

ANNUAL REPORT

**PUBLIC SERVICE
COMMISSION**

JULY 1, 1949 - JUNE 30, 1950



LETTER OF TRANSMITTAL

To His Excellency, Forrest Smith,

Governor of Missouri.

Dear Sir:

Pursuant to Section 5594, R.S.Mo., 1939, we have the honor to submit herewith the Annual Report of the Public Service Commission of the State of Missouri, which said report contains a full and complete account of its transactions and proceedings for the period from July 1, 1949, to June 30, 1950, inclusive.

Respectfully submitted,

By Merren E. Osburn
Chairman

Kyle D. Williams
Commissioner

W. J. C. [unclear]
Commissioner

Charles L. Hanson
Commissioner

Henry McKay Cary
Commissioner

MISSOURI PUBLIC SERVICE COMMISSION

MORRIS E. OSBURN, Chairman.....Shelbyville
KYLE D. WILLIAMS, Commissioner.....Albany
CHARLES L. HENSON, Commissioner.....Springfield
E. L. McCLINTOCK, Commissioner.....Cape Girardeau
HENRY McKAY CARY, Commissioner.....Carrollton

MARVIN P. MOORE, Secretary.....Fulton
TYRE W. BURTON, General Counsel.....Fayette
R. E. DUFFY, Chief Engineer.....Greenfield
HOMER L. THORP, Chief Accountant.....Shelbyville
ROY F. REED, Chief Rate Expert.....St. Louis
CABLE R. NEWBERRY, Supervisor of Motor Bus and Truck
Department.....Jefferson City

HEADQUARTERS AND PERSONNEL

The headquarters of the Public Service Commission are located in the old Federal Building at Jefferson City, Missouri.

On the third floor are located the Legal, Accounting, and Engineering Departments. On the second floor are located the offices of the five Commissioners, the hearing room and the Reporting Department. On the first floor are located the offices of the Secretary of the Commission, and the Bus and Truck Department, with the desk where travel orders may be purchased located adjacent to the foyer, so that those who have business of this nature can be served quickly and without disturbing the other personnel of the department.

Also located on the first floor is the Transportation Rate Department, the Gas, Electricity, Water, and Telephone Department, and the general office of the Commission.

The Commission has succeeded in its determined effort to eliminate delay and make its docket entirely current. Unless the case be one in the nature of a complete audit and appraisal of a utility, or one which requires a great deal of field work, or is awaiting the filing of briefs, it can be heard and the report and order issued within less than thirty days after the case is filed.

In very urgent matters, where proper waivers on notices of hearing are filed, the case can be filed, heard, and the report and order issued on the same date.

The employees of the Commission are all specially trained for the position which they now hold, some have been with the Commission for a considerable number of years and several have attained statewide and nationwide recognition in their fields of work.

LEGAL DEPARTMENT

Personnel

During the past fiscal year July 1, 1949 to June 30, 1950, the personnel of the Legal Department has consisted of the General Counsel, two Hearing Examiners and a Reporter of Opinions, all of whom are lawyers, and three stenographer-secretaries. At the beginning of the fiscal year July 1, 1949, the office of General Counsel was vacant due to the appointment of the incumbent General Counsel, John P. Randolph, to the Commission; however, Tyre W. Burton was appointed to that position and assumed the duties thereof on August 1, 1949.

Duties and Work

The work of the Department during the past fiscal year followed along the generally established lines, conferring with the Commissioners and technical staff and advising them upon the legal problems that arise in the daily routine of work, too voluminous for detailed description. The duties imposed upon the General Counsel by statute requiring that he give opinions and advice to the public as to their rights under the Missouri Public Service Commission Law and the legal methods and procedure for obtaining same has been discharged. Numerous individuals or their attorneys, as well as various public officials, have conferred with the Department and have been given advice and opinions with respect to matters within the scope of its prescribed functions. The Department has worked and advised with other agencies and departments of the State Government. Various problems concerning the enforcement of the Bus and Truck Act by the State Highway Patrol have arisen during

the past year, and advice and opinions concerning these matters have been given to the Patrol. As a part of this work, it has been necessary to give consideration to the various reciprocity contracts, which now total twenty-three, between this and other states regarding the license fees on vehicles of motor carriers operating in interstate commerce. These contracts have been mentioned in earlier reports and are still a subject of study. Assistance has been afforded certain county prosecuting attorneys in the presentation of cases involving violations of provisions of the Bus and Truck Act.

By statute, it is the duty of the Legal Department to represent the general public in all rate and valuation cases heard before the Commission. During the past fiscal year there have been a number of rate cases before the Commission involving rates for transportation service as well as other utility services. In all such cases the Legal Department has appeared on behalf of the general public, and in cooperation with the technical staff, has presented all available facts and information to the Commission.

During the past fiscal year, the work of one member of the Legal Department has been devoted largely to the editing, digesting, indexing and otherwise preparing selected reports and orders of the Commission for publication. In all, four volumes were printed or were in the process of being printed during the past fiscal year covering the period January 1, 1942 to August, 1947, inclusive, and the period March, 1949 to February, 1950, inclusive. These publications were prepared and printed pursuant to Section 386.170 et seq., R.S. of Mo. 1949.

The principal duty of the Hearing Examiners is to assist the Commission in hearing cases. The Examiners have heard many cases during the past year thus enabling the Commission to dispose

of the cases on its crowded docket in an efficient and orderly manner. In addition to presiding at the hearing of cases, the Examiners prepare the suggested report and order which is submitted to the Commission for its consideration and subsequent adoption or change.

In addition to all the foregoing, the Department has represented the Commission in various hearings before the Federal Power Commission. It has intervened on behalf of the Commission in seven of such cases primarily for the purpose of protecting the interests of the gas consuming public of Missouri in order that it might secure an adequate flow of gas through interstate channels at reasonable rates. The Department has represented the Commission in all litigation in the courts wherein the Commission was a party or had an interest therein on behalf of the consumers of public utility services in this state.

One of the important duties of the Commission requiring considerable time of the members of the Department is to represent the State on joint boards created by the Interstate Commerce Commission pursuant to the federal Interstate Commerce Act. The function of the joint boards is to hear applications for authority to operate as a motor carrier in interstate commerce and, also, to recommend to the Interstate Commerce Commission the action to be taken thereon. The General Counsel has acted as the chief representative from this State with other members of the staff serving as alternate members. Most of the joint board hearings have been held either in St. Louis or Kansas City; however, several of the hearings have been held in some of the larger cities in neighboring states.

The following is a summary of the cases handled by the Department but does not include each and every case.

Circuit Court Cases

STATE EX REL. W. H. JOHNSON, D/B/A GREAT SOUTHERN COACHES, ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. B-9358; Circuit Court No. 11,000)

This cause at the date of the last report of the Commission was pending in the Circuit Court of Cole County and is still pending at the date of this report.

STATE EX REL. BYERS TRANSPORTATION COMPANY, INC., ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. T-9881; Circuit Court No. 11,496)

This cause at the date of the last report of the Commission was pending in the Circuit Court of Cole County and is still pending at the date of the report.

STATE EX REL. DIXIE GREYHOUND LINES, INC., ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. B-9778; Circuit Court No. 11,491)

This cause at the date of the last report of the Commission was pending in the Circuit Court of Cole County and is still pending at the date of this report.

STATE EX REL. CITY OF ST. LOUIS VS. PUBLIC SERVICE COMMISSION
(Commission Case Nos. 11,124 and 11,520; Circuit Court No. 11,868)

In the last report this case was erroneously reported under Circuit Court No. 12,023 instead of its proper number, i.e., 11,868. At the date of that report, the cause was pending in the Circuit Court of Cole County. On July 16, 1949, the case was dismissed by the Circuit Court in accordance with a stipulation filed therein by the parties.

STATE EX REL. CITY OF ST. LOUIS VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,520; Circuit Court Case No. 12,023)

This case arose as the result of an order of the Commission providing for an adjustment in the fare structures of the St. Louis Public Service Company designed to increase its annual revenues from the transportation of persons in St. Louis and St. Louis County. The City of St. Louis appealed by certiorari to the Circuit Court of Cole County, and the Commission on October 10, 1949 duly filed its return to the writ issued out of said court. This is the status of this case at the date of this report.

STATE OF MISSOURI EX REL. CITY OF ST. LOUIS VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,481; Circuit Court Case No. 12,047)

STATE OF MISSOURI EX REL. CITY OF UNIVERSITY CITY ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,481; Circuit Court Case No. 12,051)

This case arose as a result of the Commission's order issued on August 10, 1949, wherein the St. Louis County Water Company was permitted to adjust the rates of water consumers in given municipalities so as to charge said consumers their respective portions of license taxes imposed upon the water company by the municipalities in which the consumers reside. The City of St. Louis and the City of University City et al. filed petitions for writ of certiorari in the Circuit Court of Cole County. The Circuit Court of Cole County consolidated the cases and on October 25, 1949, the Commission duly filed its return to the writ of certiorari which had issued out of the Circuit Court of Cole County. At the date of this report this matter was pending in the Circuit Court of Cole County.

