

LETTER OF TRANSMITTAL

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To His Excellency, James T. Blair, Jr.

Governor of Missouri

Dear Sir:

Pursuant to Section 386.380, Revised Statutes of Missouri, 1949, 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 transaction and proceedings for the period from July 1, 1957 to June 30, 1958, inclusive.

Respectfully submitted.

By Type M. Burton  
Chairman

Charles L. Henson  
Commissioner

E. F. L. L. L. L. L.  
Commissioner

W. D. M. Donald  
Commissioner

William Barton  
Commissioner

MISSOURI PUBLIC SERVICE COMMISSION

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TYRE W. BURTON	Chairman . . . . .	Fayette
CHARLES L. HENSON,	Commissioner . . . . .	Springfield
E. L. McCLINTOCK,	Commissioner . . . . .	Cape Girardeau
D. D. McDONALD,	Commissioner . . . . .	Jefferson City
WILLIAM BARTON,	Commissioner . . . . .	Jonesburg

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PATRICIA NACY,	Secretary . . . . .	Jefferson City
GLENN D. EVANS,	General Counsel . . . . .	Macon
JAMES M. ENGLAND,	Chief Accountant . . . . .	Cape Girardeau
R. E. DUFFY,	Chief Engineer . . . . .	Greenfield
GEORGE G. FOX,	Chief Rate Expert . . . . .	Springfield
CARLE R. NEWBERRY,	Supervisor of Motor Bus and Truck Department	Jefferson City
J. W. RINER,	Supervisor of Railroad Safety Department	Jefferson City

## HEADQUARTERS AND PERSONNEL

The headquarters of the Public Service Commission are located on the 9th and 10th floors of the Jefferson Building, corner of Jefferson Street and Capitol Avenue, Jefferson City, Missouri.

The Commission has eliminated delay and made its docket entirely current. Unless the case is 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 heard and the report and order issued on the day the case is filed.

The employees of the Commission are specifically trained for the positions which they hold. Some have been with the Commission for a number of years and several have attained state-wide and nationwide recognition in their field of work.

## GENERAL OFFICE

From July 1, 1957, to June 30, 1958, two hundred fifty-one Utility applications and one thousand two hundred ninety-nine Bus and Truck applications have been filed and processed in the Public Service Commission. During the same period the Commission has issued four thousand seven hundred ninety-seven Reports and/or Orders. This number includes Orders in Utility and Bus and Truck Cases, Orders on Motions, and Suspension and Reinstatement Orders.

All records, except current cases, are being microphotographed. The films are preserved in steel cabinets and are readily accessible for inspection and viewing. We have had many requests for inspection of these films and have not had one complaint about legibility of the films. The work is being done at an original cost of approximately \$4,000.00. One clerk has been assigned to this work and has microphotographed more than thirteen thousand original cases.

The filming of the records has made available more space in the general office and has been economical in that there has been no need to purchase additional filing cabinets.

## ACCOUNTING 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 evidence 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 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 utilities in the state, which are subject to the jurisdiction of the Commission, including annual reports from each utility of its operations, which are filed in the department as a public record. The department also assists in the preparation of the budget each biennium and maintains current records of the expenditures, and periodically advises the Commission as to the current status of each appropriation. In addition, by the application of Section 386.370, Missouri Revised Statutes 1949, 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 regulatory power, 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, 1958, consists of the chief accountant, ten accountants, and two senior stenographers.

### Audit and Special Studies

With the exception of the chief accountant and general office staff, the remaining 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; net operating income 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 base.

During the fiscal year the largest and most important cases in which the department was involved were The Empire District Electric Company, Missouri Power & Light Company, St. Louis Public Service Company, The Gas Service Company and the Kansas City Power & Light Company. Involved in the above cases was the determination of original cost and the examination of operating revenues and expenses.

The following is a list of audits and investigations in which this department was involved during the year:

- Cassville Rural Telephone Company
- The Empire District Electric Company
- Missouri Power & Light Company
- St. Louis Public Service Company
- Southwestern Bell Telephone Company
- The Raytown Water Company
- Conway-Niangua Telephone Company
- Farmers Mutual Telephone Company
- Kansas City Public Service Company
- The Gas Service Company
- St. Louis County Transit Company
- Ladonia Rural Telephone Company
- Kansas City Power & Light Company
- Parkville Water Company
- Wagner Water Works Company, Inc.
- Consolidated Water Corp.
- Chicago, Rock Island and Pacific Railroad Company

During the year the Commission received numerous applications from independent telephone companies asking for authority to increase charges for telephone service, largely because of the increased costs of operation. In order to expedite the many applications for increase in telephone rates, four of our field accountants have been assigned to audit and make an investigation of the books and records of

the telephone companies and report the findings to this department so that prompt action may be taken. Many requests were received from telephone companies for assistance in setting up their books and records, and assistance in the preparation of their annual reports to this Commission. These requests have been and are being complied with at a rapid rate.

During the year 1958, a total of eight hundred twenty-seven annual reports and one thousand eight hundred twenty-four quarterly reports were filed by various motor carriers. The accountant in charge 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. This accountant is also available for obtaining such accounting and statistical data relative to the various motor carriers' operations as might be required by the Commission from time to time in passing upon the requests of various motor groups for increased rates.

#### Security Issues

During the fiscal year the amount of Security Issues authorized amounted to \$263,608,986.47 or an increase of 62.63 percent over the amount authorized in the preceding fiscal year. Of this amount \$16,725,000 was for the purpose of re-funding outstanding securities and \$246,883,986.47 was for

new money obtained for the acquisition, construction, completion, extension and improvement of the service of the various utility companies.

The refunding issues, as stated above, amounting to \$16,725,000 compare with \$75,000 for the preceding fiscal year. There were relatively few in number of refunding authorizations issued. However, several of the larger utilities operating in the state were able to refund securities at an advantageous rate. The increase in new money authorization seems to indicate that the demand for increased utility services still exists.

The fact that Missouri public utility companies were able to obtain their capital requirements during the past year 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 to improving corporate structures and to increasing the margin of safety to investors.

The following table shows the securities authorized during the period from July 1, 1957, to June 30, 1958, inclusive:

SECURITIES AUTHORIZED JULY 1, 1957 to JUNE 30, 1958

<u>DATE OF AUTHORITY</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>KIND OF SECURITIES</u>	<u>RECORDING</u>	<u>TOTAL VALUE</u>
July 1, 1957	13,660	Vorona Telephone Company	Notes	\$	\$ 134,000.00
July 12, 1957	13,715	Southwestern Bell Telephone Company	Debentures		100,000,000.00
July 15, 1957	13,720	Missouri Edison Company	Common Stock		1,428,580.00
July 24, 1957	13,702	Hartsville Telephone Company	Notes		245,000.00
July 24, 1957	13,701	Hartsville Telephone Company	Preferred Stock		15,000.00
July 24, 1957	13,704	Fidelity Telephone Company	Notes		400,000.00
July 24, 1957	13,705	Fidelity Telephone Company	Notes	100,000.00	300,000.00
Aug. 7, 1957	13,743	Missouri Water Company	Common Stock		30,000.00
Aug. 16, 1957	13,760	M.A.West Telephone Company, Inc.	Common Stock		150,000.00
Aug. 19, 1957	13,764	Missouri Public Service Company	Bonds		6,000,000.00
Aug. 21, 1957	13,750	Miller Telephone Company	Notes		13,000.00
Sept. 3, 1957	13,757	Triangle Telephone Company	Common Stock		5,308.35
Sept. 3, 1957	13,757	Triangle Telephone Company	Preferred Stock		25,000.00
Sept. 4, 1957	13,765	Lincoln Telephone Company	Bonds		100,000.00
Sept. 4, 1957	13,765	Lincoln Telephone Company	Preferred Stock		130,000.00
Sept. 4, 1957	13,725	Lincoln Telephone Company	Common Stock		70,000.00
Sept. 4, 1957	13,756	Twin Lakes Telephone Company	Notes		130,000.00
Sept. 6, 1957	13,749	Sea-Me Power Corporation	Notes		7,970,000.00
Sept. 27, 1957	13,779	Zotoni Telephone Company	Bonds	125,000.00	150,000.00
Sept. 27, 1957	13,789	Missouri Utilities Company	Bonds		600,600.00
Sept. 27, 1957	13,789	Missouri Utilities Company	Common Stock		477,635.00
Oct. 4, 1957	13,793	A. & M. Telephone Company	Notes		850,000.00
Oct. 10, 1957	13,793	United Telephone Company	Common Stock		4,000.00
Oct. 15, 1957	13,795	Parcell Telephone Company	Notes		7,000.00
Nov. 5, 1957	13,741	Madison Telephone Company	Common Stock		15,000.00
Nov. 15, 1957	13,776	Sensca Telephone Company	Notes		30,000.00
Nov. 15, 1957	13,788	Miami Telephone Company	Note		3,000.00
Nov. 26, 1957	13,823	Ellington Telephone Company	Note		4,000.00
Nov. 26, 1957	13,820	Granby Telephone Company	Common Stock		7,000.00
Nov. 26, 1957	13,819	Granby Telephone Company	Note		15,000.00
Dec. 3, 1957	13,827	Southwestern Bell Telephone Company	Common Stock		60,000,000.00
Dec. 4, 1957	13,747	Lanagan Telephons Company	Note		14,000.00
Dec. 12, 1957	13,808	Pea Ridge Telephone Company	Notes		360,000.00
Dec. 23, 1957	13,825	Stover Telephone Company	Notes		48,000.00
Dec. 23, 1957	13,841	St. Louis County Water Company	Bonds		5,000,000.00
Jan. 6, 1957	B-16,617	Ferguson-Broadway Bus Lines, Inc.	Note		41,597.73
Jan. 15, 1958	13,853	Twin Lakes Telephone Company	Preferred Stock		50,000.00
Jan. 27, 1958	13,849	Arkansas-Missouri Power Company	Bonds		893,000.00
Jan. 27, 1958	13,849	Arkansas-Missouri Power Company	Debentures		1,000,000.00
Feb. 6, 1957	13,856	Laclede Gas Company	Note		600,000.00
Feb. 11, 1957	13,860	Missouri Natural Gas Company	Bonds		500,000.00
Feb. 11, 1957	13,868	General Telephone Company	Bonds		2,100,000.00
Feb. 11, 1958	13,868	General Telephone Company	Common Stock		1,725,000.00

