar studying the proposed new rules of attorney professional conduct, and he is a member of the Committee on Administration of the National Association of Regulatory Utility Commissioners.

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

CHARLOTTE MUSGRAVE

Since preparation began on the Annual Report of 1980-81, a new member has joined the Commission.

On October 7, 1981, Charlotte Musgrave was appointed to the Commission by Governor Christopher S. Bond. Although hearings on her confirmation will not be held until the session convenes in November, she was sworn in as a Commissioner on October 15, replacing Stephanie A. Bryant whose term had expired.

A Jackson County Republican who since 1978 has served as a member of the Jackson County Legislature from the Westport and Country Club Plaza areas, she has been active in neighborhood associations in the Kansas City community.

She received the Joseph B. Shaughnessy Community Service Award from the Westport Tomorrow Association in May 1980 and the President's Recognition Award for Community Service from Penn Valley Community College, also in May 1980.

In past years, she has served as president of the Westport Community Council, West Plaza Neighborhood Association and other community groups in the Westport area. She also has served as a member of the Truman Medical Center Board of Directors and the Economic Development Commission of Jackson County and Kansas City Sister City Commission.

Mrs. Musgrave has an A.A. degree from Christian College in Columbia and a B.S. degree in education from the University of Missouri - Columbia.

Her term will expire on April 15, 1987.

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. Those decisions are detailed in the following pages.

Also provided in this section is a listing of the regulated electric companies, their annual sales and number of customers.

REGULATED ELECTRIC UTILITIES

<u>NAME OF COMPANY</u>	<u>KWH's Sold 1980</u>	<u>Inc. or (Dec) KWH's Sold FROM PREV. YR.</u>	<u>TOTAL OPERATING REVENUES 1980</u>	<u>TOTAL NUMBER RESIDENTIAL CUSTOMERS</u>	<u>TOTAL NUMBER OF CUSTOMERS</u>
Arkansas Mo. Power	814,477,833	7,319,577	32,648,135	22,994	27,020
Citizens Electric Corp.	402,418,883	19,197,984	15,817,088	15,352	16,982
Empire District Electric	1,692,226,987	99,410,193	65,298,047	69,816	81,339
Kansas City Power & Light	6,049,249,733	187,204,249	306,015,333	201,559	231,807
Missouri Edison Company	835,194,871	29,729,912	34,943,839	26,271	31,131
Missouri Power & Light	1,717,061,793	65,857,959	77,136,672	79,713	93,158
Missouri Public Service Co.	2,310,316,000	121,727,000	119,780,199	115,487	131,726
Missouri Utilities	857,218,206	61,170,140	39,340,222	45,224	58,920
St. Joe Light & Power	1,068,221,389	38,654,006	58,375,713	50,068	56,668
Sho-Me Power Corporation	266,430,728	12,773,226	8,791,009	7,309	8,948
Union Electric	<u>15,366,605,780</u>	<u>740,081,780</u>	<u>668,865,713</u>	<u>630,035</u>	<u>700,827</u>
<u>TOTALS:</u>	<u>31,379,422,203</u>	<u>1,383,126,026</u>	<u>1,427,011,970</u>	<u>1,263,828</u>	<u>1,438,536</u>

ELECTRIC RATE CASES DECIDED FROM JULY 1, 1980 THROUGH JUNE 30, 1981

<u>DATE</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>COMPANY REQUESTED</u>	<u>LOWEST RECOMMENDATION</u>	<u>PSC ALLOWED</u>
6/19/80	ER-80-48	Kansas City Power & Light Co.	\$76,400,000	\$44,074,998(PC)	\$45,700,000
7/29/80	ER-80-143	Empire District Electric	\$16,153,007	\$ 7,023,737*	\$ 7,023,737
8/25/80	ER-80-118	Missouri Public Service Co. Permanent increase resulted in interim rates being reduced by \$1,094,702	\$28,400,000	\$ 7,924,765(PC)	\$ 9,155,298
10/27/80	ER-81-78	Citizens Electric Co.	\$ 1,062,000	\$ 1,062,000*	\$ 1,062,000
11/6/80	ER-80-215	Missouri Utilities Co.	\$ 3,935,337	\$ 2,075,480*	\$ 2,075,480
12/24/80	ER-81-200	Sho-Me Power Interim made permanent 6/16/81,ER-81-115	\$ 3,100,442	\$ 3,100,442*	\$ 3,100,442
2/26/81	ER-80-313	Missouri Edison Co.	\$ 1,800,000	\$ 1,160,000*	\$ 1,160,000
3/13/81	ER-80-286	Missouri Power & Light Co.	\$ 7,000,000	\$ 2,724,418(PC)*	\$ 6,152,544
5/27/81	ER-81-85	Missouri Public Service Co.	\$29,250,000	\$19,740,264*	\$19,740,264
6/9/81	ER-81-43	St. Joseph Light & Power Co.	\$11,711,155	\$ 1,613,494(Staff)	\$ 4,947,448

