

ANNUAL REPORT
—
**PUBLIC SERVICE
COMMISSION**

JULY 1, 1958--JUNE 30, 1959



LETTER OF TRANSMITTAL

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 transactions and proceedings for the period from July 1, 1958 to June 30, 1959, inclusive.

Respectfully submitted

By Type in Barton
Chairman

W. V. Lintock
Commissioner

D. L. Mc Donald
Commissioner

William Barton
Commissioner

Frank J. Dean
Commissioner

MISSOURI PUBLIC SERVICE COMMISSION

TYRE W. BURTON,	Chairman	Fayette
E. L. McCLINTOCK,	Commissioner	Cape Girardeau
D. D. McDONALD,	Commissioner	Jefferson City
WILLIAM BARTON,	Commissioner	Jonesburg
FRANK J. IJEN,	Commissioner	Kansas City

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

GENERAL OFFICE

From July 1, 1958, to June 30, 1959, two hundred sixty-eight Utility applications and one thousand five hundred seventy-one Bus and Truck applications have been filed and processed in the Public Service Commission. During the same period the Commission has issued five thousand one hundred thirty-six Reports and/or Orders. This number includes Orders in Utility and Bus and Truck Cases, Orders on Motions, and Suspension and Reinstatement Orders.

The General Office consists of one Secretary, one Chief Clerk, one File Clerk, two Stenographer-Typists, one Receptionist, One Microfilm Operator, one Telephone Operator, one Mail Clerk, two Multilith Operators and four Janitors.

The microfilming of records is continuing in this office and the films are preserved in steel cabinets and are readily accessible for inspection and viewing.

ACCOUNTING DEPARTMENT

The Department is charged 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 on June 30, 1959, consists of the chief accountant, nine 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 Missouri Utilities Company, St. Joseph Light & Power Company, General

Telephone Company, St. Joseph Water Company, Missouri Natural Gas Company, Empire District Electric Company, Union Electric Company, Missouri Public Service Company, and the Missouri Power & Light Company. Involved in the above cases was the verification of original cost and the examination of the operating revenues and expenses.

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

- St. Louis Public Service Company
- Southwestern Bell Telephone Company
- Missouri Utilities Company
- Consolidated Water Corporation
- St. Joseph Light & Power Company
- Conception Junction Telephone Company
- General Telephone Company
- K.L.M. Telephone Company
- St. Joseph Water Company
- Missouri Natural Gas Company
- Seneca Telephone Company
- Empire District Electric Company
- Union Electric Company
- Missouri Public Service Company
- Missouri Power & Light Company
- A & M Telephone Company
- Parkview Water 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 find-

ings 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 1959, a total of 1,856 annual reports and 1,912 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 by the Commission amounted to \$294,864,235.60 or an increase of 11.86% over the amount authorized in the preceding fiscal year. Of this amount \$104,884,160.17 was for the purpose of refunding outstanding securities and \$189,980,075.43 for new money obtained for the ac-

quisition, construction, completion, extension and improvement of the services of the various utility companies.

The refunding issues, as stated above, amounted to \$104,884,160.17 compared with \$16,725,000 for the preceding fiscal year.

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, 1958 to June 30, 1959 inclusive:

SECURITIES AUTHORIZED JULY 1, 1958 to JUNE 30, 1959

CASE AUTHORITY	DATE OF	COMPANY	KIND OF SECURITIES	REFUNDING	TOTAL VALUE
NO.	NO.			\$	\$
July 7, 1958	13,920	Bourbouse Telephone Company	Common Stock		100,000.00
July 7, 1958	13,920	Bourbouse Telephone Company	Preferred Stock		100,000.00
July 8, 1958	13,952	Southwestern Bell Telephone Company	Debentures	100,000,000.00	110,000,000.00
July 14, 1958	13,985	Missouri Public Service Company	Preferred Stock		3,000,000.00
July 14, 1958	13,968	South Missouri Telephone Company	Notes		318,000.00
July 15, 1958	13,923	Chariton Valley Telephone Company	Common Stock		37,500.00
July 15, 1958	13,923	Chariton Valley Telephone Company	Notes	13,000.00	60,000.00
July 17, 1958	13,977	Ironton-Arcadia Telephone Company	Notes		3,500.00
July 18, 1958	13,931	Koshkonong Telephone Company	Note		65,000.00
Aug. 12, 1958	13,986	Warrensburg & Pertle Springs Water Works Co.	Bonds		580,000.00
Aug. 15, 1958	13,979	Southwest Dial, Inc.	Notes		18,000.00
Aug. 15, 1958	13,979	Southwest Dial, Inc.	Common Stock		435,000.00
Aug. 15, 1958	13,978	Conway-Niangua Telephone Company	Notes		40,000.00
Sept. 3, 1958	13,982	Western Dial, Inc.	Common Stock		1,219,000.00
Sept. 3, 1958	13,982	Western Dial, Inc.	Notes		1,000,000.00
Sept. 25, 1958	14,031	Missouri Water Company	Bonds		517,000.00
Oct. 6, 1958	13,994	Leewood Telephone Company, Inc.	Notes		1,000,000.00
Oct. 10, 1958	14,041	Missouri Natural Gas Company	Bonds		389,000.00
Oct. 8, 1958	14,037	Modern Telephone Company	Notes		40,000,000.00
Oct. 17, 1958	14,044	Panhandle Eastern Pipe Line Company	Debentures		40,824.54
Oct. 24, 1958	14,020	She-Me Power Corporation	Notes		275,000.00
Nov. 10, 1958	14,059	Lincoln Telephone Company	Notes		1,175,000.00
Nov. 12, 1958	14,069	Kansas City Public Service Company	Notes		337,000.00
Nov. 14, 1958	14,077	South Missouri Telephone Company	Notes		110,000,000.00
Nov. 14, 1958	14,076	Southwestern Bell Telephone Company	Common Stock		700,000.00
Dec. 5, 1958	14,085	United Telephone Company	Common Stock		1,500,000.00
Dec. 5, 1958	14,085	United Telephone Company	Bonds		92,000.00
Dec. 11, 1958	14,054	Bolivar Telephone Company	Notes		10,000.00
Dec. 16, 1958	14,056	Drexel Telephone Company	Note		228,000.00
Dec. 17, 1958	14,038	Meramec Telephone Company	Notes		250,075.00
Dec. 19, 1958	14,066	Joplin Water Works Company	Common Stock		750,000.00
Dec. 19, 1958	14,066	Joplin Water Works Company	Bonds		6,000.00
Dec. 22, 1958	14,072	Western Missouri Gas Company, Inc.	Common Stock		14,000.00
Dec. 22, 1958	14,072	Western Missouri Gas Company, Inc.	Bonds		55,000.00
Dec. 23, 1958	14,061	Seneca Telephone Company	Notes		729,000.00
Feb. 27, 1959	14,125	Inter-County Telephone Company	Notes		242,000.00
Feb. 27, 1959	14,130	Purdy Telephone Company	Notes		100,000.00
Mar. 4, 1959	14,073	K. L. M. Telephone Corporation	Notes		334,000.00
Mar. 11, 1959	14,110	Oregon Farmers Mutual Telephone Company	Notes	39,084.00	14,375.00
Mar. 11, 1959	14,132	Twin Lakes Telephone Company	Common Stock		78,000.00
Mar. 11, 1959	14,132	Twin Lakes Telephone Company	Preferred Stock		78,000.00