Date	Amount	Company	Instrument	Value
Feb. 17, 1958	13,859	Union Electric Company	Bonds	\$ 35,000,000.00
Feb. 19, 1958	13,824	Concordia Telephone Company	Notes	456,000.00
Feb. 21, 1958	13,845	Mid-Missouri Telephone Company	Notes	578,000.00
Mar. 3, 1958	B-16,765	Missouri Southern Coaches	Note	34,956.05
Mar. 18, 1958	13,354	Kansas City Power & Light Company	Common Stock	1,766,573.00
Mar. 24, 1958	13,891	Ottawa Electric Corporation	Note	960,000.00
Apr. 7, 1958	13,899	A. & M. Telephone Company	Common Stock	122,000.00
Apr. 7, 1958	13,899	A. & M. Telephone Company	Common Stock	272,000.00
Apr. 7, 1958	13,899	A. & M. Telephone Company	Preferred Stock	200,000.00
Apr. 8, 1958	B-16,924	Missouri Transit Company, Inc.	Note	34,605.64
Apr. 17, 1958	13,910	Missouri Water Company	Common Stock	30,000.00
May 5, 1958	13,916	Capital City Telephone Company	Common Stock	1,000,000.00
May 14, 1958	13,921	Kingdon Telephone Company	Notes	45,000.00
May 26, 1958	13,942	Grand River Mutual Telephone Corporation	Notes	635,000.00
June 16, 1958	13,940	Vandalia Telephone Company	Notes	577,000.00
June 18, 1958	13,939	Madison Telephone Company	Notes	307,000.00
June 20, 1958	13,887	Cedar Hill Water Company, Inc.	Common Stock	25,000.00
June 26, 1958	13,962	Ossawille Rural Telephone Company	Bonds	40,000.00
June 27, 1958	13,953	Laclede Gas Company	Bonds	10,000,000.00
June 27, 1958	13,953	Laclede Gas Company	Bonds	8,000,000.00
June 30, 1958	13,955	The Gas Service Company	Bonds	11,000,000.00
<b>Total</b>				<b>\$16,725,000.00</b>

**Recapitulation**

Common Stock	\$ 67,777,026.05
Preferred Stock	8,440,000.00
Bonds	71,543,000.00
Debentures	101,000,000.00
Notes	14,848,960.42
<b>Total</b>	<b>\$263,608,986.47</b>

## Annual Reports

Approximately one thousand fifty electric, water, heating, gas, 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 interested public utilities and individuals.

The department uses these reports in developing rates of return and earnings for the various companies under the jurisdiction of the Commission. 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 are always a few utilities from which the department is unable to obtain a report. For the calendar year, however,

our efforts 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 386.370, Missouri Revised Statutes 1949, the Commission on June 19, 1958, entered its order in Case No. 11,110, Supplemental Order No. 11, in which it estimated the amount of its expenses

for the current fiscal year payable under the provisions of this section at \$356,315.38.

In 1947 the legislature fixed the ceiling of \$300,000 as the maximum amount to be assessed against public utilities in any one fiscal year. In consideration of the increased operating costs in the ensuing years the sixty-ninth General Assembly, under House Bill No. 147, saw fit to increase the maximum amount to be assessed against public utilities from \$300,000 to \$400,000 in any one fiscal year.

After crediting the various utilities with the unexpended balance of \$106,315.38 from the preceding fiscal year, the Commission assessed each group in addition to said unexpended sum as follows:

(a) Railroad Corporations	\$ 37,325.00
(b) Street Railroad Corporations	9,325.00
(c) Other Common Carriers (Railway Express Company)	225.00
(d) Electric, Gas, Telephone & Water Corporations and Heating Companies	202,900.00
(e) Telegraph Corporations	225.00
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Total	250,000.00

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 relationship to the total for the group. The assessment so calculated was 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.

### Fees

During the fiscal year the fees collected, exclusive of the Bus and Truck Department, were as follows:

Authority Fees	\$ 62,459.00
Miscellaneous Earnings	<u>7,374.07</u>
Total	69,833.07

The fees amounting to \$69,833.07 collected for the current fiscal year compare with \$40,687.62 collected in the preceding fiscal year. All authority fees and miscellaneous earnings collected revert directly to the State's General Revenue Fund and are not subject to expenditures by the Commission under appropriations.

### Cooperation with Other Regulatory Commissions

During the fiscal year, cooperation was maintained with the Federal Power Commission, in connection with joint problems relative to various Missouri electric utilities. The department has also cooperated with the Securities and Exchange Commission and Rural Electrification Administration

in matters of mutual interest. The department has been called upon and has furnished information, engaged in conferences, and cooperated with personnel of the Rural Telephone Association in connection with applications for government loans for rural telephone companies.

### 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 Commission policy, such assistance and information is rendered. The department also attempts to work 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 still faced with the problem of ever increasing demands for the service of its personnel. Because of increased operating costs, various classes of utilities are constantly petitioning the Commission for authority to file schedules of increased rates. Usually in such cases, the petitioner stresses the urgency of the situation and requests immediate remedial action. The department is attempting and will continue to make the necessary studies as rapidly as physically possible.

## BUS AND TRUCK DEPARTMENT

The Bus and Truck Department of the Missouri Public Service Commission on June 30, 1958, consisted of a supervisor, a chief clerk, five clerks and stenographers and eight district inspectors.

Again this department continued to be of service to the public on all transportation problems involving common carriers and contract carriers of persons and property operating for hire on the highways of Missouri.

The Missouri State Highway Patrol was efficient in the enforcement of the Missouri Bus and Truck Law and General Order No. 33-C for the past year and the commercial motor vehicle enforcement was active in behalf of this department as well as enforcing all commercial motor vehicle regulations.

The inspection division, composed of eight district inspectors of the Bus and Truck Department, made numerous investigations of complaints of suspected violations and also investigated information contained on the 215R forms of the Highway Patrol in their home districts. Many carriers made application for authority after being investigated. This was true especially on towing and wrecker service, livestock, and exempt commodity carriers of the Interstate

Commerce Commission. We had a reduction on applications for dump truck authorities; however, the work-load was heavier due to the irregularity of this type of carrier.

Meetings were attended by the supervisor and inspectors to discuss the Missouri Bus and Truck Law and General Order No. 33-C. These meetings were held by union members, insurance agents, truck owners, contractors, quarry owners, garage and service station operators, associations, and the general public and were primarily on regulations and requirements of dump truck and towing and wrecker services and whether or not these operations come under the jurisdiction of the Missouri Public Service Commission.