Note: * = Stipulated Settlement

(PC) = Public Counsel Recommendation

(Staff) = Staff Recommendation

NATURAL GAS

The Missouri Public Service Commission is responsible for regulating the safety, service and rates of fourteen (14) investor-owned gas utilities operating in the State. Additionally, this Commission has safety jurisdiction over thirty-three (33) municipal gas systems.

The cost of purchased gas has continued to increase and nowhere is it more evident than on a customer's bill (see attached annual bill comparison). The primary cause of escalating price changes can be attributed to Title I of the Natural Gas Policy Act of 1978 (NGPA).

This federal action, Title I NGPA, provides for a phased deregulation of natural gas by 1985. Under the act, all newer wells will be completely deregulated by 1985 so suppliers and producers can recover the expense of exploration and development and consequently increase the gas supply. Under section 104 of the act, the price of natural gas from older and established wells, which account for the vast majority of natural gas Missouri customers buy, will never be completely deregulated, although the price will continue to go up.

In an effort to minimize the impact of Title I NGPA on high priority customers, Title II was created. Title II is known as the Incremental Pricing Provisions of the act. This portion of the act transfers a larger portion of the higher costs of the new gas to large 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, these large boiler fuel customers will pay

a cost of up to the alternate fuel price of high sulfur No. 6 residual fuel oil. The overcharges (surcharge) made from these incrementally priced customers (difference between alternate fuel price and approved tariff rates) are to be used to reduce the rates of the interstate pipeline's high priority customers.

Of noteworthy interest, during FY 1980-81, the Public Service Commission created a State Level Incremental Pricing Plan wherein the surcharged dollars collected through incremental pricing are retained in the State of Missouri to be used to the direct benefit of Missouri rate payers instead of being turned over to the interstate pipeline companies who in turn distribute it to the benefit of all their customers in many states. This plan became effective in December 1980 and has since retained approximately \$3,558,580 for the Gas Service Company and \$621,000 for Laclede Gas Company. These dollars are currently being used to reduce rates of those company customers.

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 allocated fairly between all customer groups.

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.

During this fiscal period, all of the natural gas distribution utilities have undergone a rate restructuring and are currently employing some variation of the rate form described above.

In the following pages is a description of the Commission's Pipeline Safety Program, a listing of 1980 gas statistics of investor-owned gas companies and a listing of gas rate cases decided by the Commission.

PIPELINE SAFETY PROGRAM

The Gas Department Engineering Section is responsible for the Pipeline Safety Program, which is conducted under the auspices of the Materials Transportation Bureau, a branch of the federal Department of Transportation. Staff members conduct routine safety inspections of the natural gas distribution operators throughout the state to ensure their design, construction, operation, and maintenance procedures meet established minimum safety standards. There are 33 municipal systems and 57 inspection units within the 14 investor-owned companies that must be inspected on a periodic basis.

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 at the staff 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 1980-81 the staff conducted 38 inspections.

All natural gas-related incidents, except those resulting from misuse or malfunction of customer facilities, involving an ignition, eruption, or explosion resulting from the escape of natural gas, which result in the loss of life, personal injury requiring the services of a physician or hospitalization, or property damage exceeding \$1,000 are reported to the Engineering Section. Based upon the report received from the operator concerning the incident, the staff determines if an on-site investigation is necessary.

Upon completion of an investigation, the staff investigators prepare a formal Accident Report that is submitted to the Commission for approval and release as public information. Follow-up to recommendations contained in the report is conducted by the staff. Should sufficient responses not be received from the operator involved, the matter may be referred to the Commission and

its legal staff for appropriate action. During FY 1980-81 the staff conducted eight accident investigations.

