

**PUBLIC SERVICE COMMISSION  
OF WISCONSIN**



**Biennial Report**  
**July 1, 1944 to June 30, 1946**

**W. F. WHITNEY**  
Commissioner

**LYNN H. ASHLEY**  
Chairman

**SAMUEL BRYAN**  
Commissioner

**EDWARD T. KAVENY**  
Secretary

## TABLE OF CONTENTS

COMMISSION	Page
Foreword -----	4
Organization chart -----	5
Personnel -----	6
Biographies of Commissioners -----	7
 GENERAL	
History -----	9
Officials -----	10
Scope of work -----	11
INFORMAL CASES -----	11
FORMAL CASES -----	12
ORDERS ISSUED -----	12
SUITS AGAINST COMMISSION -----	12
HEARINGS -----	12
SUMMARY OF WORK -----	13
Jurisdictional totals -----	16
Division of staff work -----	17
 DEPARTMENTS	
Administration -----	17
Legal -----	18
Engineering -----	18
Accounts and Finance -----	19
Rates and Research -----	19
FINANCES -----	20
GENERAL LITIGATION; LEGISLATION -----	22

UTILITIES	Page
Utility plant extensions and changes -----	24
Utility service -----	26
Electrical code -----	26
Standards laboratory -----	26
Radio interference -----	26
Appraisals and continuing property records -----	27
Acquisitions and sales of utility property -----	27
Interconnection of electric utilities -----	28
Security issues -----	28
Accounting matters -----	30
Annual reports -----	30
Combined balance sheets -----	31
Number of utilities operating -----	32
Rate reductions -----	33
Rate increases -----	34
Wisconsin and national rates -----	34
Extension of service -----	35
Natural gas -----	35
WATER POWER -----	36
Stream gaging -----	37
RAILROAD AND MOTOR TRANSPORTATION	
Motor carrier section -----	37
Intrastate rates -----	39
Contract motor carrier -----	39
Common motor carrier -----	40
Railroad -----	41
Interstate rates -----	41
Railroad abandonments -----	43
Railroad-highway crossings -----	43
Railroad signals -----	43
Railroad accidents -----	44

## FOREWORD

Section 195.03 (22), Wisconsin Statutes, provides that the Public Service Commission of Wisconsin "shall, on or before the first Monday in December in each even-numbered year, make a report to the governor of the transactions of its office for the two preceding fiscal years, and containing such information, suggestions, or recommendations in respect to the matters under its charge as it may deem proper."

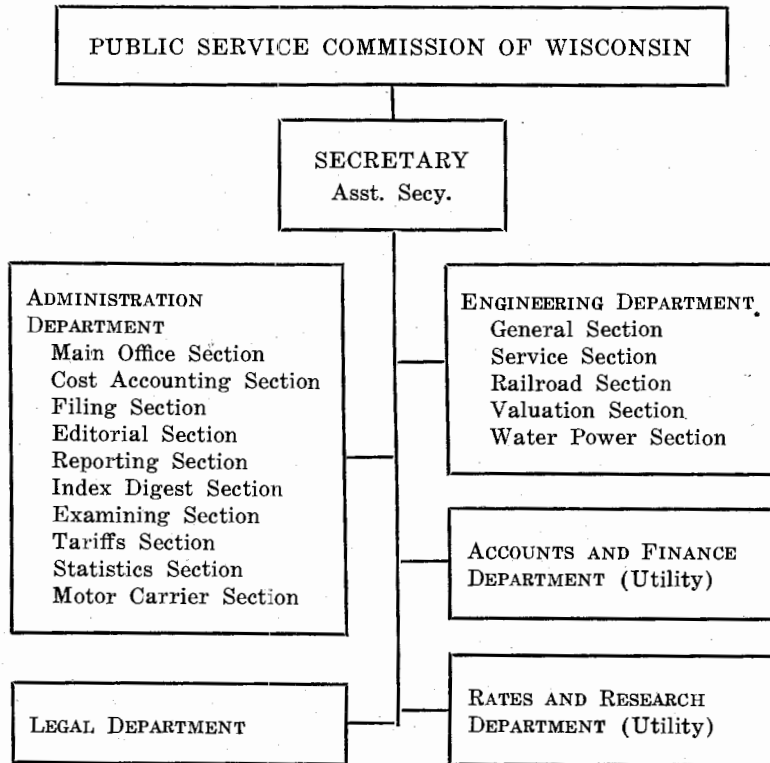
The attached report is an outline of the Commission's work from July 1, 1944 to June 30, 1946. As in previous years, a statistical report on public utilities, railroads, and motor transportation industries will be issued in a separate bulletin.