Kansas City Court of Appeals

STATE OF MISSOURI EX REL. SPRINGFIELD WAREHOUSE AND TRANSFER
COMPANY VS. PUBLIC SERVICE COMMISSION
(Commission Case No. T-10,400; Circuit Court Case No. 11,472)

At the date of the last report this matter was pending in the Kansas City Court of Appeals. On October 6, 1949 the cause was argued before said Court, and on November 7, 1949 the judgment of the Circuit Court was affirmed. This opinion is reported at 225 S.W. (2d) 792. On November 22, 1949 the Commission filed in the Kansas City Court of Appeals its motion for rehearing or transfer to the Supreme Court of Missouri, which was overruled on January 9, 1950. On February 1, 1950, the Commission filed with the Supreme Court of Missouri its application for transfer of the cause to that Court from the Kansas City Court of Appeals. This motion was duly overruled by the Supreme Court ending further proceedings in the cause.

St. Louis Court of Appeals

STATE OF MISSOURI EX REL. ST. LOUIS COUNTY TRANSIT COMPANY ET AL.
VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,167; Circuit Court Case No. 25,563-D)

STATE OF MISSOURI EX REL. CITIZENS COMMITTEE OF LADUE VS. PUBLIC
SERVICE COMMISSION
(Commission Case No. 11,167; Circuit Court Case No. 25,618-D)

STATE OF MISSOURI EX REL. CITY OF LADUE VS. PUBLIC SERVICE
COMMISSION
(Commission Case No. 11,167; Circuit Court Case No. 25,619-D)

At the date of last report this case was pending in the St. Louis Court of Appeals and is still pending at the date of this report.

Supreme Court of Missouri

STATE EX REL. PARTNOY, SIMON, D/B/A HARMONY PUBLISHING COMPANY
VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,031; Circuit Court No. 11,308)

This cause at the date of the last report was pending in the Supreme Court of Missouri. The case was duly argued before Division No. 2 of the Supreme Court on January 25, 1950 and submitted on the record; however, on February 11, 1950 a motion to dismiss the appeal was filed by the appellant and was sustained by an order of the Court. This order of the Supreme Court closes this case.

STATE EX REL. KANSAS CITY ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,191; Circuit Court Case No. 11,834;
Supreme Court Case No. 41,479)

At the date of the last report, this case was pending in the Supreme Court of Missouri. The matter was duly argued before Division No. 1 of the Supreme Court on January 27, 1950 and on March 13, 1950 the appeal of St. Louis County was dismissed by that Court. The opinion of the Supreme Court in this matter can be found at 228 S.W. (2d) 1.

STATE EX REL. KANSAS CITY ET AL. VS. PUBLIC SERVICE COMMISSION
(Commission Case No. 11,191; Circuit Court Case No. 11,863;
Supreme Court No. 41,616)

As shown by the last report, both the Southwestern Bell Telephone Company and the Commission appealed to the Supreme Court of Missouri from a judgment of the Circuit Court of Cole County setting aside the Commission's order providing for rate increases to the Southwestern Bell Telephone Company applicable to intrastate telephone service rendered by the Company. On January 27, 1950 the cause was argued before Division 1 of the Supreme Court, and on March 13, 1950, the Court reversed and remanded the judgment of the Circuit Court. This opinion is

reported at 228 S.W. (2d) 738. The appellants filed motions in the Supreme Court for rehearing or transfer to the court en banc which were overruled on April 10, 1950. The case was then returned to the Circuit Court for a hearing on the merits of the case. This is the status of this case at the date of this report.

PUBLIC SERVICE COMMISSION VS. JOSEPH C. CIRESE AND EAST SIDE
REALTY COMPANY
(Commission Case No. 9900; Circuit Court Case No. 529,785)

At the date of the last report this case had been taken under advisement by the Judge of Division 6 of the Circuit Court of Jackson County. On August 19, 1949 a judgment issued out of said Court perpetually enjoined the respondents from further operations as a public utility, and on December 1, 1949 respondents appealed to the Supreme Court of Missouri from said judgment. At the date of this report, this case was pending in the Supreme Court of Missouri.

ACCOUNTING AND STATISTICAL DEPARTMENT

The Department is delegated with the responsibility of assisting the Commission in matters regarding valuations of utility properties for rate making purposes, security issues, reorganizations, consolidations, and property acquisitions by operating utilities. It is represented and presents evidences at hearings in which these matters are involved. It also conducts audits and investigations of various public utilities, in order to develop and present information which will enable the Commission to be fully informed of the actual conditions when passing upon a case involving any of the matters previously mentioned.

Other duties consist of the supervision of the accounting of all the utilities in the state, which are subject to the jurisdiction of the Commission, including the obtaining from each such utility an annual report of its operations, which is filed in the department as a public record. The department also assists in the preparation of the budget for each fiscal year, and maintains current records of the expenditures, and periodically advises the Commission as to the current status of each appropriation. In addition, since the revision of Section 5706 of the Public Service Commission Law, which sets forth the method of assessing various classes of public utility companies by the Commission for the expenses incurred each fiscal year attributable to the exercise of its regulatory powers, the department has been directed by the Commission to calculate the exact amount of the assessment against each public utility company, in accordance with the provisions of the Act.

Personnel

The personnel of the Department at June 30, 1950 consists of a Chief Accountant, thirteen Accountants, and two Senior Stenographers.

Audit and Special Studies

With the exception of the Chief Accountant and the general office staff, the balance of the personnel of the Department perform their duties in the field, auditing the books and records of the various utility companies. The purpose of these audits is to determine the original cost of utility property, operating revenues and expenses and net operating income applicable thereto, and the utility's capitalization, for the use of the Commission in any valuation or rate case which may be before it, and for any other purpose which the Commission might deem proper under the circumstances. Special Studies are also made from time to time by members of the Department for the purpose of inquiring as to the adequacy, or inadequacy, of the net operating income of the utility under review, based on its existing rate structure.

During the fiscal year the largest and most important cases in which the Department was involved were, the Southwestern Bell Telephone Co., Laclede Gas Company, Springfield City Water Company, St. Louis County Water Company, Western Light and Telephone Company, and the Missouri Water Company. Involved in the above cases were the determination of original cost and the examination of operating revenues and expenses.

Also, during the year the Commission received numerous applications from independent telephone companies asking for authority to increase their charges for telephone service, largely because of the rapidly increasing costs of operation. In order

to expedite the many telephone applications for increase in rates, one of our field accountants has been assigned to audit and make an investigation of the books and records and report the findings to this Department so that prompt action may be taken. Audits and investigations were completed during the fiscal year of a number of these independent telephone companies seeking relief, and the cases have been disposed of by the Commission. As of June 30, 1948, however, the Commission, on its own motion, had directed the Department to make audits and investigations of numerous additional small independent telephone companies, and this work will be accomplished as soon as possible.

The following is a list of the audits and investigations in which the Department was involved during the year. As was stated previously, at June 30, 1950 the field work in some of these cases was not completed, and the accounting and other staff reports had not been filed with the Commission.

Laclede Gas Company
Southwestern Bell Telephone Company
Western Light & Telephone Company
Southeast Missouri Telephone Company
North Side Telephone Company
Greenfield Telephone Company
Ozark Central Telephone Company
Atchison County Telephone Company
Miller Community Telephone Company
Fidelity Telephone Company
Billings Telephone Company
Fordland Telephone Company
De Soto Telephone Company
Springfield City Water Company
St. Louis County Water Company
St. Louis Public Service Company
Missouri Water Company
Macon Gas Company
Kansas City Public Service Company
St. Joseph Light & Power Company
Missouri Service Company

During the fiscal year the accountant who was assigned permanently to the handling of accounting matters of bus and

truck companies operating intrastate under the Commission's jurisdiction, made 118 calls on the following carriers:

Merchants Contract Deliveries, Kansas City, Mo.
David Freeman, Kansas City, Mo.
David Hal Michaels, Kansas City, Mo.
Scherff Truck Line, California, Mo.
John Bates Truck Line, Grandview, Mo.
Smith Brothers, Raytown, Mo.
Western Tariff Bureau, Kansas City, Mo.
Klump Transfer, Kansas City, Mo.
Williams Transfer, Kansas City, Mo.
McCormack Payton, Kansas City, Mo.
South Prospect Moving & Storage Co., Kansas City, Mo.
South Side Moving & Storage, Kansas City, Mo.
Waldo Transfer & Storage, Kansas City, Mo.
Eads & Stratman Truck Line, Vienna, Mo.
Winkleman & Fink, Meta, Mo.
Fancher Truck Line, Iberia, Mo.
Rolfig Truck Line, Hermann, Mo.
Erwin Sicht, Bay, Mo.
Calvin Cordray, Morrison, Mo.
Van Dyke Truck Line, Smithtown, Mo.
Scherff Truck Line, California, Mo.
Murray Moving & Storage, Kansas City, Mo.
Columbia Motor Transport, Kansas City, Mo.
Sweigart Belton Truck Line, Belton, Mo.
O'Brien Transfer, Mexico, Mo.
Wiss Transfer, Jonesburg, Mo.
Benders Transport, St. Louis, Mo.
Carondelet Transfer, St. Louis, Mo.
Gammon Brothers, Flat River, Mo.
St. Mary's Truck Line, St. Mary's, Mo.
Farmington Transfer, Farmington, Mo.
Tallent Brothers, Marquand, Mo.
Day Transfer & Storage, Cape Girardeau, Mo.
Glyn Hartel Materials Co., Cape Girardeau, Mo.
Potachnick Truck Line, Sikeston, Mo.
Pemiscot Motor Freight, Caruthersville, Mo.
Hogan Truck Line, Kennett, Mo.
Gordon Hart, Dexter, Mo.
Shawneetown Transfer, Shawneetown, Mo.
Farrar Truck Line, Farrar, Mo.
Friese Truck Line, Freidham, Mo.
Gossett, Harrisonville, Mo.
Western Tariff Bureau, Kansas City, Mo.
Klump Transfer, Kansas City, Mo.
White Way Transfer & Storage, Kansas City, Mo.
Steel Transportation, Kansas City, Mo.
Katherns Moving & Storage, Kansas City, Mo.
Schankenburg & Lohman, Concordia, Mo.
Alkire Truck Line, Kansas City, Mo.
Inter-City Freight, Independence, Mo.
C.E.S. Truck Line, Festus, Mo.
Kelso Oil Co., Cape Girardeau, Mo.
Day Transfer, Cape Girardeau, Mo.

Walter Pitts, Sikeston, Mo.
H & F Truck Line, Frohna, Mo.
Robinson Truck Line, Patton, Mo.
Lewton Gill Bruce Truck Line, St. Louis, Mo.
Schaum Transfer Co., St. Louis, Mo.
Paul Eaton, Clinton, Mo.
Jess Rukes Clinton Transfer, Clinton, Mo.
Leo Garey, Clinton, Mo.
Carl Frick Truck Line, Kearney, Mo.
Kearney Transfer, Kearney, Mo.
J. R. Denton, Richmond, Mo.
J. J. Woodruff, Lexington, Mo.
Hannibal-Quincy Truck Line, Hannibal, Mo.
L. C. Hudson Oil Co., Carrollton, Mo.
Lee Francis, Carrollton, Mo.
Pinky Miller, Carrollton, Mo.
Dan Baxley, Brunswick, Mo.
Brunswick Oil Co., Brunswick, Mo.
Vernon Beckner, Laredo, Mo.
J. H. McCarty, Trenton, Mo.
Don K. Bryant, Trenton, Mo.
Kemmer Freight Line, Kahoka, Mo.
Conover Truck Line, Lewistown, Mo.
Wolter Truck Line, Knox City, Mo.
B. J. McPike Truck Line, Palmyra, Mo.
Fred Schaffer Truck Line, Palmyra, Mo.
St. Mary's Truck Line, Flat River, Mo.
Sanders Truck Line, Farmington, Mo.
Farmington Transfer, Farmington, Mo.
Lead Belt Freight Line, Flat River, Mo.
Righter Truck Line, Charleston, Mo.
Brooks Truck Line, Marshall, Mo.
Earl Banks, Marshall, Mo.
M. R. Waller Truck Line, Richmond, Mo.
Homer Snieder, Cameron, Mo.
McCammon, King City, Mo.
Moss Truck Line, Princeton, Mo.
Wordon Truck Line, Bethany, Mo.
Watson Brothers, Stewartsville, Mo.
Caton Brothers, Mound City, Mo.
L. R. Henley, Clarksville, Mo.
Dwyer Motor Freight, Silex, Mo.
Magee & Sappington, Eolia, Mo.
Jacks Truck Line, Troy, Mo.
Armstrongs Truck Line, Troy, Mo.
Creech Brothers Truck Line, Troy, Mo.
Prather Horse Van Co., St. Louis, Mo.
Chappel Accounting Co., St. Louis, Mo.
Toedebusch Transfer, St. Louis, Mo.
Lewton Truck Line, St. Louis, Mo.
Crawford Moving Vans, St. Louis, Mo.
Gay Hudson Moving & Storage Co., St. Louis, Mo.
Feeherty Transfer Co., St. Louis, Mo.
Interstate Commerce Commission, Kansas City, Mo.
New Way Transfer & Storage, Kansas City, Mo.
Kirchner Truck Line, Lohman, Mo.
Jackson Truck Line, Maryville, Mo.
Wagner Truck Line, Maryville, Mo.

Upon receipt of the annual and quarterly reports of the various motor carriers they were immediately checked and any irregularities and omissions noted were called to the carrier's attention and were requested to file corrected copies of reports.

During the year 1950 a total of 450 annual reports and 1,800 quarterly reports were filed and checked in this Department. While the duties performed by this accountant are not entirely in the nature of audits he supervises the accounting methods and practices of these companies for the purpose of improving their accounting records and reports to the Commission, and to bring them in line with the Commission's requirements. Also, this accountant is available for obtaining necessary accounting and statistical data relative to the various motor carrier operations, as might be required by the Commission from time to time in passing upon the requests of various carrier groups for increased rates. The need for this specialized work has long been recognized and the advantages are already apparent, although the accountant has been assigned this work for only a relatively short period of time.

Other studies were made throughout the period in connection with the various problems which arose, and which required more information than was in the offices of the Commission.

Security Issues

During the fiscal year the amount of security issues authorized was \$214,881,285.00 or an increase of 10.72% over the amount authorized in the preceding fiscal year. Of this amount \$17,514,000.00 was for the purpose of refunding outstanding securities and \$197,367,285.00 was for new money obtained for the acquisition, construction, completion, extension,

and improvement of the services of the various utility companies. The amount of refunding issues showed a decrease of 73.09% under the amount authorized in the previous fiscal year and the new money authorizations showed an increase of 53% for the same period.

As stated previously, there were relatively few refunding authorizations issued. The increase in the authorizations for new money seems to indicate that the demand for increased utility services still exists. The increased availability of materials also allowed companies to proceed during the year in the completion of long delayed construction projects requiring additional capital. The fact that Missouri public utility companies were able to obtain their capital requirements during a year in which there was keen competition for the investor's dollar, reflects to some degree the sound financial condition of these companies and their good credit rating. This is further justification for the continuance by the Commission of its policy of careful scrutiny of all proposed security issues, with the view of improvement in corporate structures and in increasing the margin of safety to investors.

The following table shows the securities authorized to be issued during the period from July 1, 1949 to June 30, 1950, inclusive.

SECURITIES AUTHORIZED JULY 1, 1949 TO JUNE 30, 1950

<u>DATE OF AUTHORITY</u>	<u>CASE NO.</u>	<u>NAME</u>	<u>KIND OF SECURITY</u>	<u>TOTAL VALUE</u>
7-1-49	11,668	CAPITAL CITY TELEPHONE COMPANY	Preferred Stock	\$ 300,000.00
7-18-49	11,679	CITIZENS ELECTRIC CORPORATION	Note	1,200,000.00
7-19-49	11,676	JOPLIN WATERWORKS COMPANY	Bonds	1,650,000.00
7-19-49	11,676	JOPLIN WATERWORKS COMPANY	Common Stock	357,073.00
7-22-49	11,678	GRANBY TELEPHONE COMPANY	Note	24,000.00
7-25-49	11,638	CAMDEN POINT TELEPHONE COMPANY	Note	2,250.00
8-3-49	11,695	GAS SERVICE COMPANY	Bonds	18,000,000.00
9-19-49	11,717	SOUTHWESTERN BELL TELEPHONE COMPANY	Common Stock	85,000,000.00
9-14-49	11,461)	TERRY TELEPHONE COMPANY	Note	800.00
	11,525)			
	11,707)			
10-20-49	11,734	PARKVILLE WATER COMPANY	Bonds	9,000.00
10-10-49	11,730	UNION ELECTRIC COMPANY OF MISSOURI	Preferred Stock	15,000,000.00
10-24-49	11,741	MISSOURI POWER & LIGHT COMPANY	Bonds	2,000,000.00
10-24-49	11,741	MISSOURI POWER & LIGHT COMPANY	Preferred Stock	2,000,000.00
10-17-49	T-10,695	BYERS TRANSPORTATION COMPANY	Common Stock	100,000.00
10-29-49	11,745	WESTERN LIGHT & TELEPHONE COMPANY	Debentures	1,250,000.00
10-29-49	11,745	WESTERN LIGHT & TELEPHONE COMPANY	Bonds	1,500,000.00
10-29-49	11,745	WESTERN LIGHT & TELEPHONE COMPANY	Common Stock	141,162.00
11-4-49	11,747	MISSOURI SERVICE COMPANY	Bonds	110,000.00
11-4-49	11,747	MISSOURI SERVICE COMPANY	Note	50,000.00
11-15-49	11,705	CHRISTIAN COUNTY TELEPHONE COMPANY	Note	6,000.00
12-5-49	11,773	CONSUMERS PUBLIC SERVICE COMPANY	Bonds	50,000.00
12-20-49	11,699	MARTHASVILLE TELEPHONE COMPANY	Note	7,000.00
12-21-49	11,797	ST. JOSEPH WATER COMPANY	Bonds	650,000.00
12-21-49	11,797	ST. JOSEPH WATER COMPANY	Preferred Stock	707,000.00
12-30-49	11,778	POTOSI TELEPHONE COMPANY	Notes	40,000.00
2-28-50	11,774	STOVER TELEPHONE COMPANY	Note	9,000.00
2-28-50	T-10,812	CATON BROS. TRUCK TRANSPORE	Note	15,000.00
3-8-50	11,857	SHO ME POWER CORPORATION	Note	2,000,000.00
3-8-50	11,844	MISSOURI EDISON COMPANY	Bonds	300,000.00
3-24-50	11,864)			
	11,865)			
3-25-50	11,674	UNION ELECTRIC COMPANY OF MISSOURI	Common Stock	5,000,000.00
3-30-50	11,868	GREENFIELD TELEPHONE COMPANY	Note	19,000.00
3-30-50	11,868	SPRINGFIELD CITY WATER COMPANY	Preferred Stock	200,000.00
3-30-50	11,868	SPRINGFIELD CITY WATER COMPANY	Bonds	200,000.00
4-18-50	11,881	MISSOURI POWER & LIGHT COMPANY	Notes	2,400,000.00
4-16-50	11,861	LA PLATA TELEPHONE COMPANY	Note	15,000.00