1980 NATURAL GAS STATISTICS

<u>COMPANY</u>	<u>OPERATING REVENUES</u>	<u>MCF'S SOLD</u>	<u>NUMBER OF CUSTOMERS</u>
<u>ASSOCIATED NATURAL GAS CO.</u>			
Residential	\$ 14,089,966	4,147,280	40,158
Commercial	6,184,512	2,040,646	5,321
Industrial	6,762,467	2,329,067	65
<u>TOTAL</u>	<u>27,036,945</u>	<u>8,516,993</u>	<u>45,544</u>
<u>BOWLING GREEN GAS CO.</u>			
Residential	463,427	148,627	1,162
Commercial & Industrial	212,618	74,981	227
<u>TOTAL</u>	<u>676,045</u>	<u>223,608</u>	<u>1,389</u>
<u>THE GAS SERVICE COMPANY</u>			
Residential	141,887,553	52,839,334	369,746
Commercial	48,043,880	18,813,871	29,411
Industrial	103,469,969	46,997,106	569
<u>TOTAL</u>	<u>293,401,402</u>	<u>118,650,311</u>	<u>399,726</u>
<u>GREAT RIVER GAS CO.</u>			
Residential	4,413,208	1,545,903	10,714
Commercial	1,689,084	611,989	1,282
Industrial	762,656	271,511	39
<u>TOTAL</u>	<u>6,864,948</u>	<u>2,429,403</u>	<u>12,035</u>
<u>LACLEDE GAS COMPANY</u>			
Residential	243,895,336	62,820,885	511,496
Commercial & Small Industrial	151,794,905	44,213,351	33,714
Large Industrial	27,892,344	8,652,242	14
<u>TOTAL</u>	<u>423,582,585</u>	<u>115,686,478</u>	<u>545,224</u>
<u>MISSOURI EDISON COMPANY</u>			
Residential	2,214,647	561,459	5,131
Commercial	1,399,504	418,209	763
Industrial	5,351,829	2,583,424	6
<u>TOTAL</u>	<u>8,965,980</u>	<u>3,563,092</u>	<u>5,900</u>
<u>MISSOURI POWER & LIGHT CO.</u>			
Residential	12,147,253	3,709,816	31,359
Commercial	10,433,258	3,797,696	3,528
<u>TOTAL</u>	<u>22,580,511</u>	<u>7,507,512</u>	<u>34,887</u>

<u>COMPANY</u>	<u>OPERATING REVENUES</u>	<u>MCF'S SOLD</u>	<u>NUMBER OF CUSTOMERS</u>
<u>MISSOURI PUBLIC SERVICE CO.</u>			
Residential	12,616,431	4,472,339	36,058
Commercial	4,194,522	1,544,806	3,988
Industrial	8,937,509	3,918,165	79
<u>TOTAL</u>	<u>25,748,462</u>	<u>9,935,310</u>	<u>40,125</u>
<u>MISSOURI UTILITIES CO.</u>			
Residential	14,370,661	4,455,282	42,345
Commercial & Industrial	8,943,159	3,235,446	4,601
Interruptible	1,033,757	422,146	19
<u>TOTAL</u>	<u>24,347,577</u>	<u>8,112,874</u>	<u>46,965</u>
<u>O'FALLON GAS SERVICE, INC.</u>			
Residential	1,660,034	314,614	3,236
<u>TOTAL</u>	<u>1,660,034</u>	<u>314,614</u>	<u>3,236</u>
<u>OSAGE NATURAL GAS CO.</u>			
Residential	190,659	46,636	572
Commercial & Industrial	109,911	28,552	110
<u>TOTAL</u>	<u>300,570</u>	<u>75,188</u>	<u>682</u>
<u>PEOPLES NATURAL GAS</u>			
Residential	572,038	141,028	1,254
Commercial	366,656	101,546	228
Industrial	70,150	20,339	4
<u>Total</u>	<u>1,008,844</u>	<u>262,913</u>	<u>1,486</u>
<u>RICH HILL-HUME GAS CO., INC.</u>			
Residential	261,175	75,484	546
Commercial & Industrial	37,314	12,921	28
<u>TOTAL</u>	<u>298,489</u>	<u>88,405</u>	<u>574</u>
<u>ST. JOSEPH LIGHT & POWER CO.</u>			
Residential	1,894,618	468,760	4,033
Commercial	1,599,774	443,477	587
Industrial	1,049,354	311,854	12
<u>TOTAL</u>	<u>4,543,746</u>	<u>1,224,091</u>	<u>4,632</u>
<u>TOTAL</u>	<u>\$841,016,138</u>	<u>276,590,792</u>	<u>1,142,405</u>