Date	Amount	Company Name	Instrument Type	Value	Face Value
Mar. 12, 1959	14,137	Eastern Missouri Telephone Company	Note	20,800.00	
Mar. 12, 1959	14,134	Bourbon Telephone Company	Common Stock	44,329.61	
Mar. 19, 1959	14,147	Triangle Telephone Company	Note	806,000.00	
Mar. 20, 1959	14,148	Western Dial, Inc.	Preferred Stock	20,000.00	
Mar. 27, 1959	14,113	La Plata Telephone Company	Note	55,000.00	
Mar. 30, 1959	14,163	Missouri Public Service Company	Bonds	10,000,000.00	
Apr. 7, 1959	14,168	Missouri Utilities Company	Common Stock	274,040.00	
Apr. 7, 1959	B-18,154	Pinley-Shoetwell Bus Lines	Note	36,234.60	
Apr. 10, 1959	14,127	Liberal Telephone Company	Notes	29,000.00	
Apr. 10, 1959	14,135	Webster County Telephone Company	Note	91,355.32	
Apr. 21, 1959	14,169	Bourbon Telephone Company	Notes	123,000.00	
May 6, 1959	B-18,376	Ferguson-Broadway Bus Lines, Inc.	Note	95,001.53	
May 11, 1959	14,161	Ferguson-Broadway Bus Lines, Inc.	Bonds	225,000.00	
May 11, 1959	14,176	Missouri Cities Water Company	Common Stock	300,000.00	
May 11, 1959	14,161	Missouri Cities Water Company	Preferred Stock	200,000.00	
May 11, 1959	14,176	Midwestern Telephone Company	Bonds	150,000.00	
May 18, 1959	14,196	St. Joseph Light & Power Company	Notes	4,500,000.00	
June 15, 1959	14,194	South Missouri Telephone Company	Notes	621,000.00	
June 15, 1959	14,214	Green Hills Telephone Corporation	Notes	177,000.00	
June 18, 1959	14,158	Twin Lakes Telephone Company	Notes	400,000.00	
June 18, 1959	14,180	Fordland Telephone Company	Common Stock	60,000.00	
Total				\$104,884,160.17	\$294,864,235.60

Recapitulation

Common Stock	\$111,935,674.93
Preferred Stock	3,348,000.00
Bonds	19,129,000.00
Debentures	150,000,000.00
Notes	10,551,560.67
Total	\$294,864,235.60

Annual Reports

Approximately 2,064 electric, water, heating, gas, telephone, telegraph, street railway, 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 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 23, 1959 entered its Order in Case No. 11,110, Supplemental Order No. 12, in which it estimated the amount of its expenses for the current fiscal year payable under the provisions of this section at \$355,917.36.

After crediting the various utilities with the unexpended balance of \$55,917.36 from the preceding fiscal year, the Commission assessed each group, in addition to said unexpended sum, as follows:

(a) Railroad Corporations	\$ 41,000.00
(b) Street Railroad Corporations	9,325.00
(c) Other Common Carriers: (Railway Express Company)	250.00
(d) Electric Corporations, Gas Corporations, Water Corporations, Heating Companies and Telephone Corporations	249,200.00
(e) Telegraph Corporations	225.00
	\$300,000.00
Total	\$300,000.00

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	\$29,795.00
Miscellaneous Earnings	9,095.52
	<hr/>
Total	\$38,890.52

The fees amounting to \$38,890.52 collected for the current fiscal year compare with \$69,833.07 collected in the preceding 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, 1959, consisted of a supervisor, a chief clerk, eight district inspectors, five clerks and stenographers.

This department was of assistance to the general public on all matters pertaining to the operations of common carriers and contract carriers of persons and property operating for hire on the highways of the State of Missouri.

The finest of cooperation was given by, and received by, this department from and to all of the State Departments connected with the work of handling problems involving Motor Carriers of this State. These departments include the Missouri State Highway Patrol, State Highway Department, Revenue Department, State Treasurer, State Auditor and the Secretary of State. We also assisted the Civil Defense Agency of Missouri on the Survival Plan and participated in all alerts given by the Civil Defense Agency. This department also received full cooperation from the Bureau of Motor Carriers, Interstate Commerce Commission, on problems involving the two offices.

The Missouri State Highway Patrol continued their efficient enforcement of the Missouri Bus and Truck Law and Rules and Regulations thereto. We, of this department, are appreciative of the fine work performed by the

Highway Patrol and we commend them for their assistance and cooperation.

The main objective of this department is to prevent accidents on the highways of Missouri and it will continue to be. The inspection division requires strict compliance of the Safety Rules promulgated by the Commission, by all motor carriers coming under its jurisdiction. The Inspectors continuously check all vehicles coming under their supervision to determine that these vehicles meet the necessary requirements to operate safely and properly over the highways.

The department through its inspection division and office staff disseminates information beneficial to the carriers that are licensed and certificated by the Public Service Commission, as well as to the shipping and consuming public.

Compliance by authorized carriers has been good on all requirements of the Commission. Complaints of service were at a minimum and only a few were received in this office during the past year.

The inspection division composed of eight district inspectors, as in past years, made numerous investigations of complaints of suspected violations reported by P. S. C. Carriers and by the Patrol on 215 R. Forms. The investigations caused many carriers to make appli-

cation for proper authority.

Due to the Legislature exempting tow and wrecker service operations, this Commission, effective August 29, 1959, will cease to have jurisdiction over that type of operation. Approximately 480 towing and wrecker service authorities have been revoked since the law became effective.

Cooperation on supervision and enforcement has been good with our neighboring States and the interchange of ideas and information is beneficial to all participating States. The National Conference of State Transportation Specialists set up the above cooperative plan at the Executive Committee meeting held in Louisville, Kentucky, during March of this year. A meeting was called for July 28 and 29 in Kansas City for further aid in the enforcement field.

At Louisville the Conference recommended the following committees:

- 1 Committee on Cooperation with the Interstate Commerce Commission.
- 2 Committee on Rates and Service.
- 3 Committee on Uniformity of Compliance with State Commission Regulations.
 - (a) Registration of Interstate Authority.
 - (b) Identification of Motor Equipment.
 - (c) Registration of Motor Equipment.
 - (d) Insurance Filings.
 - (e) Any other Compliances.