### PUBLIC SERVICE COMMISSION OF WISCONSIN

LYNN H. ASHLEY  
*Chairman*  
W. F. WHITNEY  
*Commissioner*  
SAMUEL BRYAN  
*Commissioner*  
EDWARD T. KAVENY  
*Secretary*

Madison, Wisconsin  
November 20, 1946

ORGANIZATION CHART  
of  
PUBLIC SERVICE COMMISSION OF WISCONSIN



PUBLIC SERVICE COMMISSION OF WISCONSIN

PERSONNEL

Lynn H. Ashley, chairman  
W. F. Whitney, commissioner  
Samuel Bryan, commissioner  
Edward T. Kaveny, secretary  
Alvin H. Olson, assistant secretary

*Administration Department*

Edward T. Kaveny, chief  
Alvin H. Olson, assistant chief  
Main Office Section—Florence R. Bratlie  
Cost Accounting Section—John F. Goetz  
Filing Section—Faye M. Robbins  
Editorial Section—Henry H. Francisco  
Reporting Section—(Supervised by Secretary)  
Examining Section—(Supervised by Secretary)  
Tariffs Section—Ivan A. Sherman  
Statistics Section—C. E. Schreiber  
Motor Carrier Section—J. H. Justesen

*Legal Department*

H. T. Ferguson

*Engineering Department*

George P. Steinmetz, chief  
Charles B. Hayden, assistant chief  
General Section—Ralph E. Purucker  
Service Section—W. H. Damon  
Railroad Section—H. F. Muehrcke  
Valuation and Continuing Property Section—  
Warren Oakey  
Water Power Section—Walter Muegge, acting  
supervisor

*Accounts and Finance Department*

A. R. Colbert, chief  
Ralph S. Butler, assistant chief

*Rates and Research Department*

Henry J. O'Leary, chief

## THE COMMISSION

The Public Service Commission of Wisconsin, created as the Railroad Commission 70 years ago, includes three commissioners, a secretary, and a staff of 122 members. The Commissioners are Lynn H. Ashley, chairman, W. F. Whitney, and Samuel Bryan.

Chairman Lynn H. Ashley was born in Wisconsin, and during his early years lived in River Falls, attending elementary schools there. Later he attended Carleton College Academy and Carleton College, Northfield, Minnesota. He was graduated from Minnesota University Law School and moved to Hudson in 1912, where he practiced law until 1943. He was district attorney of St. Croix County 1921-22 and was elected to the Wisconsin assembly from St. Croix County in 1928, serving the 1929-1930 term. He was appointed to the Public Service Commission of Wisconsin by Governor Goodland, and was unanimously confirmed by the senate in January 1943. In March of that year, at the expiration of the term for which he was appointed, he was reappointed by Governor Goodland for a full 6-year term, and again unanimously confirmed by the senate. He was elected chairman of the Commission in March 1945.

Commissioner W. F. Whitney was born in Whitewater, Wisconsin. He was graduated from Whitewater State Normal and the University of Wisconsin law school. For 4 years he served as principal of the Waukesha high school. He practiced law in Wenatchee, Washington, was state's attorney for Chelan County, Washington, for several years, and referee in bankruptcy there for 4 years. During the next decade, Mr. Whitney was active in the retail automobile business, and later founded a wholesale and retail automobile distributorship corporation in Wisconsin, which he headed. His term as Commissioner began on October 5, 1939. On March 5, 1941 his reappointment by Governor Julius P. Heil for an additional 6-year term was confirmed by the senate.