In addition to the above-mentioned meeting the inspectors disseminated information to the public in their districts that was generally helpful to shippers, consignees, city and county officials, other state department employees, and motor carriers having authority from the Commission and unregulated carriers that operate under the several exemptions allowed in the Bus and Truck Law.

During the past two years this department was flooded with correspondence and telephone calls from truck operators and attorneys in the requirements of common carriers of bulk commodities by dump trucks, and by livestock market-to-market haulers, and feed, grain and fertilizer haulers. The Commission issued more than fourteen hundred dump truck

authorities and this department processed them accordingly. Since that time more than five hundred of the dump truck operators have been under suspension for one or all of the following reasons: lack of insurance filing; not buying annual license sticker; lack of filing of tariff; and not filing quarterly or yearly reports. Due to the excessive work-load caused by the above carriers, this department did not send out citation for revocation notices the past year. We are, however, sending out notices for the coming year and it is anticipated that approximately seven hundred fifty to one thousand carriers will be requested to show cause why their authority should not be revoked. Most of these carriers are in the dump truck field, or new carriers in the past year on the towing and wrecker service and livestock and exempt commodity carriers of Interstate Commerce Commission. Many of these carriers qualified for one year or less and then failed to keep it in force by not complying with the four mentioned reasons for suspension or revocation.

The inspection division again participated in many regular safety checks with the Highway Patrol and also participated in all of the nationwide road checks in cooperation with the Bureau of Motor Carriers of the Interstate Commerce Commission and the Missouri State Highway Patrol. Other road checks were held at points used by truckers to

bypass the various weight stations throughout the State of Missouri.

Many vehicles were found to be unsafe and were put out of service until corrections were made. The most prominent cause for being put out of service was for bad brakes, especially vehicles with leaks in air hose, connections, etc. At these road checks troopers and inspectors inform bus and truck drivers of laws pertaining to the safe operation of commercial motor vehicles on the highways of Missouri.

A sample of a letter to all of the inspectors indicating what the road check will consist of and for the continuance of full cooperation with the Interstate Commerce Commission and the Patrol, is as follows:

"TO ALL INSPECTORS:

Please find enclosed a copy of my letter to A. J. Snedeker in regard to your assignments on road checks to be held during the week of May 5th.

This is a continuation of our cooperative plan with the Interstate Commerce Commission and the Missouri State Highway Patrol for the purpose of promoting 'Safety' upon the Highways of Missouri. This program was very effective the past few years and it is my desire to offer full assistance again this year.

Arrange your work schedule to fit the requirements set forth in my letter to Mr. Snedeker as to your assignment. Write to the Inspector in the territory you are to work for information on lodging, meals and meeting place.

Check Drivers for compliance of Rule No. 56 (and Rule No. 37) of Missouri Bus and Truck Law, General Order No. 33-C.

1. Brakes - Service and Hand
2. Steering Mechanism
3. Lighting Devices
4. Tires (Check closely)  
(Give warnings if tires are bad)
5. Horn
6. Windshield Wipers
7. Rear Vision Mirror
8. Coupling Devices

Check for the following Emergency Equipment:

- (A) Fire Extinguisher
- (B) Spare Bulbs and Fuses
- (C) 3 Flares (Pot Torches or 3 Red Electric Lanterns  
or 3 Red Emergency Reflectors)
- (D) Fuses
- (E) 2 Red Cloth Flags

Buses in addition to above should have one hand axe and one heavy duty First Aid Kit.

Advise the drivers when checking their equipment to stay at least 300 feet from other buses and trucks except in the act of passing. (Many complaints come from this abuse by some drivers). Also warn them to keep under the P.S.C. Speed Limit of 50 Miles Per Hour. Preach 'Safety' at all times.

Check for Missouri P.S.C. License Stickers on all vehicles that need them.

Please offer full cooperation with the Missouri State Highway Patrol and give assistance in every way that you can.

Yours very truly

CRN:cb  
Enc.

Carle R. Newberry, Supervisor  
Bus and Truck Department "

There has been a steady flow of requests for interstate permits for exempt commodity carriers of the Interstate Commerce Commission, and correspondence remains fairly heavy

on this subject. Many guides on how to make application, copies of the Missouri Bus and Truck Law, and General Order No. 33-C are sent out from this office daily. Many applications are being received for authority to operate as a towing and wrecker service of wrecked and disabled motor vehicles and at this time approximately one hundred sixty have been granted. Others are set for hearing during the months of July and September.

Insurance requirements on bodily injury and property damage are the same on every carrier coming under the jurisdiction of this Commission. These amounts are \$25,000.00 \$100,000.00 and \$10,000.00. The Commission requires cargo insurance on intrastate carriers from \$2,000.00 to \$12,000.00 depending on tonnage carried. There is an exception on the latter, however, as the Commission waived the cargo insurance provisions on bulk commodities hauled in dump trucks due to the low value of the cargo.

Whenever the "Prescribed Rate Schedule" is approved by the Public Service Commission on the complicated rate structure of the dump truck haulers, it might alleviate the situation and thereby be the solution to making this type of transportation easier to regulate. To please the producer, the transporter, and the user on specific rates is an almost insurmountable job.

As mentioned in our report of last year, it was predicted that this department would show a slight increase in revenue collection. However, this was not the case as our collection was \$520,849.00 against \$520,962.00 in 1956-1957. Due to the contemplated reciprocity agreement between the States of Missouri and Illinois, there will be a further decline in revenue collection by this department. It is thought that this one agreement will make a difference of from \$70,000.00 to \$100,000.00 for the coming year. This Commission now has twenty-eight reciprocity agreements in effect. Accordingly, this Commission waives its regulatory fee provided the vehicle to be operated into and through Missouri is fully and properly licensed in its home state with which we have reciprocity.

The following tabulations show the amount of revenue collected from motor carriers under the jurisdiction of this Commission, for the twelve months period from July 1, 1957, to June 30, 1958:

	TRUCK	BUS	TOTAL
July, 1957	\$ 19,410.00	453.00	19,863.00
August, 1957	15,669.00	175.00	15,844.00
September, 1957	13,393.00	200.00	13,593.00
October, 1957	11,850.00	-----	11,850.00
November, 1957	6,779.00	100.00	6,879.00
December, 1957	2,911.00	25.00	2,936.00
January, 1958	325,525.00	16,275.00	341,800.00
February, 1958	31,271.00	1,975.00	33,246.00
March, 1958	19,329.00	675.00	20,004.00
April, 1958	20,089.00	1,434.00	21,523.00
May, 1958	13,772.00	675.00	14,447.00
June, 1958	17,813.00	1,051.00	18,864.00
Grand Totals	497,811.00	23,038.00	520,849.00

The following number of new cases filed, orders issued, and motions filed is to give the work-load on a per month basis:

	New Cases Filed	Orders Issued	Motions Filed
July, 1957	116	413	25
August, 1957	106	384	16
September, 1957	121	307	21
October, 1957	130	325	12
November, 1957	72	279	16
December, 1957	106	314	16
January, 1958	93	371	27
February, 1958	94	276	13
March, 1958	119	349	19
April, 1958	109	326	16
May, 1958	118	397	24
June, 1958	115	468	19
Totals	1,299	4,209	224

## ENGINEERING DEPARTMENT

The staff of the Engineering Department, by direction of the Commission, participates in appraisals and complaint investigations relative to public utilities which are under the jurisdiction of the Commission. These activities involve gas, electric, water, telephone, steam heat and transportation operations.

Since the last annual report the State Employee Pension Law has become effective, resulting in the loss of several experienced engineers having twenty to twenty-five years' service in the department. These losses have been replaced by student engineers who will require at least two years training before they will be competent for responsible assignments. The present staff consists of a chief engineer, three registered professional staff engineers, six student engineers, one railway safety inspector, one rate supervisor and three stenographers.

In addition to appraisal work which involves the determination of all the elements of cost of the physical property of the utilities and the estimated depreciation rates and reserve requirements, staff members are required to appear before the Commission in formal hearings regarding these matters. The staff is also required to maintain

statistical records and supply technical advice and recommendations to the Commission on engineering matters.

The staff also has the responsibility of receiving and filing tariffs, rules and regulations of all the utilities; making investigations of service complaints and inquiries concerning utility service and safety problems relating to the operation of the various utilities, particularly railway and electric systems; giving attention to construction practices relative to public safety and keeping in contact with those utilities for the purpose of insuring the health and safety of both the public and employees.