NATURAL GAS RATE CASES DECIDED FROM JULY 1, 1980 THROUGH JUNE 30, 1981

<u>DATE</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>COMPANY REQUESTED</u>	<u>LOWEST RECOMMENDATION</u>	<u>PSC ALLOWED</u>
7/29/80	GR-80-155	Peoples Natural Gas	\$ 80,335	\$ 66,399*	\$ 66,399
8/25/80	GR-80-117	Missouri Public Service Co.	\$ 798,000	\$ -189,428(Staff)	\$ -158,876
9/5/80	GR-80-173	The Gas Service Co.	\$10,740,000	\$ 4,850,000*	\$ 4,850,000
9/24/80	GR-80-210	Laclede Gas Co.	\$19,700,000	\$13,388,153*	\$13,388,153
11/26/80	GR-80-224	Missouri Power & Light Co.	\$ 1,666,000	\$ 877,000*	\$ 877,000
12/8/80	GR-80-287	Bowling Green Gas Co.	\$ 49,424	\$ 37,500*	\$ 37,500
12/8/80	GR-80-249	Rich Hill-Hume Gas Co., Inc.	\$ 55,793	\$ 24,489*	\$ 24,489
2/18/81	GR-80-308	Great River Gas Co.	\$ 502,000	\$ 350,000*	\$ 350,000
3/16/81	GR-81-113	Osage Natural Gas Co.	\$ 21,308	\$ 21,308*	21,308
4/20/81	GR-81-51	O'Fallon Gas Service, Inc.	\$ 324,640	\$ 205,739*	\$ 205,739
6/9/81	GR-81-44	St. Joseph Light & Power Co.	\$ 246,285	\$ 246,285(Staff)	\$ 246,285

Note: * = Stipulated Settlement

(PC) = Public Counsel Recommendation

(Staff) = Staff Recommendation

TELEPHONE

Missouri's 48 telephone companies serve over 2 million customers. In the last fiscal year, 30,000 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 addition to supplying rate information, the telephone section also monitors the quality of service and conducts field investigations stemming from complaints and other non-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.

Extended area service, or toll-free calling between exchanges, continues to be a service desired by many customers. 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.

In the following pages is a list of the telephone companies and the number of customers. Also attached is a list of the telephone rate cases.

COMPANY SIZE BY MAIN STATIONS

Year Ending 12-31-80

<u>Company</u>	<u>Number of Main Stations</u>
1. Southwestern Bell Telephone Company	1,504,339
2. United Telephone Company	133,025
3. Continental Telephone Company of Missouri	118,780
4. General Telephone Company	76,138
5. Central Telephone Company	38,774
6. Allied Telephone Company	14,952
7. Missouri Telephone Company	13,491
8. Grand River Mutual Telephone Corporation	13,404
9. Doniphan Telephone Company	9,945
10. Fidelity Telephone Company	8,130
11. Chariton Valley Telephone Corporation	7,265
12. Webster County Telephone Company	3,820
13. Mark Twain Rural Telephone Company	3,890
14. Kingdom Telephone Company	3,856
15. Northeast Missouri Rural Telephone Company	3,577
16. Citizens Telephone Company	3,213
17. Mid-Missouri Telephone Company	3,118
18. Steelville Telephone Exchange	2,884
19.* Green Hills Telephone Corporation	2,808
20. Eastern Missouri Telephone Company	2,325
21. Seneca Telephone Company	2,037
22. Granby Telephone Company	1,991
23. McDonald County Telephone Company	1,913
24. Craw-Kan Telephone Company	1,807
25. Carter County Telephone Company	1,693
26. Ellington Telephone Company	1,528
27. Rock Port Telephone Company	1,509
28. KLM Telephone Company	1,463
29. Bourbeuse Telephone Company	1,320
30. Goodman Telephone Company	1,272
31. Iamo Telephone Company	1,183
32.* Oregon Farmers Mutual Telephone Company	1,001
33. Lathrop Telephone Company	940

<u>Company</u>	<u>Number of Main Stations</u>
34. Orchard Farm Telephone Company	862
35.* Miller Telephone Company	832
36. Le-Ru Telephone Company	806
37. Stoutland Telephone Company	727
38.* New London Telephone Company	707
39.* Holway Telephone Company	642
40. Mo-Kan Telephone Company	489
41.* Continental Telephone Company of Arkansas	429
42. Wheeling Telephone Company	381
43. Choctaw Telephone Company	372
44. New Florence Telephone Company	348
45. Alma Telephone Company	342
46. Peace Valley Telephone Company	277
47. F & M Telephone Company	231
48. Continental Telephone Company of Iowa	71
<hr/>	
Total Main Telephones in Missouri	1,995,007