Commissioner Samuel Bryan was born in Washington, D. C. After graduation from high school in Washington he attended Leland Stanford, Jr., University at Palo Alto, California, receiving the B. A. degree in 1910 and the M. A. degree in 1911. During the following year he was a graduate scholar at the University of Wisconsin. In the summer of 1912 he became an employee of the Railroad Commission of Wisconsin through civil service examination and continued in its employ as an examiner until 1930 when he became an assistant attorney general of Wisconsin. In 1933 he returned to the Commission, the name of which had been changed to the Public Service Commission, and continued his work as law examiner until appointed to the Commission by Governor Goodland in 1945. His appointment was unanimously confirmed by the senate.

Edward T. Kaveny has served as secretary since July 1, 1941 and was appointed following a competitive civil service examination. He was born in Pawtucket, R. I., attended La Salle Academy, Providence, R. I., and Holy Cross College, Worcester, Mass. He was a member of the editorial staff of newspapers in Providence, Pawtucket, and Woonsocket, R. I.; Waterbury, Conn.; Syracuse, N. Y.; Detroit, Mich.; and Milwaukee. He entered state service in 1935 as public relations director for various state departments. In 1937, he was appointed an assistant director of the Beverage Tax Division and public relations director of the State Treasury Department. In 1938, he became editor of the Tax Commission and liaison assistant to the director of the Tax Commission. In 1939, he returned to the Treasury Department as editor and administrative assistant of the Beverage and Cigarette Tax Division. In 1941, he finished first in the examination for secretary of the Public Service Commission.



## GENERAL

**History**

When Ulysses S. Grant was president of the United States and William R. Taylor was governor of Wisconsin, the following quotation from the journal of the Board of Railroad Commissioners announced the birth of the organization now known as the Public Service Commission of Wisconsin:

On the 29th day of April 1874 the following named gentlemen were appointed and duly commissioned Railroad Commissioners for the State of Wisconsin in accordance with the provisions of Chapter 273 of the general laws of 1874 entitled "An act relating to Railroads, Express and Telegraph Companies in the state of Wisconsin" approved March 11, 1874, viz.: Joseph H. Osborn of Oshkosh for 3 years, George H. Paul of Milwaukee for 2 years, John W. Hoyt of Madison for 1 year.

The law was amended in 1876 repealing this three-man Commission and providing for a single commissioner to be appointed by the governor. The office became elective in 1881. However, in 1905 a Railroad Commission consisting of three members was established. From July 10, 1905 to January 7, 1907 there was some overlapping of functions, as both a single railroad commissioner and a three-man commission were in existence, and the term of John W. Thomas as railroad commissioner did not expire until January, 1907.

The regulation of gas, electric, telephone, and water utilities began in Wisconsin in 1907; of water power in 1915; of common motor carriers in 1927; and comprehensive truck and bus regulation in 1933.

The name of the Commission was changed in 1931 from Railroad Commission to the Public Service Commission of Wisconsin, and various amendments were made at that time in the utility laws. The newly named Commission continued to exercise all its previous functions in addition to the new ones assigned by the legislature.

In 1933, the Motor Carrier Act was passed, giving the Commission authority to regulate contract carriage of

property by motor vehicles, in addition to the regulation of common carriage by motor vehicles which had been conferred upon the Commission by a previous legislature. The act of 1933 was later amended to take away some functions of the Commission in this respect, including enforcement, insurance, and permitting vehicles under authorities to operate for hire. However, under chapter 194, the Commission still has extensive jurisdiction over the issuance of motor carrier authorities.

At certain intervals in the history of the Commission it exercised jurisdiction no longer necessary, such as control over the operation of "jitneys" and toll bridges; the rental ceiling of apartments in the city of Milwaukee; immigration agents and the functions of the State Board of Conciliation when settling disputes between public utilities and labor concerning working conditions or wages.

The Commission now regulates electric, gas, water, heating, and telephone utilities; steam and electric railroads, express and telegraph companies; water powers and navigation; and certain phases of motor transportation for hire.