The inspection division, as in the past, participated in many safety checks with the Patrol and also with the Interstate Commerce Commission in nationwide road checks. All weight stations in the State were used as well at bypass intersections of the highways that do not have weight stations. Inspections of commercial motor vehicles invariably find some to be in bad condition and many of the vehicles that are found to be unsafe are put out of service until proper corrections are made. Many trucks are stopped from operating because of bad breaks, especially when they have leaks in air hose and connections. Condition of steering mechanism, lighting devices, tires, horn, windshield wipers, rear vision mirror and coupling devices are noted and, if found to be in bad condition, the drivers are advised to have correction made. Each vehicle is also checked to determine if proper emergency equipment is carried.

There was a slight decline in revenue collection made by this department for this year, however, it did not reach the anticipated loss as predicted due to the reciprocity agreement with the State of Illinois. Last year we collected \$520,849.00 and this year we collected \$513,807.00 or \$7,042.00 less. It was thought that we might collect approximately \$450,000.00. Additional equipment of authorized carriers fleets and new carriers

receiving authority both intrastate and interstate, as well as a general growth and increase in highway transportation, caused the collection of revenue to almost equal that of last year.

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, 1958 to June 30, 1959:

	TRUCK	BUS	TOTAL
July, 1958	\$ 15,225.00	\$ 381.00	\$ 15,606.00
August, 1958	12,766.00	479.00	13,245.00
September, 1958	11,247.00	125.00	11,372.00
October, 1958	10,181.00	225.00	10,406.00
November, 1958	9,166.00	75.00	9,241.00
December, 1958	5,821.00	75.00	5,896.00
January, 1959	330,727.00	15,225.00	345,952.00
February, 1959	26,397.00	1,775.00	28,172.00
March, 1959	20,603.00	475.00	21,078.00
April, 1959	19,082.00	325.00	19,407.00
May, 1959	14,395.00	775.00	15,170.00
June, 1959	16,512.00	1,750.00	18,262.00
Grand Totals	\$492,122.00	\$21,685.00	\$513,807.00

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, 1958	128	386	30
August, 1958	134	348	18
September, 1958	152	350	25
October, 1958	160	301	25
November, 1958	123	182	20
December, 1958	165	150	14
January, 1959	144	213	27
February, 1959	107	199	28
March, 1959	149	256	34
April, 1959	108	242	32
May, 1959	109	223	27
June, 1959	92	213	26
Totals	1571	3063	306

ENGINEERING DEPARTMENT

Problems coming before the Commission in connection with the regulation of railroads, water, gas, electric, steam heating, telephone, telegraph and express utilities in the State of Missouri require the attention of the Engineering Department. The work of this department requires the employment of trained and experienced men in order to expedite the work. As has been indicated in former reports the problem of finding and employing this class of men continues to become more difficult to solve. Recent graduates in Engineering have been employed and after they enter into the work offers come to them that cause them to leave. Some have been called into the Armed Services and during that absence find employment elsewhere. Trained engineers are almost unobtainable at present day salaries. Because of the fact that a number of years of training are required for new college graduates before such employees are able to handle valuation problems, including original cost and depreciation studies. It also requires several years of training for an inexperienced employee to be able to handle the various rate problems that come before the Commission. It is almost impossible to secure men who are willing to go through this training period

while the engineering field outside of regulatory work offers them opportunities in immediate engineering work.

The staff in this department has the assignment of receiving and filing tariffs of the water, gas, electric, steam heating, telephone and telegraph utilities. It also makes investigations relative to complaints coming before the Commission and inquiries concerning service and safety problems.

Railway Problems

In former years rail transportation motive power was provided by use of steam and electric locomotives. Today the locomotives are practically, if not 100%, built for diesel or diesel-electric motor operation. The change brings to railroad operators many advantages and possibly some new problems. The diesel engine is smoother in its operation, hammers the rails less, controls the train better, causes less wear on the rolling stock, less damage to freight, provides greater comfort to the riding public, possibly causes less breakage of track rails, provides means for handling longer trains and will do so at greater speed. While the smoke from the train is eliminated there may be some increase in danger from the running of the train because the smoke gave some warning of the train as it approached grade crossings throughout the State. It will be noted, how-

ever, the diesel locomotive has very substantially reduced fires along the railroad right-of-way since it came into use.

With the increase in speed obtained in the use of the diesel engine safety problems at highway crossings become more difficult. This hazard is made still greater because of improved highway construction and use of higher speed motor vehicles. A continuous effort is made by the staff to reduce grade crossing accidents but there still occur too many tragedies at these crossings. Much time and thought is given to placement of effective warning signs and preventive equipment. More detailed information on accidents is given below.

The staff works on problems of the following character:

Inspection of rolling stock.

Investigations for the need for and safety of switch and side track connections.

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

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

Investigation of accidents on railroads.

Checking of clearances of structures located at or over, or to be built beside railroad tracks.

Drainage problems.

The following tabulation shows the Commission's disposition of formal cases that have come before the Commission in this field during the present period as compared with those that came before it during the previous period, July 1, 1957 to June 30, 1958:

<u>Railway Service</u>	<u>7-1-57 to 6-30-58</u>	<u>7-1-58 to 6-30-59</u>
Discontinuance of Agency (granted)	16	23
Discontinuance of Agency (denied)	1	3
Discontinuance of Agency (dismissed)	1	2
Station abandoned and buildings removed	4	5
Shelter or Pagoda removed	2	0
Install caretaker	5	7
Discontinuance of caretaker	2	3
Construct spur or switch track	8	1
Remove spur or switch track	0	5
<u>Railway Safety</u>		
Horizontal Clearance (granted)	4	1
Horizontal Clearance (dismissed)	1	1
Vertical Clearance (granted)	4	5
Interlocking plans approved	3	1
Additional Tracks over Existing Crossings	8	3
Flagman or Crossing Watchman abandoned	6	6
Crossing Watchman installed	3	0
Flashing Lights installed at Existing Crossings	29	14

Flashing Lights and Gates installed	1	7
Gates installed	2	0
Crossing Bell retired	1	0
Crossing Bell replaced by Flashing Lights	2	0
Wigwag replaced by Flashing Lights	2	0
Manually-operated Gates retired	1	4
Tracks involved - Main Line	37	26
Tracks involved - Switch or Spur	17	14
Relocate Tracks - Switch	0	3
Approval of Grade Crossings protection	1	0
Furnish Cabooses on a transfer run	1	0
<u>Crossings</u>		
New Grade Crossings established (No protection)	8	18
New Grade Crossings established (Denied or Dismissed)	0	2
New Grade Crossings established (With Flashing Lights)	3	8
Grade Crossings closed	7	16
Underpass (granted)	2	3
Overpass (granted)	21	14
Overpass (denied)	0	1
Overpass (dismissed)	0	1
Overpass Reconstructed	1	2
Overpass Abandoned	1	0
Underpass Reconstructed	0	3

Extension of Time to comply with Order	8	3
Kansas City Public Service Company revised grade crossing protection on the Dodson Line in Kansas City	1	0

Information contained in reports of accidents as made by the railroads for this period as compared to the previous period is as follows:

	<u>1957-1958</u>		<u>1958-1959</u>	
	<u>Killed</u>	<u>Injured</u>	<u>Killed</u>	<u>Injured</u>
Passengers	0	53	0	50
Employees	8	246	7	278
Non-trespassers	28	100	31	94
Trespassers	<u>24</u>	<u>11</u>	<u>10</u>	<u>14</u>
Total	60	410	48	436
Accidents (no injury)		76		82
Total number of accidents		546		566

Of the total five hundred and sixty-six accidents, seventy-eight occurred at highway-grade crossings. Eighteen of the accidents were caused by vehicles on the highway running into trains, while fifty-nine were caused by railroad trains striking vehicles. One pedestrian was struck at a crossing. Eighty-one persons were injured and twenty-seven lost their lives as a result of these accidents. Twenty-four of the seventy-eight accidents occurred at protected crossings and fifty-four at un-protected crossings.