SECURITIES AUTHORIZED JULY 1, 1949 to JUNE 30, 1950, Cont'd.

<u>DATE OF AUTHORITY</u>	<u>CASE NO.</u>	<u>NAME</u>	<u>KIND OF SECURITY</u>	<u>TOTAL VALUE</u>
4-28-50	11,893	MISSOURI PUBLIC SERVICE COMPANY	Preferred Stock	\$ 2,000,000.00
5-23-50	11,911	MISSOURI NATURAL GAS COMPANY	Bonds	1,400,000.00
3-8-50	11,846	ASSOCIATED NATURAL GAS COMPANY	Bonds	450,000.00
3-8-50	11,846	ASSOCIATED NATURAL GAS COMPANY	Note	250,000.00
3-25-50	11,674	GREENFIELD TELEPHONE COMPANY	Note	19,000.00
6-1-50	11,924	MISSOURI GAS & ELECTRIC COMPANY	BONDS	300,000.00
6-8-50	11,916	KANSAS CITY POWER & LIGHT COMPANY	Bonds	15,000,000.00
6-12-50	11,941	SOUTHWESTERN BELL TELEPHONE COMPANY	Common Stock	50,000,000.00
6-14-50	11,936)	UNION ELECTRIC COMPANY OF MISSOURI	Common Stock	5,000,000.00
	11,937)	MISSOURI UTILITIES COMPANY	Preferred Stock	150,000.00
6-29-50	11,965			
				<u>\$214,881,285.00</u>

RECAPITULATION

Notes	\$ 6,057,050.00
Bonds	41,619,000.00
Debentures	1,250,000.00
Common Stock	145,598,235.00
Preferred Stock	<u>20,357,000.00</u>
Total	\$214,881,285.00

Annual Reports

Approximately 1,000 electric, gas, water, heating, telephone, telegraph, street railroad, railroad, sleeping car, express, and bus and truck companies filed annual reports with the Commission. These reports show each reporting utility's financial condition and operating results for the last calendar year. The reports are available for public inspection, and the information contained in them is used extensively by security holders, investment brokers, municipal and county officials, and other interested public utilities and individuals.

The Department uses these reports in developing rates of return and earnings for the various companies under the Commission's jurisdiction. From time to time, statistical studies pertaining to various matters under review are also developed for the use of the Commission.

Too much emphasis cannot be placed upon the importance of obtaining this required annual report from each utility regardless of its size. Each year in the past, various small utilities have been delinquent in filing and the Department has been compelled by various means to advise them of their delinquency. In spite of these efforts, there were always a few utilities from which the Department was unable to obtain a report. For the calendar year, however, our efforts for the first time culminated in the filing of reports by practically all utilities so obligated. While the Public Service Commission Law grants the Commission the power to assess a penalty for this failure, the Commission has never exercised this power, preferring instead by less severe methods to impress upon all utilities the importance of complying with this portion of the law. We feel the

results of the past year justify this course of action.

Budget and Appropriations

The Department advises the Commission periodically as to the status of each of the appropriations under which it operates, and helps in the preparation of the budget request for each biennium. Current records are maintained in the Department recording the expenditures under the various appropriations and showing the free balance of each appropriation. All Commission expenditures are referred to the Department for the purpose of determining whether the expenditures contemplated can be made within the scope of the budget appropriation.

In accordance with the provisions of Section 5706, Laws of Missouri for 1947, the Commission on June 22, 1950, entered its order in Case No. 11,110 Supplemental Order No. 3, in which it estimated the amount of its expenses for the current fiscal year payable under the provisions of this section, at \$275,000.00. After crediting the various utilities with an unexpended balance from the preceding fiscal year of \$75,000.00 the Commission assessed each group in addition to the said unexpended sum as follows:

(a) Railroad Corporations	\$40,000.00
(b) Street Railroad Corporations	20,000.00
(c) Other Common Carriers (Railway Express Company)	250.00
(d) Electric Corporations, Gas Corporations, Water Corporations, Heating Companies, and Telephone Corporations	139,500.00
(e) Telegraph Corporations	250.00
Total	<u>\$200,000.00</u>

The Department, in the same order, was directed to calculate the amount of the assessment against each public utility in each group, in proportion to its gross intrastate revenues

for the preceding calendar year in relation to the total for the group. The assessments so calculated were presented to the Secretary of the Commission, who was directed to notify each utility of the amount assessed and the method by which payment should be made.

The expenses of the Accounting Department for the fiscal year ended June 30, 1950, were as follows:

Salaries	\$61,885.77
Traveling Expenses	<u>6,300.64</u>
Total	\$68,186.41

Fees

During the fiscal year the fees collected, exclusive of those collected by the bus and truck department were as follows:

Authority Fees	\$15,253.83
Miscellaneous Earnings	<u>18,570.35</u>
Total	\$33,824.18

The fees collected for the current fiscal year of \$33,824.18 compares with \$23,976.11 collected in the preceding year. This increase in fees collected is due to a 49% increase in authority fees and a 35% increase in miscellaneous earnings over the previous fiscal year. All authority fees and miscellaneous earnings now collected revert directly to the State's General Revenue Fund and are not subject to expenditure by the Commission under appropriations.

Cooperation with Other Regulatory Commissions

During the fiscal year, close cooperation was maintained with the Federal Power Commission, in connection with joint checks of original cost of various Missouri electric utilities; also, conferences were held between members of the Department

and the Federal Communications Commission, regarding the treatment of accounting problems of Southwestern Bell Telephone Company. The Department has also cooperated with the Securities and Exchange Commission and Rural Electrification Commission, in matters of mutual interest.

The Chief Accountant is a member of the Committee on Accounts and Statistics of the National Association of Railroad and Utilities Commissioners, and in such capacity is frequently called upon to render opinions on current accounting problems brought to the attention of the Committee, and to attend meetings of the Committee relative to utility accounting practice and procedure.

General

In addition to the previously outlined duties, the Department is constantly called upon for assistance and information by the general public, and, when not in conflict with the Commission's policy, such assistance and information is rendered. The Department also works in close cooperation with the other Departments of the Commission, and many of the results which have been achieved have been the result of cooperation and assistance from these Departments.

At the close of the fiscal year, the Department was faced with the problem of ever increasing demands for the service of its personnel. Because of the increased operating costs, various classes of utilities are constantly petitioning the Commission for authority to file increased schedules of rates. Usually in such cases, the petitioner stresses the urgency of the situation and requests immediate remedial action. The Department

is attempting to make the necessary studies as rapidly as physically possible.

ENGINEERING DEPARTMENT

The work of the Engineering Department covers engineering problems coming before the Commission relating to railway, water, gas, electric, steam heating, telephone and telegraph utilities in the State. The department is made up of fourteen field and office men and three stenographers. It is planned so that the personnel assigned for administrative purposes is in accordance with the training and experience of the various staff members. The work handled covers generally, valuation, including cost and depreciation studies, of the above utilities. There are many operating and service problems relating to all of the above that continually require the attention of the staff.

Railway Service and Safety

This requires work on problems of the following character:

1. Inspection of Steam and Electric Properties.
2. Investigation to determine the necessity and safety of switch and side track connections.
3. All matters relating to the service offered by railroad companies at their stations.
4. Studies relating to street railway traffic and service.
5. Investigations relative to applications for Certificates of Convenience and Necessity as filed by Steam and Electric Railroads.
6. Supervision of Steam and Electric Railway crossing protection, signal systems and interlocking plants.
7. Investigations of accidents on Steam and Electric Railroads.
8. Approval of plans in regard to clearances.
9. Drainage investigations.

10. Sanitation inspections.

11. Safe working conditions for employes of railroads.

The following tabulations show the Commission's disposition of the one hundred fifteen formal cases in this field which have come before the Commission and this department for examination.