With the exception of the transportation utilities, the other utilities of the State have continued to expand their systems and to establish inter-connections with one another in order to meet the demands of the public and to assure stability of service.

In handling matters coming before the Commission, between three and four thousand letters were written, approximately five hundred conferences were held, and two thousand sixteen tariffs were received and processed in connection with the disposition of formal cases before the Commission. An accurate record of all of the rates charged, and the rules and regulations filed by the utilities furnishing gas, water, telephone, electricity and steam heating service are kept.

During the fiscal year ending June 30, 1958, one or more members of this department has participated in processing some two hundred sixty-seven formal cases before the Commission. One hundred forty-eight involved railway grade crossings, grade separations, station closings, installation of flashing lights and other protections, substandard clearances of various structures, and many other matters pertaining to railway operations; fifty-one telephone cases involving original cost appraisals, area certificates, transfers of ownership, service complaints, filing of new rates, upgrading of service, etc.; nineteen water cases relative to rates, appraisals, certificates of convenience and necessity, service complaints, etc.; nineteen gas and twenty-six electric cases pertaining to rates, service complaints, operating authorities and certificates of convenience and necessity; two steam heating; and two street railway cases. Many of these cases required numerous conferences between the staff, the Commission and utility representatives and, in some cases, several days in formal hearings before final disposition.

#### Telephone

The telephone industry has made great strides in recent years in expanding and improving its services. Many companies are taking advantage of low rate government loans

to expand and rehabilitate their facilities. Many of the smaller rural exchange areas have been converted to automatic dial service, and in the process of converting to dial many of the small exchange areas have been consolidated, thereby providing larger area coverage for each subscriber.

### Gas

Virtually all natural gas consumed in the State is provided through inter-state transmission lines flowing from fields in states located west and southwest and terminating in the east. The supply of natural gas available to the local distributing companies is allocated by the Federal Power Commission. The expansion of home building and the need for gas for space heating in these homes has created a demand in excess of that allocated to the various distributors in Missouri. In some instances the demands for additional gas service for both domestic and industrial use has been so great that it has been necessary to permit some of the distributing companies to refuse additional space heating service. Several of these companies have found it necessary to install propane-air auxiliary plants in order to provide adequate service to their firm customers.

### Electric

The electric industry in the State has expanded both its generating and transmission facilities throughout the

State as the result of industrial and domestic growth. Many high voltage transmission lines have been integrated with new and larger generating stations, thereby stabilizing state-wide service and improving our national defense through service to the Atomic Energy Commission's facilities.

### Water

The water companies have experienced a more successful year than in previous years, especially those companies which are required to rely on drilled wells and rainfall for their supply. Although increased domestic and industrial construction has created additional demands on these companies, they have been able to provide an adequate supply of this commodity.

### Railway Service and Safety

This requires work on problems of the following character:

Inspection of diesel and electric properties.

Investigation to determine the necessity and safety of switch and side track connections.

All matters relating to the service offered by railroad companies at their stations.

Supervision of diesel and electric railway crossing protection, signal systems and interlocking plants.

Investigations of accidents on diesel and electric railroads.

Approval of plans in regard to clearances.

Drainage investigations.

Sanitation inspections.

Safe working conditions for employees of railroads.

The following tabulation shows the Commission's disposition of one hundred eight formal cases in this field which have come before it and this department for examination:

Service

Discontinuance of Agency (granted)	16
Discontinuance of Agency (denied)	1
Discontinuance of Agency (dismissed)	1
Station abandoned and buildings removed	4
Shelter or pagoda removed	2
Install caretaker	5
Discontinuance of caretaker	2
Construct spur or switch tracks	8

Safety

Horizontal Clearance (granted)	4
Horizontal Clearance (dismissed)	1
Vertical Clearance (granted)	4
Interlocking Plans approved	3
Additional Tracks over existing crossing	8
Flagman or Crossing Watchman abandoned	6
Crossing Watchman installed	3
Flashing Lights installed at existing crsgs.	29
Flashing Lights and Gates installed	1
Gates installed	2
Crossing Bell retired	1
Crossing Bell replaced by Flashing Lights	2
Wigwag replaced by Flashing Lights	2
Manually-operated Gates retired	1
Tracks involved - Main Line	37
Tracks involved - Switch or Spur	17
Approval of Grade Crossing protection	1
Furnish Cabooses on a transfer run	1

Crossings

New Grade Crossings established (no protection)	8
New Grade Crossings established with Flashing Lights	3
Grade Crossings closed	7
Underpass (granted)	2
Overpass (granted)	21
Overpass reconstructed	1
Overpass abandoned	1
Extension of Time to comply with Order	8
Kansas City Public Service Company revised grade crossing protection caused by the elimination of rail passenger service, by removal of vehicular traffic stop signs at certain crossings, thereby permitting vehicular traffic to proceed without numerous unnecessary stops.	1

Field inspections were required in many instances because of questions arising relative to the safety of railway employees and the public. Many of the problems come up in connection with formal cases before the Commission and other inspections result from informal complaints made and adjusted at the time of inspection or conferences relative thereto. By handling many of the informal complaints in this manner, the necessity of holding formal hearings was eliminated or reduced.

Information contained in reports of accidents, as made by the railroad companies operating in the State of Missouri, is as follows:

	<u>Killed</u>	<u>Injured</u>
Passengers	0	53
Employees	8	246
Non-trespassers	28	100
Trespassers	<u>24</u>	<u>11</u>
Total	54	410
Accidents (no injury)		76
Total number of Accidents		496

Of the total four hundred ten accidents, seventy-five occurred at highway-grade crossings. Twenty-one of the accidents were caused by vehicles on the highway running into trains, while fifty were caused by railroad trains striking vehicles. Four pedestrians were struck at crossings. Seventy-six persons were injured and twenty-seven lost their lives as a result of these accidents. Twenty-one of the seventy-five accidents occurred at protected crossings and fifty-four at unprotected crossings.

Number killed at protected crossings	14
Number injured at protected crossings	12
Number killed at crossings not protected	13
Number injured at crossings not protected	64

Further study of the accident reports shows the following information:

TIME OF YEAR

<u>1957</u>	<u>Number of Accidents</u>	<u>Number Killed</u>	<u>Number Injured</u>
July	5	2	3
August	4	3	2
September	2	2	2
October	8	4	6
November	5	1	5
December	12	6	9
 <u>1958</u>			
January	14	3	26
February	9	2	8
March	5	1	6
April	7	2	6
May	2	1	1
June	<u>2</u>	<u>0</u>	<u>2</u>
Total	75	27	76

TIME OF DAY

<u>a.m.</u>	<u>Number of Accidents</u>	<u>p.m.</u>	<u>Number of Accidents</u>
12 to 1	1	12 to 1	6
1 to 2	3	1 to 2	10
2 to 3	0	2 to 3	5
3 to 4	0	3 to 4	1
4 to 5	1	4 to 5	5
5 to 6	2	5 to 6	4
6 to 7	1	6 to 7	3
7 to 8	8	7 to 8	5
8 to 9	4	8 to 9	0
9 to 10	2	9 to 10	1
10 to 11	5	10 to 11	1
11 to 12	<u>6</u>	11 to 12	<u>1</u>
Total	33		42

It is common knowledge that the number of vehicles on our highways have continued to increase over a number of years. However, during that period of time the number of crossing accidents has decreased from a total of one hundred seven during the year 1952-1953 to seventy-five in 1957-1958.

The following is a summary of all railroad accidents reported during the past five years on railroads operating in Missouri:

	1953-54	1954-55	1955-56	1956-57	1957-58
Total number of accidents	614	664	679	637	496
Total number of accidents- no injuries	194	192	195	154	76
Total killed	71	53	60	60	54
Total injured	544	494	448	526	410
Passengers killed	1	0	0	1	0
Passengers injured	126	93	66	99	53
Employees killed	4	1	5	5	8
Employees injured	293	290	276	305	246
Trespassers killed	22	14	17	24	18
Trespassers injured	20	12	10	17	11
Non-trespassers killed	44	38	38	30	28
Non-trespassers injured	105	99	96	105	100
Crossing accidents	84	78	84	82	75
Killed	42	36	35	30	27
Injured	87	74	83	87	76
Train struck vehicle	71	57	57	63	50
Vehicle struck train	11	13	23	12	21
Pedestrians	2	8	4	6	4
Motorcycle	0	0	0	1	0
Accidents at protected crossings	23	26	27	21	21
Accidents at crossings not protected	61	52	57	61	54
Summary of derailments and collisions reported during the past five years on railroads operating in Missouri:					
Derailments - Freight Trains	118	124	119	116	62
Derailments - Passenger Trains	15	13	6	5	5
Collisions - Freight Trains	50	44	59	31	19
Collisions - Passenger Trains	11	10	2	4	1
Other	0	0	0	1	2

As in the past, members of the department, after contacting other interested parties, made 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 railroad company representatives at the time of inspections, thereby eliminating numerous hazards in less time than is required when a formal case is filed. Some of these inspections 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 each inspection is made. In formal cases coming before the Commission relative to problems with the various railroad companies it is the duty of the department to have a staff member present at hearings before the Commission to assist in every way possible.