	1957 <u>-1958</u>	1958 <u>-1959</u>
Number killed at protected crossings	14	10
Number injured at protected crossings	12	15
Number killed at crossings not protected	13	17
Number injured at crossings not protected	64	66

Further study of the accident reports shows the following information:

	<u>TIME OF YEAR</u>					
	<u>Number of Accidents</u>		<u>Number Killed</u>		<u>Number Injured</u>	
	<u>1957-58</u>	<u>1958-59</u>	<u>1957-58</u>	<u>1958-59</u>	<u>1957-58</u>	<u>1958-59</u>
July	5	9	2	2	3	7
August	4	2	3	1	2	3
September	2	6	2	6	2	5
October	8	8	4	2	6	9
November	5	6	1	1	5	5
Decmeber	12	7	6	1	9	14
January	14	14	3	8	26	10
February	9	3	2	0	8	3
March	5	12	1	3	6	11
April	7	3	2	0	6	3
May	2	2	1	1	1	5
June	2	6	0	2	2	6
Total	75	78	27	27	76	81

	<u>TIME OF DAY</u>					
	<u>Number of Accidents</u>			<u>Number of Accidents</u>		
	<u>A.M.</u>	<u>1957-58</u>	<u>1958-59</u>	<u>P.M.</u>	<u>1957-58</u>	<u>1958-59</u>
12 to 1	1	1	12 to 1	6	4	
1 to 2	3	0	1 to 2	10	5	
2 to 3	0	2	2 to 3	5	2	
3 to 4	0	0	3 to 4	1	5	
4 to 5	1	0	4 to 5	5	2	
5 to 6	2	22	5 to 6	4	6	
6 to 7	1	4	6 to 7	3	4	
7 to 8	8	6	7 to 8	5	5	
8 to 9	4	5	8 to 9	0	1	
9 to 10	2	8	9 to 10	1	4	
10 to 11	5	7	10 to 11	1	1	
11 to 12	6	3	11 to 12	1	1	
Total	33	38		42	40	

It is common knowledge that the number of vehicles on the highways has continued to increase. However, during the past few years the number of crossing accidents has remained about the same, which indicates that progress

has been made in our effort to reduce the number of accidents that occur at grade crossings.

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

	1954	1955	1956	1957	1958
	<u>-55</u>	<u>-56</u>	<u>-57</u>	<u>-58</u>	<u>-59</u>
Total number of accidents	664	679	637	496	554
Total number of accidents- no injuries	192	195	154	76	82
Total killed	53	60	60	54	48
Total injured	494	448	526	410	436
Passengers killed	0	0	1	0	0
Passengers injured	93	66	99	53	50
Employees killed	1	5	5	8	7
Employees injured	290	276	305	246	278
Trespassers killed	14	17	24	18	10
Trespassers injured	12	10	17	11	14
Non-trespassers killed	38	38	30	28	31
Non-trespassers injured	99	96	105	100	94
Crossing accidents	78	84	82	75	78
Killed	36	35	30	27	27
Injured	74	83	87	76	81
Train struck vehicle	57	57	63	50	59
Vehicle struck train	13	23	12	21	18
Pedestrians	8	4	6	4	1
Motorcycle	0	0	1	0	0
Accidents at protected crossings	26	27	21	21	24
Accidents at crossings not protected	52	57	61	54	54

Summary of derailments and collisions reported during the past five years on railroads operating in Missouri:

Derailments-Freight Trains	124	119	116	62	63
Derailments-Passenger Trains	13	8	5	5	3
Collisions-Freight Trains	44	59	31	19	15
Collisions-Passenger Trains	10	2	4	1	3
Other	0	0	1	2	0

Ever since the enactment of the Public Service Commission Law in 1913 the Commission has been seriously concerned with dangers existing at grade crossings and has done everything it can, taking into account the cost of up-grading crossings, to provide the greatest possible safety that may be secured for the public. In the early years of the Commission the trains were about the only high speed vehicle moving across country so there was little concern about highway vehicles running into the side of a train. As the years have past highways have been improved and automobiles and trucks built to drive at much greater speed, so we now have two different kinds of transportation equipment traveling at high speed - trains and motor vehicles. The results are that many accidents are caused by the highway vehicle running into the train. This will be noted from the foregoing summary. It will also be noted that over twice as many accidents are at crossings not protected, compared to those occurring at protected crossings. It is evident from this that the up-grading of protection at crossings should continue at maximum speed. It is not economically possible to eliminate all grade crossings by grade separations, or otherwise, but the Commission is concerned with eliminating the most hazardous crossings, based on physical conditions at crossings or traffic densities, or the weighing of both causes. The follow-

ing table shows the number of kinds of protection existing at railroad crossings throughout the State:

Gates Operated (24 hours per day)	111
Gates Operates (less than 24 hours per day)	16
Watchmen Without Gates (24 hours per day)	23
Watchmen Without Gates (less than 24 hours per day)	55
Both Audible & Visible Signals	556
Audible Signals Only	133
Visible Signals Only	181
Total Specially Protected	1075
Special Fixed Signs or Barriers Only	203
Standard Fixed Signs Only	5931
Otherwise Unprotected	144
Total Not Specially Protected	6278

The Missouri State Highway Commission as well as this Commission concerns itself with the effort to provide safety at grade crossings, but there are many county roads and private crossings to which the local authorities should give serious thought to protection at these places by using standard warning signs in helping to reduce existing hazards to the traveling public. Nothing should be posted along any of the highways approaching the crossings to attract the attention of drivers of motor vehicles thereby interfering with the intent of the crossing sign to warn the driver of the highway vehicle.

The Commission has issued many Orders authorizing our railroads to arrange for the control of the movement of trains on their various systems and allowing them to join in interlocking improvements for improving the safety and economics of operation of the railroads along their

main line tracks and for controlling automatically the approaches of trains at interlocking plants. Every effort should be made to encourage, and require to the extent possible, the public to use similar control and care in approaching grade crossings.