*Main Station Loss for Year 1980

TELEPHONE RATE CASES DECIDED FROM JULY 1, 1980 THROUGH JUNE 30, 1981

<u>DATE</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>COMPANY REQUESTED</u>	<u>LOWEST RECOMMENDATION</u>	<u>PSC ALLOWED</u>
8/15/80	TR-80-112	Allied Telephone	\$ 404,700	308,000*	308,000
12/15/80	TR-80-256	Southwestern Bell	\$157,100,000	\$33,500,000*	\$33,500,000
2/1/81	TR-80-269	Fidelity Telephone	\$ 492,095	\$ 139,513*	\$ 139,513
2/15/81	TR-80-235	United Telephone	\$ 9,355,000	\$ 711,540(PC)	\$ 941,540
3/1/81	TR-81-105	Seneca Telephone	\$ 120,000	\$ 112,651*	\$ 112,651
4/15/81	TR-81-237	Northeast Missouri Rural	\$ 304,193	\$ 255,407*	\$ 255,407
5/1/81	TR-81-47	General Telephone	\$ 5,283,326	\$ 1,725,000*	\$ 1,725,000
6/1/81	TR-81-59	Central Telephone	\$ 3,130,000	\$ 1,841,761*	\$ 1,841,761

Note: * = Stipulated Settlement

(PC) = Public Counsel Recommendation

(Staff) = Staff Recommendation

WATER AND SEWER

The Commission's Water and Sewer Department is responsible for overseeing the rates and practices of the state's 129 regulated water and sewer companies (50 water, 51 sewer and 28 water and sewer). In addition to its 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 eight water and 11 sewer companies. The staff also provided assistance with the handling of six formal complaints and 148 informal complaints.

In order to ensure customers are provided with adequate service, the staff inspected 48 water, 37 sewer and 21 water and sewer companies. The staff also provided recommendations to the Commission on the sale of one sewer and three water companies, eminent domain cases of six sewer companies, finance cases of two sewer, six water and two water and sewer companies, and contract cases of one sewer and one water company.

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 that affect the quality of the customers' service, a great number of problems are of a concern to both agencies.

WATER RATE CASES DECIDED DURING 1980-81

<u>DATE</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>COMPANY REQUESTED</u>	<u>LOWEST RECOMMENDATION</u>	<u>PSC ALLOWED</u>
2/1/81	WR-80-314*	St. Louis County Water Company	\$6,439,480	\$4,300,000	\$4,300,000
3/5/81	WR-81-40*	Missouri Water Company	\$ 134,277	\$ 128,357	\$ 128,357
10/1/80	WR-80-205*	Joplin Water Works	\$ 457,000	\$ 330,000	\$ 330,000

Note = *Stipulated

SEWER RATE CASES DECIDED DURING 1980-81

<u>DATE</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>COMPANY REQUESTED</u>	<u>LOWEST RECOMMENDATION</u>	<u>PSC ALLOWED</u>
6/12/81	SR-81-67*	St. Louis County Sewer Company	\$ 849,000	\$ 662,000	\$ 662,000
12/3/80	SR-80-189	Lake St. Louis Sewer Company	\$ 130,865	\$ 9,500	\$ 9,500

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 by telephone or by writing. 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 writing 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 the overseeing of 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 the 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 office 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 has decreased, which was a reversal from the increasing numbers of the past few years.

Overall, the Customer Services Department saw the number of complaints fall from 10,923 in 1979-80 to 9,826 in 1980-81.

Below is a chart showing the number of complaints by type of utility and the number for the preceeding year.

<u>UTILITY</u>	<u>1979-80</u>	<u>1980-81</u>
Telephone	5,000	4,175
Gas	3,101	2,789
Electric	2,280	2,403
Water & Sewer	542	359

The Kansas City office saw the biggest increase in complaints. In the last fiscal year, that office received 2,001 complaints as compared to the 1,778 received during fiscal year 1979-80. In the same time frame, the Jefferson City office saw the number of complaints decrease from 6,492 to 6,054 and St. Louis office from 2,653 to 1,771.

Consumers continued to use the telephone more frequently than other methods for lodging a complaint. During fiscal 1980-81, the department saw the number of complaints received over the telephone decrease to 8,064 from the 8,774 received over the telephone in the preceeding fiscal year. The number of written complaints decreased from 1,935 to 1,563 and walk-in inquiries decreased from 214 to 199.

The public's knowledge and acceptance of the Commission's toll-free hotline has seemed to have improved with the number of complaints received, increasing from 3,474 to 3,626 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 49 rate case audits, 23 small informal rate case audits and reviewed the annual reports submitted by the utilities.