Within the past year this department has completed a grade crossing survey, including pictures and recommendations, on the Wabash Railroad Company from St. Louis to Kansas City, Moberly to Coatsville, Moberly to Hannibal, Brunswick to the Missouri-Iowa State line, and the St. Louis Freight House Transfer Line located in the City of St. Louis.

UPGRADING OF MAGNETO AND COMMON BATTERY TELEPHONES TO AUTOMATIC DIAL SERVICE

From July 1, 1957 to June 30, 1958.

Exchange Groupings	Period	Total Number Exchanges	% of Total	Number Magneto	% of Total	No. Com. Bat.	% of Total	No. Dial	% of Total
1-299	7/1/57	301	50.7	196	65.1	14	4.7	91	30.2
	6-30-58	288	47.8	156	54.3	12	4.0	120	41.7
300-999	7/1/57	193	32.5	57	29.5	54	28.0	82	42.5
	6/30/58	198	32.8	56	28.3	40	20.0	102	51.7
1,000 - 2,499	7/1/57	62	10.4	-	--	43	69.4	19	30.6
	6/30/58	72	11.9	2	2.8	43	59.7	27	37.5
2,500 - 4,999	7/1/57	24	4.0	-	--	17	70.8	7	29.2
	6/30/58	27	4.5	-	--	17	63.0	10	37.0
5,000 - 9,999	7/1/57	8	1.3	-	--	5	62.5	3	37.5
	6/30/58	9	1.5	-	--	2	22.2	7	77.8
10,000 - 16,999	7/1/57	2	.3	-	--	-	--	2	100.0
	6/30/58	4	.7	-	--	-	--	4	100.0
17,000 - 29,999	7/1/57	1	.2	-	--	-	--	1	100.0
	6/30/58	1	.2	-	--	-	--	1	100.0
30,000 - 49,999	7/1/57	2	.3	-	--	-	--	2	100.0
	6/30/58	2	.3	-	--	-	--	2	100.0
50,000 plus	7/1/57	2	.3	-	--	-	--	2	100.0
	6/30/58	2	.3	-	--	-	--	2	100.0
TOTALS	7/1/57	595	100.	253	42.5	133	22.4	209	35.1
	6/30/58	603	100.	214	35.5	114	19.0	275	45.5

## LEGAL DEPARTMENT

The work of the Legal Department during the past fiscal year has increased to a considerable degree, largely as a result of increased business in the Commission generally. The duties of the legal staff are many and varied. They always include many conferences with the Commissioners and the technical staff, advising them upon the legal problems that arise in the daily routine of business. The General Counsel, with his assistants, has discharged the duties imposed upon him by the Missouri law 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 procedures pertaining to the same. Numerous individuals or their attorneys, as well as various public officials, have conferred with members of the department and have been given advice and opinions, oral and written, with respect to the matters within the scope of its prescribed functions. A considerable volume of correspondence directed to the Commission is referred to the general counsel for reply.

This department has continued to work 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.

On a number of occasions, members of the department have accompanied inspectors from the Bus and Truck Department of the Commission to various weight stations over the State when safety inspections and compliance check-ups were made. Legal questions frequently arise on such occasions and the presence of a member of the Legal Department at the point of inspection facilitates prompt disposition. Acting upon orders from the Commission, following hearings on citations against motor carriers, penalty suits have been instituted in Circuit Court and penalties collected for violations of the Bus and Truck Act and Commission orders. Funds collected go to the Public School Fund, by statute.

Considerable attention has been given to the problem of licensing motor vehicles operated in interstate commerce by nonresidents of the State, and the department has cooperated with the Director of Revenue and the Supervisor of Motor Vehicle Registration in these matters. The existing reciprocity contracts between Missouri and other States have been reviewed and conferences held in some instances with officials of other States in order to revise and keep up-to-date reciprocity contracts.

The Legal Department of the Commission has appeared in all rate and valuation cases heard by the Commission, as is required by statute. In such cases, this staff, in cooperation with the Commission's technical staff, has presented to the Commission all available facts and information which it believed to be in the public interest. Members of the department have actively participated in other cases where an interest of public concern was involved. Oftentimes individuals and groups appear before the Commission without legal assistance on matters of public interest, and the General Counsel and his staff have always given assistance to such individuals and groups in order that such matters may be properly presented to the Commission for decisions thereon.

In addition to the foregoing, the staff attorneys have assisted the Commission by acting as hearing examiners. These individuals have heard many cases during the past year, which has helped the Commission dispose of the cases on its crowded docket in a prompt and an orderly manner. In addition to presiding at the hearing, the examiners prepare suggested reports and orders which are submitted to the Commission for consideration, the Commission making such changes in the proposed orders as it finds to be necessary.

Members of the legal staff have appeared in all cases in the courts of this State and the United States in which the Commission had an interest. These cases included litigation which arose in the courts in the first instance and cases which originated before the Commission and were reviewed by Circuit and Appellate Courts of the State. This litigation has greatly increased during the past year and perhaps reached an all time high for the Commission. This is due largely to the increased volume of business before the Commission, much of which was of great importance to the parties involved and the public in general and which naturally resulted in the decisions of the Commission being tested in the courts. The staff has presented to the courts the Commission's views with respect to the issues involved, and it has vigorously prosecuted such litigation to its final conclusion.

In addition to appearing in the State and Federal Courts on behalf of the Commission and the general public in matters within the scope of this Commission's jurisdiction, members of the department have represented the Commission at various hearings before the Federal Power Commission and the Interstate Commerce Commission. The purpose of such appearances was to protect the interests of the utility consuming public of this State. These cases have involved many

issues, e.g., gas rates, transportation rates, allocation of gas for particular communities, etc.

Among the important duties of the Commission requiring considerable time of the members of the department, is the representation of the State on joint boards created by the Interstate Commerce Commission pursuant to the provisions of the Federal Motor Carriers Act. The function of the joint board is to hear applications for certificates of convenience and necessity and permits to operate as motor carriers in interstate commerce and to recommend to the Interstate Commerce Commission the action to be taken thereon. Hearings by joint boards in which this department has participated have been held at St. Louis, Kansas City, Chicago, Des Moines, Little Rock and Springfield (Illinois).

The personnel of this department during the past fiscal year has consisted of the general counsel; assistant general counsel; two staff attorneys, one of whom was also the reporter of opinions; and three legal stenographer-secretaries.

## RAILROAD SAFETY DEPARTMENT

St. Louis, Missouri, and the surrounding area comprise the second largest railroad center in the United States. The heart of this railroad center is the Terminal Railroad Association of St. Louis which serves the industrial district of St. Louis and adjacent communities on both sides of the Mississippi River. It connects and interchanges traffic with all the railroads in St. Louis, with the Federal Barge Lines, the Mississippi Valley Barge Line and the St. Louis National Stock Yards. With its one hundred seven diesel switchers, large capacity yards, approximately four hundred miles of track, and trained personnel, it handles freight traffic through the St. Louis Gateway. In addition to this, the Terminal Railroad Association of St. Louis owns and operates the St. Louis Union Station which has the largest interlocking plant in the world.

The Missouri Pacific Railroad is now in the process of rebuilding its Kansas City East Yard into an automatic classification yard which, when completed, will be the most modern automatic yard in the nation. This is the first automatic classification yard to be constructed in Missouri. When completed, the result will be a drastic reduction in

freight time through Kansas City. The new business gained by faster service will tend to offset the reduction of employees due to automation.