The staff of the Commission has made surveys of each grade crossing of the main line tracks of the various railroads throughout the state and classified those crossings as to priority of up-grading of existing protection. A substantial number of the crossings have been improved accordingly but there is still more work to do. Each grade crossing case, coming before the Commission for changes, is set for hearing and evidence taken relative to what is required at the time.

Electric Rates and Service

The electric utilities in the State continue to grow at what appears to be an accelerating rate and it is not possible, at this time, to foresee how long that acceleration may continue.

Following the year 1921, electric rates in Missouri have continued to decline until about the middle of the year 1958. Since the beginning of World War 1 the need for additional generating and transmission capacity has grown so rapidly the utilities have been under continuous stress to provide the capacity to take care of the needs of the public for the service. They have done so

in a remarkable way and by the construction of new generating facilities they have had the advantage of having available generating stations that would enable them to produce electric energy at a lower fuel cost per kilowatt hour than the older stations. Furthermore, as their systems would grow, utilities were enabled to operate the the new generating plants near or if not 100% full capacity, thereby generating the base load of the system at high thermal efficiencies.

However, other costs such as investment cost and wages have continually increased to the point that the savings in reduced fuel usage per kilowatt hour have been insufficient to offset the other increasing costs of producing the energy and bringing it to the customers so the electric utilities have finally had to come to the Commission during the period and ask for increases in rates in order to enable them to show earnings that would allow them to secure funds for providing new plant facilities. In addition to the generating facilities it has been necessary to build heavier transmission and distribution systems at higher voltages in order to deliver the service satisfactorily at the customer's premises. The program of integrating the electric transmission systems of the State has continued, thereby stabilizing the delivery of service throughout the en-

tire State.

While there have been granted rate increases for the electric utilities, the percentage increase has not been as great as was necessary to allow other utilities.

Water

Water utilities throughout the State have found it necessary to continue to expand their properties. However, during the current period their expansion problems have not been so severe as during the recent drought which required large expansion of the systems to provide water for the operation of air-conditioning units.

Since the rains have started, following the drought, there has been substantial relief in connection with the problems of system expansion.

During the current period there have been a substantial number of small water utilities created by persons engaged in real estate outside of or beyond municipalities at distances from the local municipal system too great to justify the extension of water transmission lines to the subdivision being developed. Most of these subdivisions have occurred in areas in the State where ground water is available by the drilling of wells. It has been necessary to allow the developers to develop the systems as public utilities and in order to conform to the law, they have been granted certificates of con-

venience and necessity to operate such systems as a public utility.

Gas

The source of supply for the gas consumed continues to be interstate transmission lines extending from fields located in other states to the south and to the west of Missouri, through Missouri into other states in the eastern part of the United States. The problem of securing additional gas from the transmission lines is one that is under the jurisdiction of the Federal Power Commission and the problems of securing sufficient gas to meet the needs of the consuming public of Missouri are still unsolved.

The need for gas for space heating in new homes continues to be serious as well as the need for gas in homes where other types of fuel have heretofore been used. Some of the gas companies continue to have filed with the Commission, rules by which they are permitted to restrict the allowance of gas for space heating in homes of new customers or for conversion from other types of fuel. An added number of utilities have found that the installation of propane-air auxiliary plants have had to be provided in order to supply service to their firm customers during the cold months of the winter.

The need for the use of auxiliary propane or other liquid petroleum products for supplementing the natural gas in the distribution systems, creates additional rate problems in addition to increases that are allowed from time to time by the Federal Power Commission to the interstate pipelines who supply the gas to the local distribution systems. In order to justify the installation and use of auxiliary gas plant to enable as many users, particularly residence, to avail themselves as much as possible of the use of the natural gas, there has been some discussion as to the feasibility of allowing the gas utilities to file a fuel clause that would be reflected in the charges for space heating when it becomes necessary to use auxiliary gas to supplement the natural gas during the extreme demands for space heating. It has been the practice for many years by the electric utilities to file and apply a fuel clause to electric energy furnished to large industrial users of that service because the rates filed with the Commission were relatively low and sold in large quantities so there was small difference in the cost of service in the rate in which it was furnished when figured on a kilowatt hour basis. Similarly gas for space heating must necessarily be furnished at relatively low unit costs when compared to other uses of gas for domestic use, but is furnished

in large quantities that the lower rates are justified, but those rates are sensitive to changes in the rates charged by the pipeline companies. Therefore, if the needs of the public can be cared for by providing a fuel clause which would compensate the distributing utility on the cost of and the amount of liquid petroleum fuel that must be used during the heating season months, thereby enabling the gas utilities to offer service to an increased number of users, it may be in the interest of the public to give serious consideration to such arrangements.

Steam Heat

A few steam heating plants in Missouri continue without much change or expansion. Those systems are used to supply steam for space heating in the heavy business district of our largest cities and since the advent of natural gas throughout the State there is not much to encourage steam heating utilities to attempt to extend their facilities to new areas.

Telephone

The telephone utility activities throughout the State have continued during the present period to grow and expand at as great a rate, if not greater, than during any previous period in the history of that utility.

The Annual Report for 1958 shows that the South-

western Bell Telephone Company gained 270,700 telephones and at the end of the year were serving 5,666,000 stations. 106,100 telephones in 53 communities were converted to dial. Enormous sums of money were spent in wages and other costs related thereto and direct distance dialing was introduced to 15 locations. The company indicated that it was planning to offer what it described as "Metropolitan Service" in Kansas City, similar to that now in effect in St. Louis and it is expected the change will be made in due time.

The so called independent, that is non-Bell owned systems, have also continued to make great strides in converting the smaller exchange areas in rural areas to dial operation. Those changes called for the allowance of much higher rates than had previously been charged in those areas but the operating results show that the public is highly pleased with the improved service. The introduction of dial service requires much better construction and maintained exchange systems but it also provides much better local as well as toll service in those areas. While the increase in rates has been as much as 100% or more above the previous rates charged, the acceptance of the service at those rates has provided service much more satisfactory and acceptable to the subscribers than any former class of service as pro-

vided. As far as it can be observed at the present time, it appears it is only a matter of time when practically all the service in the State will be dial service.

Telegraph

While the Western Union is one of the oldest, if not the oldest, communication utilities and one that has gone through many changes, it is encouraging to note that that company is offering new classes of service to its customers, probably largely on an interstate basis. Most of the regulation governing the activities of that company are doubtless under the jurisdiction of the Federal Communications Commission but there yet remains many problems involved in intrastate matters.

It has been necessary to allow the railroads to close many of the smaller railroad stations throughout the State and since the agent of the railroad generally handles telegraphic communications for the public the closing of the railroad stations made it necessary to close many telegraphic agencies at those points. It is true also that the Western Union has closed a number of its local offices in various points throughout the larger cities. However, it appears from reports coming to the Commission from or concerning the Western Union that it has been able to offset the losses it has experienced in the closing of many of its smaller stations by

improvements made in the system generally. By mechanizing and arranging a number of strategically located message centers, the company is able to transmit messages almost immediately without manual retransmission at any point. It has substituted electronic transmission for manual transmission of its telegrams and enlarged its capacity for serving much greater traffic.