Its activities required a total of 46,900 man hours. In fiscal 1979-80, the department performed 72 audits that consumed 46,520 man hours.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services was created in 1976 and charged with the responsibility of performing management audits of utilities operating under the regulatory jurisdiction of the Commission.

The management audit program provides a systematic process for examining the organization, policies, practices, operations, and management systems of a utility for the purpose of determining if there are opportunities for the utility to more effectively and efficiently utilize its resources. Since the results of the audit are documented in an extensive report, the management audit process also provides the Commission, public, and the company with a source of information concerning the operations of the utility and the relative strengths and weaknesses of those operations.

The Public Service Commission is one of five state regulatory commissions which currently has a staff capability to perform management audits of utility companies. Although the PSC has ordered both consultant and staff-performed management audits of utilities, the thrust of the program in Missouri has been on the staff-performed management audit. Consequently, the PSC has ordered more staff-performed management audits than any other state utility regulatory body.

In addition to the general management audits, the Office of Management Services has also been involved in performing customer service audits, special studies, and projects designed for Commission use.

The utility's actions in addressing the improvements recommended in a management audit are monitored and evaluated through implementation plans and status reports that are submitted to the Commission by the

utility and through implementation reviews that are conducted by the staff of the Office of Management Services. The purpose of the implementation review is to verify and document that the utility is taking appropriate and timely action in addressing areas where opportunities for improvement were noted in the original management audit report.

The listing that follows is a summary of some of the more significant projects the Office of Management Services was involved in during the fiscal year ending June 30, 1981.

July, 1980 - June, 1981

<u>Case Number</u>	<u>Title - Type of Utility</u>	<u>Performed by</u>
TO-78-220	General Telephone Company of the Midwest; Management Audit, Implementation Review #1; Communications	Office of Management Services; Audit Completed October 1980
EO-79-127	Kansas City Power & Light Company; Management Audit, Status Reports on the Performance Improvement Program; Electric	Office of Management Services; Status Reports Reviewed in October 1980
EO-79-127	Kansas City Power & Light Company; Management Audit, Implementation Review; Electric	Office of Management Services; Audit initiated May 1981
EO-79-228	Missouri Power & Light Company; Management Audit, Company Status Report; Electric and Gas	Office of Management Services; Review of Status Report November 1980
GO-79-197	Gas Service Company' Customer Service Audit, Company Response to Audit; Gas	Office of Management Services; Review of Company Response, September 1980
EO-81-123	Empire District Electric Company; Management Audit; Electric and Water	Office of Management Services; Audit Completed, June 1981
EO-81-313	Citizens Electric Corporation; Management Audit; Electric	Office of Management Services; Audit initiated May 1981

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 Commission decisions on rate 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.

MAJOR TRANSPORTATION RATE CASES

Cases T-44,914 and T-46,330

Effective August 26, 1980, Columns 2 through 6 of Section 3 of the dump truck tariff were increased 5 percent on an interim basis. Effective May 11, 1981, a new interim was established whereby Item No. 30 and Section 2 were increased by 10 percent, Column 1 of Section 3 was increased from 3 to 10 percent on a graduated basis, and Columns two through six of Section 3 were increased by 10 percent over the previously prescribed permanent rates.

Case B-46,644

Missouri Transit Lines, Inc., was granted an increase in charter rates ranging from 9.2 to 10.4 percent effective April 10, 1981.

Case B-44,516

Jefferson Lines, Inc., was denied an increase in passenger fares of 3.2 percent and an increase in express rates of 34.7 percent.

Case B-44,758

Mid-American Coaches, Inc., Vandalia Bus Lines, Inc., and V-K Bus Lines, Inc. were granted an increase on an interim basis approximately 10.2 percent, effective November 11, 1980.

Case T-43,891

General commodity carriers were granted an increase of 8.3 percent in less than truckload traffic and accessorial services and an increase of 7.625 percent in truckload traffic for class rates over the previously prescribed interim rates granted in May 1980. The Commission authorized the same increases for less than truckload and truckload traffic for

class rates. The new rates were effective March 1, 1981.

Case B-44,400

Greyhound Lines, Inc. was granted increases in regular route passenger fares, package express rates and charter coach charges, effective August 1, 1980. Passenger fares advanced 13 percent, and express rates increased from 16.8 to 18.3 percent, depending upon weight and distance. Contingent upon the number of persons in the charter party, maximum time charges increased from 22.2 percent to 23.2 percent, and live mileage charges increased from 11.1 percent to 12.0 percent. The deadhead mile charge, or cost of driving the vehicle without customers on it, increased 22.2 percent.