Railway Service

Stations abandoned	3
Discontinuance of Agency (granted)	8
Discontinuance of Agency (denied)	6
Install caretaker	6
Agency closed	6
Discontinuance of caretaker	3
Construct spur or switch track	1
Construct main line	3

Railway Safety

Horizontal clearance	7
Vertical clearance	9
Interlocking plans approved	14
Additional tracks over existing crossings	5
Flasher lights installed	26
Flagman	1
Lights and gates	14
Tracks involved - Main	11
Tracks involved - Spur	13
Apportionment cost of grade crossing protection - Dismissed	1

Crossings

New crossings established (No protection)	64
New crossings - Dismissed	1

New protected crossings established	11
Flagman abandoned	10
Crossings closed	18
Underpass - Granted	3
Overhead - Granted	18
Abandon train service	4

The above tabulation shows that the Commission considered the application for permission to construct eighty crossings as applied for in thirty formal cases. The Commission dismissed one application without prejudice. In granting the application in thirty-three cases, the Commission gave authority to construct eighty new crossings and at the same time ordered eighteen crossings closed. Of the eighty new crossings authorized, five were occasioned by the construction of additional tracks over existing grade crossings. There were twenty-one grade separations authorized.

In thirty-one cases before the Commission for crossing protection, forty-two crossings were involved, one case having been set aside, the Commission ordered that twenty-six crossings be protected by flashing lights; that one crossing be protected by flasher lights and part time manual supervision and that fourteen crossings be protected by flasher lights and gates. Ten crossing watchmen were removed due to installation of automatic protection.

In the interest of the safety of the employees and others, twenty-seven field inspections were made. Twenty-two of the inspections dealt with the problems that were before the Commission in formal cases. Five inspections were made of complaints filed before the Commission and resulted in the complaints being

adjusted at the time of the field inspection, thereby eliminating a formal case. No complaints are pending.

In the following tables, there are set forth data derived from the reports in the Commission's files pertaining to eight hundred fifty-nine accidents on steam railroads in the State:

	Killed	Injured
Passengers	1	65
Employees	19	417
Trespassers	31	23
Non-trespassers	<u>35</u>	<u>123</u>
Total	86	628

Accidents (no injury).....224

Total number of Accidents.....859

Of the total eight hundred fifty-nine (859) accidents, ninety-one (91) occurred at highway grade crossings. Twenty (20) of the accidents were caused by vehicles on the highway running into trains, while sixty-four (64) of the ninety-one accidents were caused by the railroad trains striking vehicles. There were five (5) pedestrians and two (2) teams and wagons struck at crossings. Thirty-seven (37) persons lost their lives as a result of the accidents and one hundred twelve (112) persons were injured.

Our records show that the number of accidents has decreased during the past few years and while the magnitude of accidents is still quite large, this department is constantly studying ways and means to reduce this number. Members of the Department, after contacting other interested parties, make field inspections of hazardous conditions at crossings and

other safety violations. The railroad companies usually have a representative present when an investigation is made and corrective measures in the interest of improving conditions are frequently handled informally with the railroad company's representatives at the time of inspection, thereby eliminating numerous hazards in less time than is required when a formal case is filed. Some of these inspections, of course, are made in instances when the question involved is a matter of a formal case before the Commission. In all instances, a full report of all inspections is presented to the Commission for its consideration.

Water and Gas Utilities

The public utilities operating water service systems have continued to expand and render adequate service. There have been no shortages of service due to lack of water at the source. These utilities have found it necessary to continually enlarge their plants and facilities at the sources of supply as well as to extend and enlarge their distribution systems. There have been no difficult problems which the owners of the systems could not efficiently overcome.

This department has continued to make inventories and cost studies of water properties for submitting to the Commission information to be used in the determination of the original cost of the properties, and for fixing allowances for charges to depreciation reserve.

The solution of some of the problems relating to the utilities of the State continue to be difficult to complete. During the late War, and since, there has been a growing demand and need by both present and prospective customers for gas service. The cause of this lack of adequate service has in the

first instance been due to the continual increase in the load carried by the interstate pipe lines bringing natural gas into Missouri. Some of them pass through the State and supply gas in other states beyond Missouri. The owners of the interstate pipe-lines are continually extending and enlarging their systems but the call for the service outruns the expansion programs. Except under extreme weather conditions the major pipe lines in the State are now able to supply gas to the distributing systems for use of the domestic customers now connected, but they are yet inadequate to supply the full requirement needs of the distribution systems served by them.

Another cause for concern in connection with the furnishing of an adequate supply of gas has been the reduced cost of natural gas for space heating in comparison with the costs resulting from the use of any other kind of fuel. The cost of coal and oil used for fuel have continually increased since 1940. Gas service has continually become cheaper. Manufactured gas systems have been converted for use of natural gas and the price of natural gas has gone down. Its cost is now low enough that for space heating by the use of gas the cost is much below the cost of space heating by use of coal or oil. That, in addition to the convenience found in the use of natural gas compared to the use of coal or oil, has and is leading the public to demand more and more gas for general use and space heating.

Conferences with the Federal Power Commission have been attended and testimony has been presented to that Commission for the purpose of securing greater supplies of natural gas for the public in this State. These efforts have not been without success. Greater quantities of gas are now being

supplied than ever before but there is yet a lot to be done.

Preparations are now being made to convert additional manufacturing gas systems to the use of natural gas. Certificates of convenience and necessity have been granted for the construction and operation of lines and distribution systems to and in additional cities in the State. It is anticipated that extension of the service to other cities and towns will be made in the near future.

The Department attempts to keep informed concerning the expansion of these facilities. It makes studies of the original cost of the properties and the requirements for depreciation allowance in order to assist the Commission in finding values of the properties and fixing the rates for service.

Telephone and Telegraph

As with the other utilities, the telephone utilities throughout the State have found themselves facing the problem of rendering telephone service to greatly increased numbers of customers through facilities that were constructed largely before the War. During the War they were restricted in most part to the construction and operation of their facilities to users of the service engaged in the war effort. Following the war the relocation of the public apparently continues to be in the urban areas, but even so, telephone companies serving small cities have found themselves with severely inadequate facilities for rendering service. For a time these utilities were able to expand by downgrading service, changing direct customer lines to serve two, three, and four customers, thereby providing additional service, but that has failed to meet the

demand for increased usages of the service.

Utilities have been urged to provide facilities and they have made great efforts to get materials for expansion to render service but that is yet short of the present needs. It is necessary to handle many complaints from persons throughout the State who desire and need telephone service but are unable to obtain it. Every effort is being made to assist in carrying on this expansion program but time and materials will be required to bring the service back to normal. Considerable effort has been made to get the telephone companies to extend the service more and more into rural areas. The companies have responded substantially to this demand for service but there is much yet to be done.

The Department has made original cost studies of many of the telephone systems through the State and made many inspections of systems for the purpose of informing the Commission relative to the condition of the plants through which service has been furnished. These surveys have been required particularly because of requests for increases in rates. The telephone companies have filed many applications with the Commission to increase rates. Several applications have been vigorously opposed by customers and cities because of unsatisfactory service. In some instances the Commission has refused to allow increases owing to the unsatisfactory service or has allowed increases sufficient only to meet increases in wages to employes who have the work of maintaining and operating the exchanges throughout the State.

It has been found that where utilities have given first class telephone service the public has not so seriously objected to the increases in rates required to meet the operating expenses. Particularly is this true where it is found that the

employees of the telephone systems have been given increases in wages. It continues to be very apparent that the public is willing to pay for high class service when furnished through a well maintained and economically operated exchange.

Many schedules containing rates, rules and regulations relating to the various services rendered throughout the State were filed by the various utilities. These were studied and checked by the Department before allowing them to become effective.

Electrical and Steam Heating

The work in this department includes the preparation of appraisal reports, depreciation studies, allocation of jointly used facilities, determination of property not used in public service and analyzing and preparing original cost studies.

The work of the Electrical Division covers:

- (a) The keeping of accurate statistical records of all privately owned electric and steam heating utilities under the jurisdiction of the Commission.
- (b) Adjustment of complaints involving electric and steam heat service.
- (c) General inspection of equipment and service meters and supervision of construction practices with respect to public safety.
- (d) General supervision of the quality of equipment and service of electric and steam heat utilities insofar as the public interest, public health and safety of the public and employes are concerned.
- (e) Attending hearings, offering testimony and making investigations when necessary, in matters before the Commission

involving certificates of convenience and necessity for construction of electric transmission lines, inductive interference controversies, sales and purchases of utilities, and other formal matters before the Commission relating to construction and safety standards, adequacy and extensions of utility service and the charges for such service.

(f) Making studies and surveys of the conditions surrounding the extensions of electric lines in order that service may be extended to rural areas throughout the State. This work has required particular attention concerning the type and safety of the line that may be adequate for rendering good service, but at the same time encouraging the construction by the use of that type of line that can be constructed at the lowest cost.

(g) Assistance in the preparation of reports and orders involving engineering problems.

(h) Introduction of testimony and assistance in examination of witnesses in all matters of utility valuation work and other engineering problems.