TABLE NO. 1

Railroad Employment on American Railroads  
4-15-57 and 4-15-58

Total Number Railroad Employees in U.S. 4-15-57	991,389
Total Number Railroad Employees in U.S. 4-15-58	<u>828,819</u>
Total Decrease in Railroad Employment 4-15-57 to 4-15-58	162,570

Railroad Employment on Missouri Railroads  
4-15-57 and 4-15-58

Total Number Railroad Employees in Missouri 4-15-57	32,208
Total Number Railroad Employees in Missouri 4-15-58	<u>26,910</u>
Total Decrease in Missouri 4-15-57 to 4-15-58	5,298
Missouri ranks eighth in the nation in railroad employment	

TABLE NO. 2

Accidents to Employees by Month on American Railroads

	<u>1957</u>	<u>1958</u>
January	1,185	1,163
February	804	1,101
March	<u>821</u>	<u>952</u>
	2,810	3,216 - 14.45% Increase

Accidents to Employees by Month on Missouri Railroads

	<u>1957</u>	<u>1958</u>
January	29	18
February	22	22
March	<u>21</u>	<u>19</u>
	72	59 - 18.06% Decrease

You will notice that during the first quarter of 1958 and over the same period in 1957, there was an increase of 14.45 percent in the number of accidents throughout the nation, while in Missouri, there was an 18.06 percent decrease for the same period.

Inspection of locomotive cars and equipment, and railroad companies operating in the State has been carried on throughout the year by this department. Where defects were found which might affect safety, they were pointed out to the supervisory officials on the property, and follow-up inspections were made to see that conditions were corrected. Constant inspection by this department tends to increase the vigilance of the railroad management in regard to the maintenance of the equipment and structures and safe operating conditions.

During the period, July 1, 1957, to June 30, 1958, a total of one hundred seventy inspections were made by this department on twelve railroads in the State of Missouri. Of the one hundred seventy inspections, ninety-eight were inspections of industrial tracks, where the hazard existing on said tracks was called to the attention of the management of the industry, who in turn corrected the condition. The industrial hazards included substandard clearances, insecure footing, trash and debris on track, and violations of General Order No. 24.

Seventy-two of the one hundred seventy inspections were made on railroad property and the hazards called to the attention of the trainmaster or supervisor and the conditions corrected. The railroad inspections included sanitary condition of station rest rooms, employee rest rooms, unsafe operating condition, defective rail in yard track, excessive oil around switches, and various violations of General Order No. 24. On one hundred fifty-eight of one hundred seventy inspections made in the last year, conditions have been corrected and the file closed as of July 1, 1958.

A master file of all complaints, inspections and the disposition thereof is maintained by this department, along with a concise report each month to the Commission, setting out what has been accomplished that month.

This department has received splendid cooperation from the railroads and industries in Missouri in helping to reduce injuries to railroad employees and the public. For example, of the one hundred seventy inspections made, only one inspection required a hearing before the Commission and only twelve remained to be corrected and the file closed. In addition to the above, four investigations were made for and at the request of the Commission.

## TRANSPORTATION RATE DEPARTMENT

### General

Assisting and advising the Commission in the administration of the law providing for the regulation of rates, fares and services of railroads, motor carriers, street railways, and express and sleeping car companies is the responsibility of the Transportation Rate Department. At the beginning of the period of this report the personnel of the department consisted of the chief rate expert, three rate experts, one service inspector and two stenographers. One of the rate experts retired March 31, 1958, under the State's new pension plan and as yet no replacement has been found for him.

During the past year the department received for filing and examined four thousand eight hundred ninety new or amended tariff schedules effecting changes in rates, charges or other provisions of the railroads, express and sleeping car companies; one thousand eight hundred sixty-one new or amended tariff schedules filed by truck lines; and five hundred four new or amended rate and fare schedules of the bus lines. The unusually large number of filings by the truck lines in the past two years has been due primarily to the granting of authority to a substantial number of dump truck operators and limited commodity carriers, each of which

is required to file a tariff schedule. There was also some increase in the number of filings by the railroads and the bus lines.

Each tariff schedule was examined to determine that it was in substantial compliance with our tariff publishing requirements; that the public was given proper notice; and that the rates were just and reasonable. In those instances where it appeared to the department that changes in rates or other provisions might not be reasonable or otherwise consistent with the public interest, the new schedules were brought to the attention of the Commission together with suggestions or recommendations as to action to be taken to protect the public interest and to insure that the rates and charges are just and reasonable and free from undue discrimination.

During the year the department rejected fourteen tariff schedules for failure to allow statutory notice of rate changes or for flagrant disregard of the tariff publishing rules. In many cases corrections were required before the tariff publications were permitted to become effective. The department maintains a constant and heavy volume of correspondence with the carriers and their tariff publishing agents pertaining to the correction of improper or objectionable tariff provisions. The new dump truck

carriers were not familiar with the Commission's tariff requirements and assisting these carriers in filing acceptable rate schedules has entailed much correspondence and personal contact.

In those instances where carriers failed to establish and maintain acceptable tariff schedules, despite the efforts of the department to obtain compliance, orders were drafted for approval by the Commission to suspend the authority of such carriers until proper tariffs were filed. When an acceptable tariff is filed, the suspension is canceled. During the year the authorities of seventeen carriers were suspended for failure to establish and maintain acceptable tariffs and at the end of the year the authority of ten of those carriers had been reinstated.

Changes in rates, charges and other provisions initiated by the carriers which appear to be unusual in any respect, or upon which complaint is made, are brought to the attention of the Commission and if it appears the interest of the public may be adversely affected or that such complaint may be justified, the Commission suspends the effective date of the questionable rate, charge or other provision pending an investigation as to its propriety. In initiating and disposing of the investigation and suspension proceedings the department prepared eleven

recommended reports and orders for consideration by the Commission.

There are also directed to this department the petitions of the various carriers and their tariff publishing agents for authority to establish changes in rates and fares on less than statutory notice or to make changes in time schedules on short notice because of emergency situations or for other tariff rule relief. During the year the department received and assisted the Commission in disposing of two hundred forty such petitions.

In addition to the tariff schedules filed by the carriers operating intrastate within Missouri, the department maintains a rather extensive file of interstate tariffs of the various transportation agencies. These interstate tariffs are used extensively by the department for rate comparisons and the files are open to and used by other state agencies and the public generally.

The department maintains the Commission's file of time schedules of motor carriers of passengers. During the year ninety-three new or amended time schedules were accepted for filing. Each new or amended time schedule is examined to determine what changes in service will result, whether the remaining service appears to be adequate to meet the public need, or whether the public interest might be adversely

affected. The department handles complaints against proposed changes in time schedules and in many instances is able to suggest changes or revisions to satisfy such complaints. The mayor, city clerk or postmaster of the affected communities is advised of proposed changes in service so that requests can be made for hearing in the event mutually satisfactory schedules cannot be worked out in an informal manner.

Changes in time schedules on which unsatisfied complaints have been made and where complete abandonments of service are involved are brought to the attention of the Commission and in those instances where it is deemed advisable the time schedules are suspended pending a hearing to determine whether changes in service will result in inadequate service. In assisting the Commission in this phase of its work during the past year the department prepared eight recommended orders.

The department also has the responsibility of advising the public with respect to proposals to discontinue passenger and freight train service, to receive and acknowledge the protests and objections to discontinuance of train service, and to generally assist the Commission in obtaining information necessary to determine whether such matters should be assigned for hearing.

The department is represented in hearings before the Commission when rates, charges and services of transportation agencies are involved and in other cases when requested by the Commission or hearing examiners. Testimony is offered

by department personnel when it seems appropriate or necessary for proper determination by the Commission of the issues involved. The department also prepares proposed reports and orders in connection with matters with which it is concerned for consideration and issuance by the Commission. During the past year ten such orders were drafted in connection with general increases in transportation rates, one such order establishing joint truck rates, and eleven such orders pertaining to investigation and suspension of transportation rates.

The personnel of the rate department also participates on behalf of the Commission in proceedings before the Interstate Commerce Commission involving rates from, to and between points in Missouri.

The department maintains authoritative records of the operating authorities of motor carriers rendering intrastate service between points in Missouri. Records are also maintained for motor carriers operating within the state in interstate commerce. The department furnishes assistance in the processing of motor carrier applications for new authorities and consolidations of previously granted authorities. During the past year one hundred twenty-three restatements or consolidations of operating authorities were made for use in preparing transfer orders or orders granting

additional authorities. The Commission has entrusted the department to make the initial recommendation on applications for temporary authorities and during the year forty-eight recommended orders granting or denying temporary authority requests were prepared.