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:

Carrier Field Audits:

Household Goods Carriers	13	0
Dump Trucks	0	129
Passenger Carriers	3	9
General Commodity Carriers	0	14
TOTAL FIELD AUDITS	<u>16</u>	<u>152</u>
Rate Audits	48	64
Rate Case Analysis	12	8
Transfer Financial Reviews	273	445
New and Additional Authority Financial Reviews	2246	5129

OFFICE OF RATES

The Office of Rates reviews all proposed tariffs and schedules filed by the rail and motor carriers. The office 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 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, 64 audits were conducted. In 1980-81, the audits were done on fifty household goods, two general commodity, and twelve 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>1979-80</u>	<u>1980-81</u>
Number of rate audits	48	64
Bills of lading violations	1296	1546
Collection of charges violations	23216	34
C.O.D. violations	243	50
Freight bills violations	35	0
Delivery receipt violations	52	32
Loss and damage rules violations	394	8
Authority violations	13	1
Tariff posting violations	9	6
Rate undercharges	344	348
	\$4427.91	\$8398.67
Rate overcharges	438	708
	\$9420.02	\$19631.82
Follow-up Investigations	48	64
Hours spent in carrier's office conducting audits	447	498
Special investigations (other than rate audits)	4	4
<u>Volume of Work Othan Than Rate Audits</u>		
Trucks tariffs received	4483	3471
Rail tariffs received	5324	4962
Service complaints handled	148	76
Special permission orders issued	78	53
Tariffs suspended	0	5
Tariffs rejected	25	17
Contract carrier rate filings	268	123

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>BUS</u>	<u>1979-80</u>	<u>1980-81</u>
Annual licenses	4,419	4,441
72-hour licenses	637	275
 <u>TRUCK</u>		
Annual licenses	89,597	88,298
72-hour licenses	50,884	70,983
Replacements	8	8
 TOTAL SALES	 \$2,606,093	 \$2,674,773

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>1979-80</u>	<u>1980-81</u>
New certificates received & filed	10,951	12,812
Cancellation notices received	6,404	7,373
Carriers suspended due to cancellation	2,758	3,209
Carriers reinstated upon renewal	1,481	1,644

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>1979-80</u>	<u>1980-81</u>
Applications for intrastate authority	152	187
Initial grants of authority	109	113
Additional grants of authority	128	87
Grants of temporary authority	111	63
Transfers of intrastate authority	258	161
Interstate permits issued	2,198	2,712
Interstate permits revoked	1,126	497

ENFORCEMENT DEPARTMENT

Through route inspections and investigations 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>1979-80</u>	<u>1980-81</u>
Carriers contacted	5,826	6,429
Compliance surveys	17	21
Vehicles inspected	8,327	7,650
Bus stations inspected	33	57
Transferees investigated	—	81
Investigations conducted	1,981	1,904
New carrier orientation	107	111
Accidents investigated	—	59
Arrests resulting from investigations	2,050	1,657
Complaints received	—	467
Hours spent traveling	—	10,890
Accident Reports received	—	134

MOBILE HOMES

The Mobile Homes Department has the responsibility for enforcing federal construction standards relating to mobile 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.

The activities of the department over the past two years is detailed below:

INSPECTIONS AND INVESTIGATIONS

	<u>1979-80</u>	<u>1980-81</u>
Inspection of dealer lots	2,280	2,150
Inspection of out-of-state facilities	392	386
Inspection of modular home facilities	12	12
Consumer complaints handled	460	396

FEES COLLECTED

	<u>1979-80</u>	<u>1980-81</u>
Transacted sales of 2,247 RV seals	\$17,508	\$17,976
Issued seals for 103 modular homes	376	824
Dealer registration fees	1,165	1,000
Manufacturer registration fees	2,820	2,010
Receipts for HUD out-of-state inspections	50,642	38,000
Plan approvals	9,275	11,275
Receipts for units shipped to Missouri	40,062	40,000
Postage Assessment	254	256
	<hr/>	<hr/>
	\$131,922	\$111,341

RAILROAD SERVICES DEPARTMENT

The Railroad Services Department has the job of enforcing the Commission's rules and regulations and also state ~~relating~~ 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.