During the period of this report 42 certificates of convenience and necessity have been granted utilities by the Commission for the construction and operation of added facilities for extending electric service into new areas or to operate under new franchises. The department also assisted in the processing of 15 additional cases relating to service complaints, purchases, sales, abandonment of facilities and original cost studies.

GENERAL

In formal cases coming before the Commission relative to

problems with the foregoing utilities, it is the duty of the Department to have a staff member present at hearings before the Commission to assist in every way possible. In valuation cases, a staff member testifies as to the value of utility property and is present for consultation with the Commission on matters touching upon technical engineering work and allocated property.

In the department handling matters relating to rates and services of the various utilities there were written and handled two thousand three hundred sixty-five letters and one hundred seventy-five conferences held. This phase of the work is handled informally by the department with the public and disposed of without having to be made a formal matter.

The department also covers the following matters:

The keeping of an accurate record of the rates charged by all public or privately owned utilities furnishing electric, gas, water, telephone and steam heating service.

The staff handles correspondence relative to these matters and to matters relating to complaints both as to rates that should be charged for the service or unsatisfactory service. When called upon, investigation is made of the equipment, manner used in rendering service and the testing of meters through which the service is measured. The quality of the service furnished by utilities and the safety of the public in the construction, operation and maintenance are matters which are studied and investigated by the Engineering Department.

While it has been necessary for the Commission to allow increases in rates for telephone service in many cases and areas, there have been only small increases for electric, gas, water or steam heating service furnished by utilities in the State.

Over 600 new tariffs pertaining to rates and rules of the utilities were filed and processed by the Commission staff during the period covered by this report.

TRANSPORTATION RATE DEPARTMENT

The Transportation Rate Department has general supervision of the Commission's activities in administering the law providing for the regulation of rates and fares of railroads, motor carriers, contract haulers, street railways, express companies, freight forwarders and sleeping car companies. While the name of the Department does not so imply it is also the branch of the Commission responsible for ascertaining the measure of service rendered by all transportation agencies and it handles all service complaints lodged against transportation service. The duties of this Department have also been expanded to the point where it renders material assistance in the processing of every motor carrier application for convenience and necessity, transfer, clarification or consolidation of intrastate operating authority filed with the Commission.

The personnel of the Rate Department consists of the Chief Rate Expert, three Rate Experts, one Service Inspector and two Senior Stenographers. Every member of the Department is well seasoned in transportation problems, the four technical men having a combined total of 90 years' experience in that field. Each employee has been carefully chosen for the position he or she holds.

The Department examines into and studies the reasonableness of proposed changes in rates and fares of approximately 580 transportation agencies doing an intrastate business in Missouri. It maintains authoritative operating records for these and 630 strictly interstate motor carriers operating in Missouri. The Department renders general assistance to these carriers and the

public in connection with interstate and intrastate rate problems and annually handles thousands of complaints pertaining to rates and services. Many of these complaints are formal in nature but for the most part are informal complaints filed by the public in general.

During the past year, a total of 4,934 tariff schedules naming Missouri intrastate rates, fares, charges, rules and regulations pertaining to the carriage of persons or property were filed with the Commission. Each of these tariff schedules is carefully examined to determine whether its provisions are reasonable and comply with the Commission's prescribed rules of publication. During the year we found it necessary to reject 25 tariffs as being unlawful. In 23 cases, rates were suspended from becoming effective pending investigation and hearing as to their propriety. In 150 other cases we required immediate corrective action to be taken before permitting the rates to become effective. The Department maintains a constant and exceedingly heavy volume of correspondence with individual carriers and their tariff publishing agents, obtaining correction of objectionable matter in tariff publications.

In addition to maintenance of the official file of all tariffs naming Missouri intrastate rates and charges for the transportation of persons or property, the Department maintains an extensive file of interstate tariffs of different transportation agencies. These schedules are used by the Department for rate comparative purposes and are open to and used by other state governmental agencies and the public at large.

During the period covered by this report the Department prepared 212 formal orders. They are too numerous to detail into this report, but of this number 156 were in response to appli-

cations received from carriers seeking authority to establish rates, charges, rules or other provisions on less than regular statutory notice, due primarily to emergency situations or seeking relief from certain provisions of the Commission's tariff publishing rules. The remaining orders were in the form of proposed reports and orders which were submitted to the Commission for its consideration and eventual issuance.

The Department is represented at all formal hearings before the Commission when matters involving rates, charges and services of transportation agencies are involved and assists the Commission in obtaining the facts necessary for orderly and proper determination of the issues involved. The Rate Department also participates, on behalf of the Commission, in certain interstate proceedings involving interstate rates from, to and between points in Missouri. It accumulates and compiles the essential statistics of Missouri intrastate railroad and motor carrier operations and receives and analyzes various statistics prepared by other state commissions and the Interstate Commerce Commission to keep informed of transportation conditions in surrounding states, various rate territories and the United States as a whole.

During the past year the Rate Department continued its program of restating bus and truck operating authorities to eliminate ambiguity, simplify the Commission's records and facilitate publication of tariff schedules covering such authorities. Primarily, this work consists of restating operating authorities when such authorities are transferred. During the period covered by this report we have made 75 such restatements of authority. This program was begun in 1946 and the past year's work in this respect brings the total of restatements of authority up to 268.

The Rate Department also began work on what it hopes will eventually result in the clarification of all irregular route authorities in which motor carriers have been authorized to serve the "contiguous trade territory" of certain towns. There have always been doubts and differences of opinion as to just what area these carriers were authorized to serve and frequently complaints are made by carriers that other operators are encroaching on their territories. By correspondence and personal contact with the carriers themselves we hope to be able to specifically define the "contiguous trade territory" in most of the authorities. Cases that cannot be settled in this manner will be handled in formal hearings before the Commission. As of June 30, 1950, the Department had restated and clarified four such authorities by use of specific limits and most of the groundwork had been laid so that a great many others may be clarified soon without the necessity of formal hearings.*

The Department has also continued its program of "compliance surveys" of motor carriers. "Compliance surveys" is the term we use to describe our personal contacts with motor carriers throughout the state by which we are frequently able to offer suggestions and advice for better compliance with the statutes and requirements of the Commission. In addition to these surveys the Department made rather extensive examinations in the records of several larger carriers domiciled in Missouri to determine their vehicle licensing habits and the extent to which they take advantage of reciprocity agreements with the other states.

*At the time this report is being compiled, 80 additional orders clarifying such authorities have been issued.

In our last report we directed attention to the investigation the Rate Department was making with the view of devising a simple and expedient method of publishing joint through rates for motor carriers. The Commission's order dated December 6, 1949, in Case No. T-10,179, gives effect to the plan devised. Under this order, joint service at through rates was authorized between points served by 58 motor common carriers. This one order had the effect of consolidating joint service authority heretofore granted in "piece meal" fashion in a total of 69 proceedings before the Commission and, in addition, established joint through rates between many additional towns that did not previously have this advantage.

Despite the fact that numerous new joint through routes were established, the authorized plan of tariff publication enabled the carriers to publish all of these rates in a single tariff schedule containing 39 pages. The simplicity of the plan is evident from the fact that this single tariff schedule, with its considerably greater number of joint through rates than were heretofore in effect, permitted the cancellation of nine joint rate tariff schedules containing a total of 534 pages of tariff matter. There remains considerable work to be done in the matter of establishing joint through rates by motor carriers but our goal of providing for all Missouri shippers the benefits to be derived by routing their freight between any two points in Missouri (served by motor carriers) at a single rate seems to be drawing nearer to realization.

INTERSTATE RATE LEVELS

In our last report we commented on rising costs of operation of transportation agencies and recited the extent of railroad

general rate increases authorized by the Interstate Commerce Commission in its original order, dated December 29, 1948, in Ex Parte No. 168--Increased Freight Rates, 1948. That increase, granted as an interim percentage increase of 6 percent within Eastern Territory, 5 percent in Zone 1 of Western Trunk Line Territory, 4 percent in Western Territory other than Zone 1, and 5 percent inter-territorially between Eastern Territory, Western Territory and Zone 1 of Western Trunk Line Territory, became effective January 11, 1949. Each of the above-mentioned territories has some portion lying within the State of Missouri. Briefly stated, the 6 percent increase was applicable on interstate traffic to and from points on the line of the C.B. & Q. R.R. from St. Louis to Alexandria, Missouri. The 5 percent increase was applicable between points in the northern half of the State and between the same points in north Missouri, on the one hand, and points in the southern half of the State, on the other hand. The 4 percent increase applied locally in the southern half of the State.

On August 2, 1949, the Interstate Commerce Commission issued its report and order on further hearing in Ex Parte No. 168 in which it authorized, in lieu of the interim increases, described above, a 10 percent increase within Eastern Territory, 9 percent in Zone 1 of Western Trunk Line Territory, 8 percent in Western Territory other than Zone 1, and 9 percent inter-territorially between Eastern and Western Territories. These increased rates became effective September 1, 1949.