### Officials

Commissioners from 1874 to 1905 were John H. Osborn, George H. Paul, John W. Hoyt, Dana C. Lamb, A. J. Turner, N. P. Haugen, Atley Petersen, Thomas Thompson, D. J. McKenzie, Graham L. Rice, and John W. Thomas.

From 1905 to date, the commissioners were as follows:

Halford Erickson	-----	June 21, 1905	to	May 1, 1916
B. H. Meyer	-----	July 5, 1905	to	Jan. 1, 1911
John Barnes	-----	July 7, 1905	to	Aug. 1, 1907
John H. Roemer	-----	Aug. 6, 1907	to	Feb. 1, 1915
David Harlowe	-----	Jan. 20, 1911	to	Feb. 8, 1915
Carl D. Jackson	-----	Feb. 1, 1915	to	Jan. 1, 1923
Walter Alexander	-----	Feb. 8, 1915	to	June 21, 1917
Henry R. Trumbower	---	June 1, 1916	to	Feb. 10, 1923
John S. Allen	-----	June 25, 1917	to	Apr. 19, 1921
Lewis E. Gettle	-----	May 5, 1921	to	Feb. 1, 1930
Adolph Kanneberg	----	Feb. 2, 1923	to	Apr. 1, 1931
A. R. McDonald	-----	May 8, 1923	to	Jan. 31, 1937

Philip H. Porter ----- June 16, 1930 to Jan. 14, 1931  
 David E. Lilienthal ---- Mar. 25, 1931 to June 23, 1933  
 Theo. H. Kronshage, Jr. Apr. 1, 1931 to July 29, 1934  
 Fred S. Hunt ----- July 6, 1933 to Oct. 4, 1939  
 Robert A. Nixon ----- Mar. 11, 1937 to Sept. 15, 1942  
 R. Floyd Green ----- June 29, 1937 to May 19, 1939  
 R. W. Peterson ----- Oct. 5, 1939 to Jan. 31, 1945  
 W. F. Whitney ----- Oct. 5, 1939 now serving  
 Lynn H. Ashley ----- Jan. 25, 1943 now serving  
 Samuel Bryan ----- Feb. 16, 1945 now serving

#### Scope of work

Almost 3,100 public hearings were held by the Commission and its staff during the biennium. For the fiscal year ending June 30, 1945, there were 1,182 hearings. During the following year, the hearings increased 60%, from 1,182 to 1,888. This represents an increase of 71% in hearings during the present biennium over the preceding biennium. More than 14,000,000 words were taken in shorthand by Commission reporters at various hearings throughout the state and in Madison. This contrasts with 9,000,000 words during the preceding biennium.

During the biennium the Commission issued 6,230 orders, 2,426 during the first half and 3,804 in the latter half. There were 6,092 new cases opened during the biennium and 5,614 cases closed. During the 1945-46 fiscal year 3,793 cases were opened and 3,350 cases closed.

#### INFORMAL CASES

	1944-45	1945-46
Informal railroad, utility and water power cases ----	405	636

## FORMAL CASES

	Opened during Biennium		Closed during Biennium	
	1944-45	1945-46	1944-45	1945-46
Railroad .....	58	89	56	70
Utility				
General .....	93	139	64	111
Securities .....	16	21	11	24
New plants and additions .....	230	225	222	212
Water Power .....	9	32	23	35
Motor				
General .....	9	28	10	12
Common motor carrier certificates .....	29	70	49	51
Contract motor carrier licenses .....	1,257	2,287	1,248	2,071
Amendment of operating rights .....	598	902	581	764
Total .....	2,299	3,793	2,264	3,350

## ORDERS ISSUED

	1944-45	1945-46
Railroad .....	69	85
Utility .....	173	300
Water Power .....	31	44
Motor Carrier .....	2,153	3,375
Total .....	2,426	3,804

## SUITS AGAINST COMMISSION

	1944-45	1945-46
	22	8

## HEARINGS

	1944-45	1945-46
Railroad .....	61	101
Utility		
General .....	87	120
Securities .....	0	9
New plants and additions .....	32	49
Water Power .....	36	36
Motor		
General .....	11	37
Common carrier certificates .....	78	113
Contract carrier licenses .....	877	1,423
Total .....	1,182	1,888

The work of the Commission has shown a tremendous increase since V-J Day. The period covered by this biennial report marks the last year of active hostilities in World War II, and the first year following the cessation of active firing which might be designated as the beginning of the postwar period. Although the biennial report covers the two years ending June 30, 1946, this discussion extends to the opening of the 1947 calendar year.