Telegraphic systems and plants are being modernized so that it can transmit messages by radio beam, carrier equipment as well as by private wire systems. These services include the sending of communications by telegraph with certain types of dialing facilities available to the subscribers which enables the subscribers to send written communication direct to another subscriber. With these modernization facilities it appears that the company is enjoying a growing business that enables it to make greater uses of the improvements in this telegraphic system.

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 Court 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, discontinuance of service by railroads, 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; three staff attorneys, one of whom was also the reporter of opinions; and three legal stenographer-secretaries.

RAILROAD SAFETY DEPARTMENT

During the period July 1, 1958 to June 30, 1959, a total of one hundred fifty-three inspections were made by this department on thirteen railroads in the State of Missouri. Of the one hundred fifty-three inspections, seventy-nine 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, trash and debris on track, insecure footing, and violations of General Order No. 24.

Seventy-four of the one-hundred fifty-three 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 the station rest rooms, employee rest rooms, unsafe operating conditions and various violations of General Order No. 24. On one hundred thirty-six of the one hundred fifty-three inspections made in the last year, conditions have been corrected and the file closed as of July 1, 1959.

During this last year the Missouri Pacific Railroad has in operation, Neff Yard in Kansas City, Missouri, which tentative completion date is December 31, 1959.

This yard will be an electronically controlled double hump retarder yard. It will have seventy-two classification tracks, forty eastward and thirty-two westward. This replaces six old yards and upon completion, will occupy four hundred ten acres. While the tentative completion date of this yard is December 31, 1959, it is now ninety percent completed and is being used with the exception of the westward hump which will be in operation on or before January 1, 1960. This is the major railroad improvement in Missouri during the past year.

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.

This department has assisted the legal department in Interstate Commerce Commission hearings in cases at Atchison, Kansas; Albia, Iowa; Paragould, Arkansas; and Fort Madison, Iowa.

This department has received splendid cooperation from the railroads and industries in Missouri in helping to reduce injuries to railroad employees and the public.

TRANSPORTATION RATE DEPARTMENT

General

This department has general supervision of the Commission's activities 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. With the employment on November 1, 1958, of a rate expert to replace one retired March 31, 1958, personnel of the department was restored to the normal complement of the chief rate expert, three rate experts, one service inspector and two stenographers.

One of the principal functions of the department is maintaining the Commission's official file of tariff schedules of all the transportation agencies. Each new tariff schedule is examined to determine that it is in substantial compliance with the tariff publishing requirements, that the public is given proper notice that the proposed rates are just and reasonable. During the past year the department received for filing and examined 603 new or amended schedules naming passenger fares and express rates of railroads, express and sleeping car companies; 3978 new or amended freight rate schedules filed by railroads; 2206 new or amended tariff schedules

filed by truck lines; and 389 new or amended rate and fare schedules filed by bus lines.

Many of the tariff filings do not conform to the Commission's tariff rules and in many cases correction is required before the tariff publications are permitted to become effective. The department maintains a heavy volume of correspondence with the carriers and their tariff publishing agents seeking correction of improper or objectionable tariff provisions. Failure to allow statutory notice of rate changes or flagrant disregard of the tariff publishing rules are considered grounds for rejection of tariff schedules and during the past year the department found it necessary to reject 18 tariff schedules.

Tariff filing by the truck lines in the past three years have been more numerous than usual due primarily to the granting of authority to a large number of dump truck and tow truck or wrecker operators and limited commodity carriers, each of which is required to file a tariff schedule. The exemption from regulation of the tow truck and wrecker operators by the last session of the Legislature will make further tariff filings by these operators unnecessary. The majority of these carriers own and operate one or two trucks and have had

no prior experience with regulation or with respect to filing of tariffs. Assisting these carriers in filing acceptable rate schedules has entailed much correspondence and personal contact. In those instances where carriers fail to establish and maintain acceptable tariff schedules, despite the efforts of the department to obtain compliance, orders are drafted for approval by the Commission to suspend the authority of such carriers until proper tariffs are filed. When an acceptable tariff is filed the suspension is canceled. During the year the authorities of 268 carriers were suspended for failure to establish and maintain acceptable tariffs but at the end of the year 166 of the authorities had been reinstated. The majority of the carriers involved were those authorized to transport commodities in bulk in dump trucks. After being given an opportunity to be heard the operating authorities of 69 of the dump truck operators were revoked because they did not file a schedule of rates with the Commission.

Changes in rates, charges and other provisions initiated by carriers, which appear to be unusual in any respect or upon which complaint is made, are brought to the attention of the Commission. It if 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 investigation and suspension proceedings the department prepared 19 recommended reports and orders for consideration and issuance by the Commission.

Petitions of carriers or 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, are directed to this department. During the year the department received and assisted the Commission in disposing of 286 such petitions.

In addition to tariff schedules covering services of an intrastate nature, the department maintains an extensive file of interstate tariffs of the various transportation agencies which are used by the department for rate comparisons and which are made available for use by other state agencies and the public generally.

The department also receives and files the time schedules of motor carriers of passengers. In the past year 126 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 otherwise 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 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 complaints are not satisfied or where complete abandonment of service is involved are brought to the attention of the Commission and in those instances where it is deemed advisable time schedules are suspended pending a hearing to determine whether such changes are just and reasonable and if adequate service will remain. In assisting the Commission in this phase of its work the department prepared nine recommended orders.

The department has the responsibility of advising the public with respect to proposals to discontinue passenger and freight train service. It receives and acknowledges the protests and objections to discontinuance of train service, and generally assists the Commission in obtaining information necessary to determine whether

such matters should be assigned for hearing. Enactment by Congress of the Transportation Act of 1958 has almost completely deprived the Commission of authority with respect to the discontinuance of train service. The Act provides in effect that a railroad may discontinue train service by posting notice 30 days in advance, irrespective of any decision or order of the state authority. Any such discontinuance is made subject to complaint to the Interstate Commerce Commission and if that Commission deems an investigation necessary, it can suspend the proposed discontinuance for not longer than four months so that such an investigation may be conducted. Enactment of the Act touched off a wave of proposals to discontinue passenger train service throughout the country. Nine notices were posted by six railroads to discontinue passenger train service in or through Missouri. Six of the notices resulted in the trains being removed, one notice of discontinuance was withdrawn by the railroad before it became effective, and two of the proposed discontinuances are now under investigation by the Federal Commission.

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 Commissioners or hearing examiners. Testi-

mony is offered by department personnel when it seems appropriate 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 five such orders were prepared in connection with general increases in transportation rates. Two supplements to General Order No. 39 (Rate Base Schedule No. 1) were issued to bring the schedule up to date with respect to changes resulting from transfers, consolidations and mergers of operating authorities of the carriers providing transportation service within the state. A total of 40 orders were drafted for issuance by the Commission in connection with such matters as transfers of authorities, consolidations of routes or extensions of authorities, station closings, service discontinuances and other miscellaneous matters not otherwise covered by this report.