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>1979-80</u>	<u>1980-81</u>
Fatal accident investigations	15	16
Railroad yard and building inspections	67	60
Grade crossing inspections	683	778
Grade crossing accident surveys	23	22
Railroad equipment inspections	19	15
Meetings with railroad officials	207	189
FRA track inspections	273	347
Industrial Track Inspections	77	82
Miscellaneous inspections	84	76
Complaints received	89	110
Complaints satisfied	68	88
Operation Lifesaver Presentations	12	11

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 office's 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 affect 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 441 in fiscal 1979-80 to 497 in fiscal 1980-81. 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 221 cases, spent 836.5 hours in the hearing room and filed 31,248 pages of transcripts. In fiscal 1979-80, the department heard 201 cases, spent 871 hours in the hearing room

and submitted 24,834 pages in transcripts.

Through the Internal Accounting Department, the office prepares the budget that is 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. On the next three pages there is a breakdown of the Commission's budget including the sources of income and disbursements.

PUBLIC SERVICE COMMISSION RECEIPTS

	Fiscal Year 1980	Fiscal Year 1981
<u>Public Service Commission Fund</u>		
Utility assessment	\$3,891,083	\$4,260,617
Out-of-state audit reimbursement	12,874	18,644
Department of Transportation reimbursement		
Railroad track safety program	24,568	80,659
Natural gas pipeline safety program	72,345	54,917
Miscellaneous reimbursements	266	532
Sale of surplus property	<u>1,036</u>	<u>2,561</u>
Total PSC Fund	<u>\$4,002,172</u>	<u>\$4,417,930</u>
 <u>State Highway Fund</u>		
Sale of bus and truck licenses	\$2,606,193	\$2,674,773
Sale of surplus property	6,741	1,263
Miscellaneous reimbursements	<u>278</u>	<u>383</u>
Total State Highway Fund	<u>\$2,613,212</u>	<u>\$2,676,419</u>
 <u>General Revenue Fund</u>		
Mobile Homes Division's Receipts:		
Sale of recreational vehicle seals	\$ 17,348	\$ 17,976
Sale of modular home seals	376	824
Payment for mobile home manufacturer construction monitoring	54,338	24,977
Payment for mobile home units shipped to Missouri	32,211	35,136
Dealer registration fees	1,165	1,000
Manufacturer registration fees	2,750	2,060

PUBLIC SERVICE COMMISSION EXPENDITURES

Operating Expenditures

	Fiscal Year 1980	Fiscal Year 1981
<u>Public Service Commission Fund</u>		
Personal service	\$2,683,389	\$3,096,481
Expense and Equipment	<u>774,168</u>	<u>945,693</u>
Total PSC Fund	<u>\$3,457,557</u>	<u>\$4,042,174</u>
<u>State Highway Fund</u>		
Personal service	\$1,176,914	\$1,382,042
Expense and Equipment	<u>399,022</u>	<u>444,020</u>
Total Highway Fund	<u>\$1,575,936</u>	<u>\$1,826,062</u>
<u>General Revenue</u>		
Personal Service	\$ 117,903	\$ 128,441
Expense and Equipment	<u>31,123</u>	<u>26,732</u>
Total General Revenue	<u>\$ 149,026</u>	<u>\$ 155,173</u>
Total Operating Expenditures	\$5,182,519	\$6,023,409
	<u>Other Expenditures</u>	
Federal Funds - PURPA Grant	-0-	\$ 67,647
License Refund	\$ 15,000	14,990
Grade Crossing Fund	<u>266,314</u>	<u>208,443</u>
Total Expenditures	<u>\$5,463,833</u>	<u>\$6,314,489</u>
Authorized number of employees	<u>244.66</u>	<u>253.66</u>

	Fiscal Year 1980	Fiscal Year 1981
Plan approvals	19,250	11,275
Postage assessment	<u>252</u>	<u>256</u>
Total Mobile Homes Division	\$ 127,690	\$ 93,504
Miscellaneous receipts		
Authority fees	18,971	33,944
Fees for copies of PSC documents	<u>24,771</u>	<u>24,428</u>
Total miscellaneous receipts	<u>\$ 43,742</u>	<u>\$ 58,372</u>
Total General Revenue Fund	\$ 171,432	\$ 151,876
 <u>Grade Crossing Fund</u>		
Tax on car rentals by freight line companies	\$ 333,241	\$ 351,961
 <u>Federal Funds</u>		
PURPA Grant	<u>\$ 161,888</u>	<u>\$ 82,215</u>
Total Receipts	<u>\$ 7,281,945</u>	<u>\$ 7,680,401</u>

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:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
Cases filed	484	2,750
Cases on appeal in Mo. courts	34	90
Penalty cases	25	30
Federal cases (FERC)	11	50
Federal cases (ICC)	7	12
Federal cases (NRC)	3	2
Federal cases (FCC)	0	15