The war brought many complex and arduous problems to the Commission. Recruitment of personnel replacements was extremely difficult because of the attractive civilian wages paid by the federal government agencies and by industries during the war period. Replacement in stenographic, typing, and clerical positions presented a particularly trying problem to administrators. Also, a number of skilled persons in the professions and technical fields joined the armed forces. Replacement was impossible. Most of these experts have returned to the staff, or found other permanent work.

The problem of filling vacancies on the Commission staff with trained personnel is far from solved. But the situation has improved since V-J Day.

Most persons familiar with state service can recall the decade following 1929 when there were at least 25 candidates for every vacancy in state service. The situation is still so acute that when vacancies occur in stenographic or clerical positions it is frequently necessary for this and other state departments to wait several weeks before there appear for interview eligibles interested in state employment. The selection of personnel is necessarily narrowed because of the shortage of eligibles. Nevertheless, the Commission has chosen new members of its staff with painstaking effort, and has never deviated from the high standards of personnel selection to which it has adhered down through the years of history.

Just prior to V-J Day the Commission staff decreased to 96 persons. This represented a contraction of approximately 45 per cent from the period before the outbreak of the war in 1941 to the Japanese surrender. Fortunately, the work of the Commission decreased to some extent during the

war period, although it did not have throughout the war a staff adequately large to perform some of its functions as expeditiously as during normal years. The staff had increased to 125 members in the winter of 1946, which was still 50 persons short of the year 1940, which is considered normal. In January, 1940, there were 175 on the Commission staff.

One of the most acute war shortages was the lack of enough examiners to conduct hearings in Madison and throughout the state. With the tremendous number of attorneys and others qualified for examining work either in the armed forces or with the federal government agencies, the recruitment of persons available for this work was severely limited. When the Bureau of Personnel in 1944 gave an open competitive examination for Chief Counsel of the Public Service Commission, with a salary range then of \$550 to \$650 per month, there were only two candidates who took the examination. While this in no way reflects on the caliber of the two persons who were certified as eligibles, it illustrates the paucity of candidates during the war for a position which encompasses the highest salary range in the classified civil service of the state.

During the war and continuing through to the winter of 1946, the shortage of examiners necessitated the members of the Commission personally conducting an abnormally large number of hearings which in ordinary years would have been assigned to examiners.

Before the war, it had been customary for the Commission to conduct hearings throughout the state in communities regardless of their size, where it would best serve the public convenience. Wartime restrictions on gasoline and automobile tires, and the shortage of automobiles forced the Commission to set hearings in the larger state communities situated centrally. This sometimes caused inconvenience to applicants, protestants, and witnesses, but there was no alternative. The examiners, commissioners, and others were unable to reach by rail or other transportation facilities some of the more distant and not readily accessible communities. With the lifting of wartime restrictions, the Commission has been able to resume its

previous policy of setting hearings where it seems most advantageous to the public.

A regrettable, but residual product of wartime shortages caused some delay in issuing Commission orders, particularly in motor carrier cases. This was unavoidable. The Commission was unable to find enough stenographic reporters and dictating machine transcribers to keep the volume of transcripts flowing with prewar speed. Often, examiners and commissioners became so loaded with hearings that the mere physical task of dictating orders, after the transcripts became available, overburdened the already depleted stenographic staff. This experience, it appears, was quite general with state regulatory commissions throughout the country.