Because of the fact that the Interstate Commerce Commission authorized varying percentage increases in railroad rates and charges in the different rate territories, the over-all effect

of post-war increases is rather difficult to determine. However, since July 1, 1946, the accumulative average increase for the nation as a whole is approximately 63 percent.

In proceedings before the Interstate Commerce Commission designated as Ex Parte No. 169--Increased Express Rates and Charges, 1949--the Railway Express Agency was granted substantial increases in rates and charges for express service to offset increased operating costs. The order in that proceeding, dated March 6, 1950, prescribed a uniform scale of rates for nation-wide application and was in lieu of three separate zone scales theretofore in effect.

The trend of interstate motor carrier rates has also continued upward although there were no general increase proceedings before the Interstate Commerce Commission during the period covered by this report. New scales of truck rates were voluntarily filed with the Interstate Commerce Commission to become effective March 1, 1950, to apply between points in Western Trunk Line Territory, which included the northern half of Missouri. The new rates were designed to increase rates on smaller shipments and, under the new tariffs, shipments weighing 1500 pounds or less are rated approximately 10 percent higher than like shipments of major quantities.

INTRASTATE RATE LEVELS

The same factors that govern the establishment of interstate rates affect transportation rates between points in the State of Missouri. As indicated in our last report, this Commission, by order dated April 15, 1949, in Case No. 11,533, authorized the rail carriers serving the State to further increase their rates and charges by 4 percent, pending determination of the application for permanent increases. This increase

corresponded to the varying increases of 6 percent, 5 percent and 4 percent, respectively, authorized by the Interstate Commerce Commission in its interim order in Ex Parte No. 168.

By supplemental report and order dated December 5, 1949, we authorized the rail carriers to increase their rates and charges by 8 percent in lieu of the 4 percent interim increase authorized on April 15, 1949. As in the interim order, we did not find that the evidence warranted establishment of varying percentage increases in the different rate zones in Missouri. Since July 1, 1946, rail rates applicable intrastate in Missouri have had successive increases of 20 percent, 20 percent and 8 percent, or an accumulative increase of approximately 56 percent.

No increases were made in rail passenger fares and charges during the period covered by this report.

As previously stated, the Interstate Commerce Commission authorized increased express rates in its order dated March 6, 1950. Rate schedules filed with the Interstate Commerce Commission were also filed with this Commission so that new rates would become effective for both interstate and intrastate application on April 18, 1950. Inasmuch as the new express tariffs were filed on full 30-day statutory notice and no protests were received, the rates were permitted to become effective as filed.

As stated in our last report, the Commission, by order dated October 27, 1948, prescribed a new scale of motor carrier class rates. These rates remained applicable during the period covered by this report. However, on June 17, 1950, the Commission issued its report and order, as a result of a petition filed by a number of motor carriers, in which the charge for extra labor for loading or unloading heavy articles and fees for handling C.O.D.

shipments were increased. Certain other changes were made in the rules for handling C.O.D. shipments which the Commission believed would result in improved service in this type of traffic. The rules prescribed are the same as those applicable generally on shipments moving via motor carriers in interstate commerce.

During the past year there has also been some change in motor carrier commodity rates. These changes have resulted in increases and reductions to meet specific conditions, particularly rail competition, and have not been of a general nature. Such changes, published voluntarily by the motor carriers, were filed on regular statutory notice and were permitted to become effective without hearing.

There has been no general change in inter-city motor bus passenger fares during the past year. In our last report we stated that such increases as had been made in bus fares were from the previous level of 2.2 cents per passenger mile to 2.5 cents per passenger mile, with the establishment of a new minimum fare of 25 cents. The few changes in inter-city bus fares that were made during the period covered by this report were by smaller carriers increasing their fares from 2.2 cents to 2.5 cents per passenger mile.

The decrease in patronage and increase in operating expenses in the St. Louis and Kansas City street railway and bus systems continued during the past year. In our last report we directed attention to the Commission's order dated August 20, 1948, which authorized Kansas City Public Service Company to establish adult fares of 12 cents cash or three tokens for 35 cents. We also directed attention to a supplemental petition filed May 18, 1949, by that Company, seeking further increases in fares. By order of the Commission dated July 27, 1949, the Company was authorized

to establish fares for adult passengers of 13 cents cash or two tokens for 25 cents. Children's fares were established at 5 cents each. In our report and order authorizing increased fares for the Kansas City Company, we said:

"We grant this fare increase because the record shows conclusively that the Company must have financial relief if it is to survive. However, we seriously doubt that this increase will even approach a complete solution of the Company's financial difficulties. It is becoming increasingly apparent that our repeated fare increases have not solved the problem. Experience has demonstrated that practically every increase in transit rates reduces riding to some extent, so that the realized additional revenue is substantially less than the full mathematical increase of the new rates over the old and every such increase naturally brings the rates closer to the point where the law of diminishing returns becomes operative."

The Commission's appraisal of the situation can best be judged by events that followed. By application filed December 30, 1949, Kansas City Public Service Company sought authority to abandon operations on 12 (subsequently amended to 13) transit lines and to curtail operations on three additional lines, all situated wholly or partly within Kansas City, Missouri. It filed, contemporaneously, a like petition with the Corporation Commission of Kansas seeking the abandonment of five lines situated wholly or partly within the City Limits of Kansas City, Kansas. Prior to the issuance of an order in that proceedings, officials of the Company and City of Kansas City presented a compromise proposal to the Commission whereby the Company would not pursue its application for abandonment of lines but for a test period of at least 119 days would operate at a flat cash fare of 15 cents for adults coupled with a weekly permit card selling for 75 cents which entitled the holder to unlimited rides during the week upon payment of 5 cents cash per ride. The Commission's order, dated June 2, 1950, authorized the proposed new fare plan to become effective June 11, 1950.

In our last report we stated that St. Louis Public Service Company had pending before the Commission at that time a proposal for the establishment of adult fares of 13 cents cash, or two tokens for 25 cents, with an off-peak round-trip ticket for 20 cents. The proposal also included a zone fare of 5 cents for passengers traveling through zone points at or near the City Limits. Extension of express service to additional lines was also proposed.

By order dated August 5, 1949, the Commission authorized that Company to establish, effective August 15, 1949, adult fares of 12 cents cash or three tokens for 35 cents (in lieu of the straight 10-cent fare then in effect). In all other respects the Company's petition was denied.

That Company operated on the above-mentioned fare structure throughout the remainder of the period covered by this report.

On September 30, 1949, St. Louis Public Service Company and St. Louis County Transit Company filed applications with the Commission seeking to eliminate duplication of certain of their respective services. These applications were the subject of a series of hearings beginning December 19, 1949, and concluding on April 12, 1950. By order of the Commission dated June 10, 1950, in that proceeding, St. Louis Public Service Company was authorized to abandon its Creve Coeur street railway line and substitute therefor partial bus service, abandon its Kirkwood street railway line, its Airport, Brentwood, Dale-Hanley and Etzel motor bus lines. St. Louis County Transit Company was simultaneously authorized to abandon certain segments of some of its routes. Both companies were authorized to establish certain new service to area theretofore served by lines which

were authorized to be abandoned. While the primary purpose of the proceeding was to reduce expenses for each of the carriers in order to bolster their respective financial conditions, all changes were made with the view of selecting the predominate carrier to render the service in each particular area and eliminate, insofar as possible, duplicating and paralleling service. Realizing that it was exceedingly difficult to make a prior determination of the overall effects of such a comprehensive proposal, the Commission authorized such changes on a temporary experimental basis until it could be definitely determined that they will be in the public interest.

The following tables show the miles of railroad trackage (as of December 31, 1949) for Class I railroads, small roads, switching and terminal companies and street railway companies. The statements show that street railway track mileage was reduced 132.82 miles since our last report because of abandonment of street railway lines in favor of motor bus lines.

The total trackage of Class I railroads has increased by 157.73 miles because of additions and betterments. At the date these mileage figures were compiled, 45.28 miles of new track was under construction. This new construction is a cut-off on the line of the C.B. & Q.R.R. between Missouri City and a point near Tina, Mo.

Additions and betterments to small roads and switching and terminal companies accounted for an additional 6.3 miles of trackage for these lines. The total mileage for the small roads does, however, include 10.88 miles of track, representing the trackage of the Cassville & Exeter Railway Company and the Rockport, Langdon & Northern Ry. Co., neither of which is actually operating at this time.