Personnel of the department participates on behalf of the Commission in proceedings before the Interstate Commerce Commission involving rates from, to and between points in Missouri. In the past year personnel of the department actively participated in two proceedings before the Interstate Commerce Commission involving complaints by the railroads that rates fixed by the Missouri

Commission were discriminatory to interstate commerce. The first of such proceedings, I.C.C. Docket 32010, has been pending for several months and a decision was rendered on November 26, 1958. Certain of the findings were not satisfactory to the railroads and two petitions were filed to have the matter reopened and reconsidered. The department assisted in the preparation of replies to the two petitions. Both of the petitions to reopen the proceeding were denied. The second of the two proceedings, I.C.C. Docket 32463, was heard on October 23 and 24, 1958, and the department did much of the work in preparing the brief that was filed in the case on January 28, 1959. As yet there has been no decision rendered in the matter.

The department maintains 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 restatements or consolidations of 141 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 the department assisted in processing 80 applications by motor carriers for temporary authority to meet an emergency need where there was no existing carrier service deemed capable of providing such service.

The department accumulates and compiles certain statistics of 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. Some of the complaints are satisfied by correspondence but many 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. It has continued its program of personal contact with the motor carriers throughout the state by which it is frequently able to offer sug-

questions and guidance for complying with the statutes and requirements of the Commission. During the year 20 of these "compliance surveys" were made, each such survey being made jointly with a representative of the Interstate Commerce Commission.

During the year 131 informal complaints or requests for investigation by our service inspector were referred to the department. All of these matters were investigated. Generally the complaints were satisfied without the need of court or Commission action. However, 12 cases were filed in the magistrate courts as a result of our investigation. Citation proceedings before the Commission were recommended for five motor carriers.

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 participated in two schools of instruction for the State Highway Patrol at Rolla, Missouri and in seven motor vehicle road checks held jointly by the Commission, the State Highway Patrol and the Interstate Commerce Commission at various points in the state.

Railroad Rates and Operations

The nation's railroads filed with the Interstate

Commerce Commission, to be effective February 15, 1958, a new tariff of increased rates and charges which provided for selective, rather than horizontal, increases, and consisted of percentage increases, flat increases, percentage increases subject to maxima and minima, and in the case of accessorial charges, of new charges where there were none in effect and in certain instances increased charges bearing no fixed relation to the existing charges. On certain commodities and services there was no increase proposed. The average increase was estimated to be about 2.3 percent. The proposed increases were suspended in part and in some respects were permitted to become effective but all the proposed increases were assigned for investigation and by a report and order dated September 9, 1958, the proposals, in the main, were found to be reasonable and were permitted to become effective.

The railroads filed for their Missouri intrastate operations the same increases as filed with the Interstate Commerce Commission, also to be effective February 15, 1958. The proposed schedule did not comply with the tariff filing requirements and the railroads did not request or obtain the necessary authority to depart from the tariff publishing rules and outstanding orders of the Commission, so the filing was rejected. Subsequently, however, the railroads sought and were granted the neces-

sary tariff rule relief to make the same type of filing that they had been authorized to make by the Interstate Commerce Commission. They filed a new schedule which made the increases effective July 25, 1958, on Missouri intrastate traffic. There were no complaints made to the Commission with respect to the increased rates nor any request for investigation to determine the propriety of the increased rates and no hearing was assigned with respect thereto. Changes in the increases that resulted from the order of the Interstate Commerce Commission dated September 9, 1958, were made concurrently on interstate and intrastate commerce within Missouri effective September 15, 1958.

At the time of our prior report there had not been a final decision in the case instituted by order of July 3, 1956, under the provisions of Section 13(4) of the Interstate Commerce Act involving a complaint of the Missouri railroads alleging discrimination to interstate commerce was resulting from the fact the Missouri Commission did not grant the full Ex Parte 175 and 196 increases. A decision was rendered by the Interstate Commerce Commission on November 26, 1958, in I.C.C. Docket 32010 and to conform to the findings in the decision Missouri railroads were authorized by order dated February 27, 1959, in Case 13,310, to increase in-

trastate rates and charges to the extent necessary to comply with Finding 4 of the decision. Finding 4 as referred to was not completely satisfactory so far as the railroads were concerned and two petitions for rehearing and reconsideration were filed and denied. At the present time the railroads have not made applicable any further increases as a result of the decision.

On June 23, 1958, the Missouri railroads filed another 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. Such complaint was assigned I.C.C. Docket 32463 and hearing was held before an examiner of the Federal Commission on October 23 and 24, 1958. As yet there has been no decision rendered in the matter.

Some of the railroads are making rather strenuous efforts to increase their volume of passenger traffic as a means of improving the unsatisfactory financial results of their passenger service. The Kansas City Southern, for example, in 1958 began honoring coach class tickets in sleeping or parlor cars upon payment of the published sleeping car or parlor car rate. An original six-month experimental period has been further extended to June 30,

1960, indicating that the plan is to some extent successful. The same company also publishes daily sale 30-day limit multi-ride "Thriftrip Fares" which are about 23 percent less than regular round-trip fares. For five passengers or more each member will be carried round trip for the regular one-way fare. The Missouri Pacific has put into effect "Thrift-T-Sleeper Service" between St. Louis and Denver, Colorado, and between St. Louis and Hot Springs, Arkansas. Coach tickets will be honored in these special pullman cars containing uppers, lowers roomettes and bedrooms. The Missouri Pacific offers \$1.00 meals served at the passengers' seat in chair cars and the Wabash has inaugurated \$1.00 meals in its diner cars. On the other hand, the Santa Fe, Rock Island, Katy and Cotton Belt Railroads increased their coach fares 5 percent effective January 1, 1959, but the increases were suspended and are presently under investigation. The basic coach fare on most railroads in the state is now 2.75 cents per mile but the fares of the Cotton Belt and Missouri Pacific are 10 percent higher.

In our last report we mentioned that the rail carriers had been exceedingly hard hit by a slump in car-loadings in the closing weeks of 1957 and the first half of 1958 although the situation in June 1958 had begun to show signs of improvement, with some temporary car short-

ages on wheat and road aggregates reported in that month. The situation has continued to improve and carloadings for the first six months of 1959 were running almost 12 percent over 1958, but were still about 10 percent below those for the same period in 1957.

Truck Rates and Operations

There was no general change in the level of truck rates in the state during the past year although the motor carriers have filed petitions for increases in their class rates and minimum charge per shipment. Hearings were held with respect to the proposals on June 20 and July 22 and 23, 1959, but a decision has not yet been rendered.