It is still difficult to obtain qualified stenographers, stenographic reporters, and dictating machine operators. But the personnel bottleneck seems to have been broken in all fields but the stenographic. The release of military personnel from the armed services and the detachment of trained experts from the wartime agencies of the federal government have again made their services available to the state.

Realizing the importance of motor vehicle transportation for hire, the Commission has recently created a new section which devotes its time exclusively to handling problems of motor carrier regulation.

V-J Day brought a tremendous increase in motor carrier applications filed with the Commission and in the resultant work. Motor vehicle applications for new and additional authority more than doubled as compared with the first half of the biennium, the last year of active hostilities. There was also a 50 per cent increase in utility hearings and a 65 per cent increase in railroad hearings. One peculiarity manifest in the postwar period is that a greater amount of contested cases are developing during the Commission hearings. These contested cases appear to be fought with greater vigor. Consequently, the length of transcripts is increased. This means more work for the examiner, the reporter, the stenographer, the dictating machine operators, and finally the Commission.

---

During the war the Commission enunciated a policy, which in effect, froze most utility rates. In addition, rate increases could not be considered without first meeting certain requirements of the Office of Price Administration. Consequently, no major rate cases confronted the Commission during the war. Now there are indications that some utilities propose to come before the Commission in the near future with applications for rate increases. Already one large Milwaukee utility has requested authority for an increase of its gas rates. Should some of the rate cases develop which are on the horizon, the work of the Commission will be increased considerably.

An indication of the volume of work handled by the Commission in its contact with the public utilities, railroads, water power owners, and motor carriers it regulates and with the citizens of the state is reflected in the fact that during the biennium 82,060 separate communications were received in the main office of the Commission, and 173,580 communications were dispatched by mail from the main office of the Commission.

In summation, the Commission struggled through the war period with its staff from two-thirds to one-half normal size. When the problems of reconversion began to appear in the early months of the postwar period, the Commission found its work approximately doubled and its staff still reduced to 80 per cent of normal.

#### Jurisdictional totals

A total of 1,240 public utilities, 9,472 motor carriers, 20 steam railroads, and other businesses were under jurisdiction of the Commission on June 30, 1946, as follows:

Common motor carriers of passengers and property -----	368
Contract motor carriers of property -----	9,104
Dams in the state -----	1,043
Electric railways -----	4
Electric utilities -----	140
Express companies -----	1
Heating utilities -----	7
Gas utilities -----	23
Steam railways -----	20



Telephone utilities -----	710
Telegraph companies -----	1
Urban trackless trolley systems -----	2
Water utilities -----	360

### Division of staff work

The Commission staff is divided into five departments: Administration, Legal, Engineering, Accounts and Finance, and Rates and Research. Following are the number of persons in each department:

Administration -----	70
Legal -----	2
Engineering -----	30
Accounts and Finance -----	9
Rates and Research -----	12

### ADMINISTRATION DEPARTMENT

**Main Office Section:** The administrative office and general information bureau of the Commission.

**Cost Accounting Section:** Maintains financial and personnel records of the Commission, co-ordinates travel of staff members, issues and inventories supplies and equipment, audits expenditures, and assesses regulatory expense incurred against the utilities or railroads involved.

**Filing Section:** Keeps all files and records of the Commission's work except finance and personnel, employs a follow-up system on files and correspondence, handles mailing and distribution of Commission notices and orders.

**Editorial Section:** Prepares material for publication, estimates cost of printed publications and forms, and edits the orders of the Commission.

**Reporting Section:** Records official word-by-word proceedings at hearings and prepares transcripts.

**Index Digest Section:** Digests and indexes the Commission's orders for publication in book form.

**Examining Section:** Conducts formal hearings; prepares notices of hearings. Representatives of this section and Commissioners also sit as members of Interstate Commerce Commission joint boards.

Statistics Section: Audits books and reports and analyzes costs of railroads and motor carriers and maintains files of general statistics and data on the transportation industry; prepares statistical, cost accounting, and general economic data for use in matters before the Commission, the Interstate Commerce Commission, other state and federal commissions and departments, courts, and legislative bodies.