MILEAGE OF ROAD AND TRackage OF CLASS I STEAM RAILROADS
OPERATED IN MISSOURI AS OF DECEMBER 31, 1949

RAILROAD	Main Line Tracks	Second Main Tracks	Other Main Tracks	Passing Track Cross- overs, Turnouts	Way Switch- ing Tracks	Yard Switch- ing Tracks	TOTAL
A.T. & S.F. Ry. Co.....	308.91	200.06	26.48	56.86	32.81	40.69	665.81
C.B. & Q. RR. Co.....	1334.57	131.46	--	132.93	61.87	256.63	1937.46
C.G.W. Ry. Co.....	101.25	3.61	--	13.27	6.91	19.46	144.50
C.M.St.P. & P. RR. Co..	154.56	56.77	12.45	44.43	15.99	76.26	360.46
C.R.I & P. RR. Co.....	517.20	78.00	27.60	54.69	37.14	97.50	812.13
G.M. & O. RR. Co.....	254.68	21.71	--	52.04	21.27	28.94	378.64
I.T. RR. Co.....	2.72	2.52	--	--	--	8.95	14.19
K.C.S. Ry. Co.....	199.59	10.33	--	37.37	19.09	101.33	367.71
M. & A. Ry. Co.....	69.13	--	8.00	--	.48	5.03	82.64
M.-I. RR. Co.....	89.04	--	--	6.22	19.79	10.63	125.78
M.-K.-T. RR. Co.....	470.22	28.29	--	62.82	38.64	50.67	650.64
M.P. RR. Co.....	1445.89	223.21	3.29	204.08	114.94	431.27	2422.68
St.L.-S.F. Ry. Co.....	1475.49	50.45	--	176.63	112.97	276.32	2091.86
St.L.S.W. Ry. Co.....	220.90	19.11	--	33.83	33.05	15.60	322.49
Wab. RR. Co.....	629.55	83.91	13.31	95.76	79.06	121.22	1022.81
TOTAL.....	7273.70	909.43	91.13	970.93	614.01	1540.50	11,399.80

*NOT OPERATING

MILEAGE OF CITY STREET RAILWAYS IN MISSOURI

KANSAS CITY PUBLIC SERVICE CO.....	49.36	1.05	--	--	--	--	50.41
ST. LOUIS PUBLIC SERVICE CO.....	185.99	14.62	--	--	--	--	200.61
TOTAL.....	235.35	15.67	--	--	--	--	251.02

MILEAGE OF SMALL RAILROADS AND SWITCHING AND TERMINAL
COMPANIES OPERATED IN MISSOURI AS OF DECEMBER 31, 1949

MILES OF ROAD
OPERATED

SMALL ROADS (Steam):

Bevier & Southern Railroad Co.	22.98
*Cassville & Exeter Railway Co.	4.70
Hannibal Connecting R. R. Co.	7.35
Kansas City Connecting R. R. Co.	4.73
Missouri & Illinois Bridge & Belt R.R.Co.	4.83
*Rockport, Langdon & Northern Ry. Co.	6.18
St. Louis & Troy Railroad Co.	5.95

Total 56.72

SMALL ROADS (Other than steam):

The Joplin-Pittsburg Railroad Co. (Diesel).....	7.63
St. Francois County Railroad Co. (Electric).....	7.68

Total 15.31

MILES OF ALL TRACKS

SWITCHING AND TERMINAL COMPANIES:

Hannibal Union Depot Co.81
Joplin Union Depot Co.	5.49
Kansas City Terminal Railway Co.	111.38
Manufacturers Railway Co.	26.62
Rock Island-Frisco Terminal Railway Co.	2.45
St. Joseph Belt Railway Co.	19.63
St. Joseph Terminal Railroad Co.	14.19
St. Joseph Union Depot Co.	2.07
Terminal Railroad Association of St. Louis	164.54
Union Terminal Railway Co.	20.37

Total 367.55

*Not Operating

BUS AND TRUCK DEPARTMENT

The Bus and Truck Department of the Missouri Public Service Commission on June 30, 1950, consisted of a Supervisor, a Chief Clerk, eight District Inspectors, eight clerks and Stenographers.

This Department has served the public in an efficient manner and will continue to do so. It has been of real assistance to the general public on all matters pertaining to the transportation industry.

The finest of cooperation was received by this department from all of the State Departments connected with the work of handling problems involving the Motor Carriers of this State. (This group includes carriers granted authority by the Public Service Commission to operate for hire as Common Carriers and Contract Haulers of persons and property.) Heading this list is the Missouri State Highway Patrol in their efficient enforcement of the Missouri Bus and Truck Law, and the Rules and Regulations thereto. We, of this department, are deeply appreciative of the fine work performed by the "Patrol" and we take this opportunity to commend them for the assistance rendered. The other State Departments giving full cooperation were the State Highway Department, Revenue Department, State Treasurer's Office, State Auditor's Office and the Secretary of State's Office. This department also received full cooperation from the Bureau of Motor Carriers, Interstate Commerce Commission on problems involving the two offices.

The prevention of accidents upon the Highways of this State has been, and will continue to be, the main objective of this department. Strict compliance of the "Safety Rules", promulgated by the Commission, is required by all motor carriers coming under

their jurisdiction. The Inspection Division is always ready to assist the Patrol and other organizations in their "Safety Programs". The Inspectors in the field are continuously on the alert, in checking all vehicles coming under their supervision, to see that this equipment meets all the necessary requirements to operate properly.

This Department was exceedingly fortunate to have a clerical force that was able to keep their work on a current basis, and the efficient work of this group was complimented many times by the Director of Business Administration for the State of Missouri.

It is the practice of the Office Staff and the Inspection Division to disseminate information beneficial to the carriers that are licensed and certificated by the Public Service Commission, as well as to the shipping and the consuming public.

Compliance of requirements of the Missouri Public Service Commission has been good by all authorized operators. Few complaints were received, in this office, during the past year on service rendered by motor carriers.

The following tabulations show the revenues from carriers for the twelve month period:

July 1, 1949 to June 30, 1950

Truck License Fees	\$436,333.81
Truck Emergency Fees	317,883.00
Bus License Fees	163,803.49
Bus Emergency Fees	<u>4,388.50</u>
	\$922,408.80

Registration Credit given from July 1, 1949, to June 30, 1950, inclusive, by the Bus and Truck Department: (The following credits were allowed carriers as provided by law, incident to the purchase of their license plates from the Motor Vehicle License Unit of the Department of Revenue:)

Credit on Truck Fees	\$196,704.41
Credit on Bus Fees	<u>34,890.26</u>
	\$231,594.67

Comparison with previous year:

July 1, 1948 to June 30, 1949

Truck License Fees	\$379,650.59
Truck Emergency Fees	224,797.50
Bus License Fees	184,329.91
Bus Emergency Fees	<u>6,041.00</u>
	\$794,819.00

The anticipated revenue for the coming year should be slightly in excess of the past year.

TRUCK-----COMMON CARRIERS

INTRASTATE

REGULAR ROUTE	14
IRREGULAR ROUTE	23
REGULAR AND IRREGULAR ROUTES	<u>24</u>
	61

INTERSTATE

REGULAR ROUTE	6
IRREGULAR ROUTE	454
REGULAR AND IRREGULAR ROUTE	<u>18</u>
	478

INTRASTATE AND INTERSTATE

REGULAR ROUTE	3
IRREGULAR ROUTES	78
REGULAR AND IRREGULAR ROUTES	<u>216</u>
	297

836

TRUCK---CONTRACT HAULERS

INTRASTATE

REGULAR ROUTE	4
IRREGULAR ROUTE	36
REGULAR AND IRREGULAR ROUTES	<u>0</u>
	40

INTERSTATE

REGULAR ROUTE	14
IRREGULAR ROUTE	152
REGULAR AND IRREGULAR ROUTES	<u>0</u>
	166

INTRASTATE AND INTERSTATE

REGULAR ROUTE	0
IRREGULAR ROUTE	40
REGULAR AND IRREGULAR ROUTES	<u>5</u>
	45

251

BUS --- COMMON CARRIER

INTRASTATE

REGULAR ROUTE	31
IRREGULAR ROUTE	4
REGULAR AND IRREGULAR ROUTES	<u>7</u>
	42

INTERSTATE

REGULAR ROUTE	4
IRREGULAR ROUTE	16
REGULAR AND IRREGULAR ROUTES	<u>0</u>
	20

INTRASTATE AND INTERSTATE

REGULAR ROUTE	3
IRREGULAR ROUTE	2
REGULAR AND IRREGULAR ROUTES	<u>18</u>
	23

85

BUS --- CONTRACT HAULERS

INTRASTATE

REGULAR ROUTE	2
IRREGULAR ROUTE	1
REGULAR AND IRREGULAR ROUTES	<u>0</u>
	3

3

CONTRACT HAULER CARDS ISSUED

	TRUCK	TRUCK RECIPROCITY	BUS
July, 1949	91	501	0
August, 1949	67	197	0
September, 1949	75	62	0
October, 1949	35	137	0
November, 1949	72	70	0
December, 1949	20	2	0
January, 1950	1,172	925	2
February, 1950	319	438	0
March, 1950	266	257	1
April, 1950	117	82	0
May, 1950	83	71	0
June, 1950	<u>164</u>	<u>240</u>	<u>0</u>
	2,481	2,982	3

COMMON CARRIERS

	TRUCK RECIPROCITY LICENSE CARDS ISSUED	BUS RECIPROCITY LICENSE CARDS ISSUED
July, 1949	318	0
August, 1949	555	1
September, 1949	233	0
October, 1949	413	0
November, 1949	183	0
December, 1949	82	0
January, 1950	4,926	24
February, 1950	2,522	45
March, 1950	1,201	102
April, 1950	822	0
May, 1950	513	0
June, 1950	<u>739</u>	<u>12</u>
	12,507	184