Following extended hearings held December 10, 11 and 12, 1957, and January 23 and 24, 1958, the Commission issued its report and order of September 30, 1958, in Case T-16,446, prescribing scales of rates for dump truck operators to be effective January 1, 1959. Following the prescription of the dump truck rates numerous carriers petitioned for rates less than those prescribed, generally on the grounds that they had made commitments on certain jobs prior to the time the prescribed rates became effective. For the most part the carriers who sought to apply reduced rates operated larger equipment than average and it appearing that a general order authorizing reduced

rates for larger equipment would obviate the necessity for considering the many individual requests for reduced rates, the Commission on March 2, 1959, issued its order permitting the establishment of rates reduced 15 percent below those prescribed by the order of September 30, 1958, for loads of 12 tons or more. However, numerous complaints were made by operators of small equipment alleging that the reduced rates for larger equipment were severely curtailing their business. Hearing was held by the Commission on May 20, June 17 and 24, 1959, for the purpose of receiving evidence as to whether the order authorizing a 15 percent reduction in rates for 12-ton loads should be rescinded, but a decision was not reached in the period of this report.

For the first five months of 1958 truck tonnage was down 6 percent from the same months in 1957. However, the situation improved in the latter months of the year and tonnage transported during the entire year of 1958 exceeded that of 1957 by 1.8 percent. As compared to the first quarter of 1958, tonnage transported by motor carriers of general freight in the Midwestern Region increased 11 percent in the first quarter of 1959. For the United States as a whole the increase in truck tonnage in the first quarter of 1959 was 18.7 percent over the same period in 1958.

Intercity Bus Fares and Operations

The private automobile continues to carry a high percentage of intercity passenger traffic. This trend coupled with the general business recession in the latter months of 1957 and the early part of 1958 seriously reduced the revenues of many intercity bus lines but conditions improved in the latter months of 1958 and the first months of 1959. The bus companies estimate their patrons traveled an estimated $5\frac{1}{2}$ percent more passenger miles in the first quarter of 1959 than in the same period of 1958 thus broadening the modest improvement in operating results occurring in the fourth quarter of 1958. The demand for charter and special service travel continues to increase. The fares of the intercity bus lines remained relatively stable during the period but charter fares of practically all lines were increased during the first quarter of 1959. The increases were made effective by the filing of new schedules on statutory notice which were permitted to become effective without hearing.

Transit Fares and Operations

Although the transit companies were also adversely affected by the general business recession the last part of 1957 and early part of 1958, the decline in patronage appears to be leveling off to some extent and with the increase in fares authorized in the early part of 1958,

revenues this year are generally slightly ahead of last year. Except for the establishment of fares for new or extended service there has been no change in the transit fares since July 1, 1958.

The St. Louis Public Service Company has continued to operate under fare schedules filed effective June 29, 1958. The schedules provide for adult fares of 25 cents cash or 4 tokens for 90 cents except between the hours of 9:00 a.m. and 3:00 p.m. an adult passenger may ride for 20 cents. The round-trip fare for riders within a single zone is 35 cents. The students' fare is 15 cents for holders of a school permit purchased for \$1.00 for each semester. The differential for express service is 5 cents and passenger riding through certain zone points must pay an additional zone fare of 5 cents.

The current fares of the Kansas City Public Service Company are those provided in a tariff made effective February 2, 1958. The schedule provides for an adult cash fare of 25 cents or two tokens for 45 cents. The children's fare is 10 cents and there is no reduced fare for students. On certain of the longer lines there is a zone fare of 10 cents for passengers passing through certain zone points.

The current fares of the St. Joseph Light & Power Company are those named in a tariff schedule that was made effective April 27, 1958. The schedule provides for

an adult cash fare of 15 cents, 7 tokens for \$1.00 and a children's fare of 10 cents. The schedule also provides a student's fare of 10 cents for students holding a proper identification card.

Railroad and Street Railway Mileage

Class I rail carriers serving Missouri reported 11,085 miles of track as of December 31, 1958, in comparison to 11,199 miles as of December 31, 1957. The reduction in mileage was due primarily to the abandonment of about 70 miles of track by the M-K-T Railroad from Bryson, Missouri to Paola, Kansas. With that exception the decrease in track miles was due to changes in yard switching tracks, passing tracks, crossovers and turnouts.

Although the Kansas City Public Service Company continues to maintain 13.7 miles of track, 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. Track mileage reported by the St. Louis Public Service Company as of December 31, 1958, is 11.5 miles less than reported for the prior year. The reduction in mileage is accounted for by the abandonment of the Jefferson Streetcar Line as authorized by the Commission by order dated August 26, 1958, in Case No. 14,009.

There was no change in the miles of track operated by the small railroads during the past year.

The following table shows the rail mileage in Missouri operated by the various carriers as of December 31, 1958.

RAIL MILEAGE OPERATED IN MISSOURI AS OF DECEMBER 31, 1958

Class 1 Railroads	Main Line Tracks	Second Main Tracks	Other Main Tracks	Passing		Totals
				Cross- overs Turnouts	Way and Yard Switching Tracks	
A. T. & S. F. Ry. Co.	308.17	199.29	26.54	55.01	70.92	659.93
G. B. & Q. RR. Co.	1327.47	103.81	---	139.49	343.14	1913.91
G. G. W. Ry. Co.	101.22	3.61	---	10.22	22.80	137.85
G. M. St. P. & P. R.R. Co.	154.56	56.77	12.45	39.43	106.46	369.57
G. R. I. & P. RR. Co.	509.88	70.41	27.60	54.20	128.72	790.81
G. M. & O. RR. Co.	251.69	17.40	9.12	47.00	51.02	376.23
I. T. RR. Co.	2.70	2.54	---	.62	9.19	15.05
K. C. So. Ry. Co.	199.59	10.33	---	40.29	131.09	381.30
M-I RR. Co.	89.04	---	---	6.42	30.08	125.54
N. K. F. RR. Co.	391.26	18.84	---	53.36	90.53	553.99
Mo. Pac. RR. Co.	1421.28	222.53	3.29	183.39	543.83	2374.32
St. L-S. F. Ry. Co.	1438.62	32.76	---	170.08	402.30	2043.76
St. L-S. W. Ry. Co.	219.09	18.15	---	21.51	41.04	299.79
U. P. RR. Co.	2.16	1.54	---	5.96	15.96	25.62
Wabash RR. Co.	<u>628.14</u>	<u>62.72</u>	<u>13.31</u>	<u>97.71</u>	<u>215.70</u>	<u>1017.58</u>
TOTALS	7044.87	820.70	92.31	924.69	2202.78	11085.35
<u>Street Railways</u>						
Kansas City Public Service Co.	9.00	.92	---	3.74	---	13.66
St. Louis Public Service Co.	<u>32.41</u>	<u>32.41</u>	---	<u>8.41</u>	<u>8.58</u>	<u>81.81</u>
TOTALS	41.41	33.33		12.15	8.58	95.47
<u>Small Railroads</u>						
Devier & 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>
TOTALS						39.55