The department accumulates and compiles certain statistics of the Missouri intrastate rail and motor carrier operations. It receives and analyzes various statistics prepared by other state commissions and the Interstate Commerce Commission and various transportation associations, in order to keep abreast of the transportation conditions in surrounding states and the nation as a whole.

The department renders general assistance to the public and the carriers regulated by the Commission in connection with rate and service problems. Hundreds of informal complaints are handled annually. Many of the complaints require rather extensive investigation. The department assists the Commission and the various other departments in the investigation of many formal complaints concerning rate and service matters of transportation agencies. It has continued its program of personal contact with the motor carriers throughout the State by which it is frequently able to offer suggestions and guidance for complying with the statutes and requirements of the Commission. During the year eighteen of

these "compliance surveys" were made, each such survey being made jointly with a representative of the Interstate Commerce Commission.

During the year one hundred forty-eight informal complaints or requests for investigation were referred to the department. All these complaints were investigated, and sixty-seven were found to be groundless or based on incorrect information. The remaining complaints were found to have some basis but generally the complaints were satisfied without the need of court or Commission action. However, thirteen cases were filed in the magistrate courts as a result of these complaints. Citation proceedings before the Commission were recommended for seventeen motor carriers (including six dump truck operators). The recommendation for citation of seven of the carriers (including the six dump truck operators) was subsequently withdrawn when the infractions were corrected.

In all of the investigations, personnel of the department worked closely with the Legal and Bus and Truck Departments of the Commission, the State Highway Patrol and other state agencies and the Interstate Commerce Commission. Personnel of the department also participated in seven motor vehicle road checks held by the Interstate Commerce Commission at various points in the state.

## Railroad Rates and Operations

By its decision of August 6, 1957, Ex Parte No. 206-- Increased Freight Rates, Eastern, Western and Southern Territories, 1956, the Interstate Commerce Commission authorized in Western Territory, which includes all of Missouri except the extreme northeastern portion, an increase of 12 percent in the basic railroad freight rates and charges, subject to certain exceptions and maximums, to be applied in lieu of the 5 percent authorized in its interim order of December 17, 1956. The decision authorized a general increase of 14 percent in Eastern Territory, which includes points and places in Missouri along the line of the Chicago, Burlington & Quincy Railroad between St. Louis and Alexandria. On September 5, 1957, the Missouri railroads filed a petition with this Commission in Case No. 13,778 seeking increases, in lieu of those authorized by orders of January 4 and March 5, 1957, in Case No. 13,566, which in all respects would permit application to Missouri intrastate traffic increases equal to those authorized in Western Territory in the Interstate Commerce Commission report and order of August 6, 1957, in Ex Parte No. 206. After hearing, the Commission issued its report and order of March 7, 1958, in which it authorized the railroads to increase their Missouri intrastate rates and charges to the same extent as authorized in Western Territory

by the Ex Parte 206 order of August 6, 1957, with the exception that the increases on sand, gravel and crushed stone; clay and bentonite; and manufactured fertilizer, should not exceed 5 percent and that the increase on bituminous coal should not exceed ten cents a ton.

On April 25, 1958, the Missouri railroads filed with the Commission a petition requesting that the report and order dated March 7, 1958, in Case No. 13,778, be modified and amended so as to permit on Missouri intrastate rates and charges within that portion of Missouri included with the Eastern Territory, the same increases as authorized by the Interstate Commerce Commission in the same area by its order of August 6, 1957, in Ex Parte No. 206. The petition did not propose any change in the increases authorized for those commodities on which this Commission did not allow the full interstate increase. The petition requested the proposed modification be made on basis of the record in Case No. 13,778 without further hearing. No response was received to a notice to all parties known to be interested and the Commission issued a supplemental order on June 20, 1958, authorizing the Missouri railroads to increase their rates in that part of Missouri considered to be within Eastern Territory to the same extent as had previously been authorized by the Interstate Commerce Commission in that area, subject to the same exceptions that

the Commission had previously found should apply in connection with the rates elsewhere in the state.

Newspaper reports indicate Missouri railroads on June 23, 1958, filed a complaint with the Interstate Commerce Commission under Section 13 (4) of the Interstate Commerce Act alleging that the failure of the Missouri Commission to allow the full Ex Parte 206 increases was the cause of preference to intrastate shippers and discrimination against interstate commerce. It will be sometime before any such complaint can be determined. There has not yet been a final decision in the 13th Section case instituted by order of July 3, 1956, as to the differences in rates resulting from the fact the Missouri Commission did not grant the full Ex Parte 175 and 196 increases.

Rail carloadings in 1957 were only 6.2 percent below those in 1956. However, the rail carriers have been exceedingly hard hit by a slump in carloadings in the closing weeks of 1957 and the first half of 1958. Carloadings for the first six months of 1958 have been almost 20 percent below those in the same months of 1957. There appeared to be some improvement in the situation in June 1958 with carloadings running only 15 percent below those in the prior year. In fact, in June there were some reports of temporary car shortages on wheat and road aggregate movements. One apparent result of

the reduced amount of business has been an increase in the number of applications for abandonment of rail agency stations and discontinuance of passenger train service. Of course, these latter effects are due primarily to the long range loss of rail business to other modes of transportation, including the private automobile, and changes in marketing habits, but the need for elimination of unprofitable services and reduction of expenses is felt more keenly when revenues are down.

There was no general increase in rail passenger fares during the year. Apparently rail management feels that passenger fares are just about all the traffic will bear. Their efforts to reduce passenger service losses have consisted primarily in the elimination of unprofitable services. Despite all such efforts, however, the national passenger service deficit in 1957 was the largest in history--\$723.5 million.

#### Truck Rates and Operations

Truck rates in Missouri underwent substantial change during the past year. For a number of years it has appeared the public would be benefited by a broader coverage of joint truck rates and at various times the Commission has urged motor carriers to establish joint rates. In many instances shippers could not have their shipments moved by two or more carriers within the State of Missouri at a single rate, as they are able to do if they ship by rail and as they are able

to do generally on their shipments moving by truck in interstate commerce. On February 21, 1957, in Case No. T-13,230, the Commission ordered motor carriers to establish a basis of rates to be applicable throughout the State for joint-line traffic. Some of the carriers petitioned the Commission for a postponement of the effective date of the order so that consideration could be given to a proposal to establish the same basis of rates for both single and joint-line operations, but at an increased level to compensate for increased operating costs. The effective date of the joint-rate order was postponed until October 15, 1957, and petitions were filed with the Commission, by two groups of motor carriers, assigned Cases Nos. T-15,731 and T-15,811 respectively, seeking increases in the level of truck rates. The two petitions were joined and heard on a consolidated record, and after hearing, the Commission issued an order on July 3, 1957, authorizing an interim increase of 10 percent in the rates and charges applicable for transporting less-truckload class-rated shipments.

By order issued August 9, 1957, in Cases Nos. T-15,731 and T-15,811, the Commission prescribed a new basis of class rates to be applied on both local and joint shipments transported by truck. The new rate structure is a zone or block system based on short-line distances rather than on distances

named in tariffs, which in many instances were circuitous or obsolete, and which in some instances were based on speedometer readings, which also had proven unsatisfactory. It was estimated the new level of truck rates was an increase of approximately 13 percent. The effective date of the order was postponed from time to time but became effective September 24, 1957, and the carriers published and filed the new basis of rates for both local and joint-line traffic to be effective October 15, 1957.

During the past two years the Commission has granted a large number of certificates of convenience and necessity to carriers operating dump trucks. Most of these carriers operate one truck each and there has always been considerable competition in this business. Most of these carriers had very little knowledge as to what their rates should be in order to return a profit. Many of the carriers urged the Commission to establish uniform rates for dump truck operation and many complaints were made to the Commission that many of the dump truck carriers were charging other than the rates named in their tariff. The Commission directed this department to obtain such information as it could as to what might constitute a reasonable basis for transporting bulk commodities in dump trucks as a starting point for an investigation to be instituted into the need for uniform rates and charges for

dump truck carriers. Such a scale was computed and a copy thereof was furnished to each trucker and all other parties known to be interested, with an order dated October 21, 1957, which instituted an investigation into the need for uniform rates and charges for dump truck carriers and assigned the matter for hearing on December 10, 1957. Hearings were held on December 10, 11 and 12, 1957, and January 23 and 24, 1958. A considerable amount of evidence was adduced and the matter has been orally argued before the Commission but as yet no report and order has been issued.

Nationally, tonnage of intercity freight transported by truck during 1957 was up 0.6 percent over 1956 and 3.9 percent over 1955. This marks the twelfth year of the past thirteen in which the trucking industry has recorded an increase in tonnage transported over the previous year. However, the 0.6 percent increase was a result of the large increase of 6.5 percent in the third quarter. The first quarter showed a nominal gain of 0.7 percent over the first quarter of 1956. Declines of 1.7 and 0.6 percent were registered in the second and fourth quarters. Common carriers by motor vehicle in the middle western region recorded almost identical tonnages for 1957 and 1956.

Truck operators experienced a decline in tonnage in the first months of 1958 as compared to 1957. Tonnage hauled in

the first five months of 1958 was down 6.1 percent from the same months in 1957.

#### Intercity Bus Fares and Operations

The tremendous number of automobiles in use continues to adversely affect the operations of the intercity bus lines. Most of the companies have found it necessary to reduce operating costs by elimination of their most unprofitable schedules and many of their system operations were conducted at a loss in 1957. Some small operators have found it necessary to discontinue service altogether.

In tariffs filed by the National Bus Traffic Association, Inc. on statutory notice to be effective March 21, 1958, bus fares within Missouri were increased by 10 percent. The increased fares were permitted to be made effective as filed.

#### Transit Fares and Operations

Patronage of transit companies has continued to decline during the past year and operating costs have increased. The fewer riders that continue to use the streetcar and bus lines must pay higher fares for less frequent and, therefore, less desirable service, and it is increasingly more difficult for the companies to provide a reasonable return for their investors. So far there has appeared no solution except to increase fares even though the Commission realizes that fare increases have not proven to be any long term solution.

By order issued July 15, 1957, the Commission instituted an investigation into tariff schedules filed by the St. Louis Public Service Company to be effective August 11, 1957, and by a subsequent order suspended the effective date of such tariffs to August 25, 1957. The schedules proposed the elimination of the weekly and express permits so that the applicable cash fares would be collected from all riders. At that time the basic cash fare was twenty cents. After hearing, the Commission found that the proposed increased fares did not more than offset probable increased wage costs and approved the tariff schedules to be effective August 25, 1957.

Because of further increased costs resulting from its labor contracts and from increased prices of materials and supplies, further increases in fares were proposed by the St. Louis Public Service Company in tariff schedules filed to be effective April 13, 1958. These schedules were also suspended on the Commission's own motion pending a hearing as to the propriety of the proposed fares. After hearing, the Commission found that the company was justified in increasing its fares and approved adult fares of twenty-five cents cash or four tokens for ninety cents, except between the hours of 9:00 a.m. and 3:00 p.m. an adult passenger may ride for twenty cents. The round-trip fare for riders within a single zone was

increased from thirty to thirty-five cents. The school pass was eliminated and in lieu thereof the student's fare was made fifteen cents to the holders of a school permit purchased for \$1.00 for each semester. Some change was also made in the fares for special services rendered by the company but no change was made in the differential for express service nor in the zone fares.

An increase in its fares was sought by the Kansas City Public Service Company by an application filed December 23, 1957. After hearing, the Commission issued its order on January 23, 1958, authorizing the adult fares to be increased from twenty cents to twenty-five cents or two tokens for forty-five cents; to eliminate the reduced fare for student riders; and increase the zone fare through certain zone points from five cents to ten cents. The new fares were made effective February 2, 1958.

On April 25, 1958, the Commission issued its report and order in Case No. B-16,826 authorizing the St. Louis County Transit Company to increase its basic fare from twenty cents to twenty-five cents. The line was also authorized to discontinue certain night, Sunday and holiday service and discontinue service entirely on the outer ends of two of its lines. This company holds a motor carrier certificate as an intercity carrier but it renders a scheduled service in St. Louis County

substantially similar to transit service.

By an order dated April 15, 1958, the St. Joseph Light & Power Company was authorized to increase its token fares from three for forty cents to seven for one dollar; to cancel the weekly permit which sold for ninety cents and which required the payment of five cents a ride; and to cancel the student's weekly permit which sold for fifty cents a week plus five cents a ride and establish in lieu thereof a fare of ten cents for students holding a proper identification card. The adult cash fare in St. Joseph is fifteen cents.

#### Railroad Mileage

Class I rail carriers serving Missouri reported 11,199 miles of track as of December 31, 1957, which is thirty-seven miles less than reported for December 31, 1956. Pursuant to approval of the Interstate Commerce Commission in Finance Docket No. 18994, the Chicago, Burlington & Quincy Railroad abandoned its line from Hannibal to Palmyra, a distance of about fifteen miles, effective April 1, 1957. With that exception, the decrease in track miles was due to changes in yard switching tracks, passing tracks, crossovers and turnouts.

The trackage in the street railway system of the St. Louis Public Service Company as of December 31, 1957, was the same as it was for the prior year. The total trackage

reported for the Kansas City Public Service Company was reduced from 42.3 miles in 1956 to 13.7 miles at December 31, 1957. While the company reported railway trackage maintained as of December 31, 1957, it does not at this time offer any street railway service, its last remaining streetcar lines having been converted to motor bus by authority of the Commission's order dated June 3, 1957, in Case No. 13,645.

The mileage reported by small railroads was reduced from last year due to the abandonment of the entire operation of the St. Francois County Railroad from Hurryville, where it connected with the Missouri Pacific, through Farmington to DeLassus, a distance of almost ten miles. There was also a slight reduction in the mileage reported by the Hannibal Connecting Railroad Company because of the discontinuance of certain trackage within the Hannibal switching area.

The following table shows the rail mileage in Missouri operated by the various carriers as of December 31, 1957:

RAIL MILEAGE OPERATED IN MISSOURI AS OF DECEMBER 31, 1957

<u>Class 1 Railroads</u>	<u>Main Line Tracks</u>	<u>Second Main Tracks</u>	<u>Other Main Tracks</u>	<u>Passing Track Cross- overs Turnouts</u>	<u>Way and Yard Switching Tracks</u>	<u>Totals</u>
A.T.& S.F. Ry.Co.	308.17	199.29	26.54	54.38	70.47	658.85
C.B.& Q.RR. CO.	1327.47	132.62	---	132.89	348.45	1941.43
C.G.W. Ry. Co.	101.22	3.61	---	10.34	22.80	137.97
C.M.St.P.& P.RR.Co.	154.56	56.77	12.45	35.32	97.38	356.48
C.R.I.& P.RR. CO.	509.88	70.41	27.60	54.49	128.79	791.17
G.M.& O. RR. CO.	253.97	19.70	9.12	46.99	51.18	380.96
I. T. RR. CO.	2.72	2.54	---	.62	8.43	14.31
K.C. So. Ry. Co.	199.59	10.33	---	40.80	131.13	381.85
M-I RR. Co.	89.04	---	---	6.30	29.70	125.04
M.K.T. RR. Co.	469.86	28.29	---	54.31	90.49	642.95
Mo.Pac. RR. Co.	1421.44	222.53	3.29	184.61	542.70	2374.57
St.L-S.F. Ry.Co.	1442.81	32.76	---	171.36	400.79	2047.72
St.L-S.W. Ry.Co.	220.90	19.96	---	21.52	41.64	304.02
U.P. RR. Co.	2.16	1.54	---	5.96	16.10	25.76
Wabash RR.Co.	<u>628.14</u>	<u>62.72</u>	<u>13.31</u>	<u>96.52</u>	<u>215.30</u>	<u>1015.99</u>
<b>TOTALS</b>	<b>7131.93</b>	<b>863.07</b>	<b>92.31</b>	<b>916.41</b>	<b>2195.35</b>	<b>11199.07</b>

Street Railways

Kansas City Public Service Co.	8.35	.62	--	3.84	.89	13.70
St. Louis Public Service Co.	<u>37.92</u>	<u>37.92</u>	--	<u>8.52</u>	<u>8.95</u>	<u>93.31</u>
<b>TOTALS</b>	<b>46.27</b>	<b>38.54</b>		<b>12.36</b>	<b>9.84</b>	<b>107.01</b>

Small Railroads

Bevier & Southern Railroad Co. . . . .	20.12
Hannibal Connecting Railroad Co. . . . .	6.02
Kansas City Connecting Railroad Co. . . . .	4.73
Missouri & Illinois Bridge & Belt R. R. Co. . . . .	3.48
St. Louis & Troy Railroad Co. . . . .	<u>5.20</u>
<b>TOTALS . . . . .</b>	<b>39.55</b>