Tariffs Section: Investigates transportation rates and fares of express, truck, and bus lines, streetcar and trackless trolley systems, and electric and steam railroads; maintains a complete file of freight tariffs and passenger fares; represents the state in Interstate Commerce Commission rate proceedings; investigates telegraph rates; and audits bills upon request.

Motor Carrier Section: Handles preliminary work in connection with motor carrier authorities, complaints, and liaison with other sections of the Commission and State Departments, involving motor carrier regulations. Centralizes and coordinates motor carrier functions.

#### LEGAL DEPARTMENT

Advises the Commission as to procedure in all cases pending before it; checks all orders issued by the Commission for conformity with legal requirements and as to their validity; handles all litigation in which the Commission may be a party; assists in the participation by the Commission in proceedings before federal agencies and departments involving subject matters under the Commission's jurisdiction; advises and assists the Commission's staff in the preparation and presentation of evidence in proceedings before the Commission or such federal agencies.

#### ENGINEERING DEPARTMENT

This department provides engineering services for the Commission in transportation, water power, and utility matters; furnishes estimates and specifications for the State

Bureau of Engineering; and makes estimates for other departments upon request.

The work includes valuations of utility property for rate, security issue, and acquisition purposes; establishment of continuing property records of utility property for use by the utilities and the Commission in many regulatory matters; investigations of complaints and inquiries concerning, and periodic inspections of telephone, gas, electric, streetcar, bus, truck, and railroad service as well as the safety of electric lines and equipment; investigations of utility applications to add facilities or make interconnections or integrate operations; and investigations of water power and navigation matters such as lake levels, navigable-stream obstructions, measurement of stream flow, and proposed plans for water power structures and their operation.

#### ACCOUNTS AND FINANCE DEPARTMENT

The accounts and finance department audits books and reports of electric, telephone, gas, and water utilities; investigates and studies applications of utilities to issue stocks, bonds, and other securities; and investigates financial practices of utilities.

#### RATES AND RESEARCH DEPARTMENT

This department investigates and designs rates and rules and analyzes costs of telephone, electric, gas, and water utilities; prepares technical reports and recommendations for the examining section and the Commissioners in connection with formal utility cases; handles complaints involving utility rates and rules and extension of service to prospective customers in the existing territory of utilities; investigates applications of electric utilities to extend rural distribution lines; collects, analyzes, and furnishes information and data on the utility industry; makes investigations of economic conditions affecting the utility industry; and maintains a file of electric, telephone, gas, and water rates.

## FINANCES

The Commission has four principal sources of revenue with which it finances its work:

1. To pay expenses for which no other provision has been made, the state makes a general legislative appropriation to the Commission.
2. To defray the expenses of regulating the rates, service, construction, finances, and securities of telephone, electric, gas, and water utilities, whether privately or municipally owned, the Commission makes an assessment of costs of particular investigations against the investigated utility up to  $\frac{4}{5}$  of 1 per cent of the gross intrastate operating revenues of the utility in the previous calendar year. A similar assessment is made in railroad investigations.
3. To meet costs incurred in utility regulation that cannot be ascribed to a particular investigation, the Commission makes a so-called remainder assessment each year against all Wisconsin utilities which may not exceed  $\frac{1}{5}$  of 1 per cent of the gross intrastate operating revenues for the previous year.
4. To provide for regulation of truck and bus line operating authorities, rates, and service, a specific legislative appropriation is available.

Details of finances follow:

	1944-45	1945-46
Receipts		
1. General Legislative Appropriation.....	\$115,000.00	\$109,000.00
Bonus Appropriation.....	1,100.17	1,269.11
Total Appropriation.....	\$116,100.17	\$110,269.11
2. Motor Transportation Legislative Appropriation.....	\$80,000.00	\$95,800.00
Bonus Appropriation.....	1,848.27	3,116.55
Emergency Board Appropriation.....	2,290.00	13,394.00
Total Appropriation.....	\$84,138.27	\$112,310.55
3. Direct Charges Against Utilities.....	\$50,649.98	\$49,569.24
Railroads.....	237.10	798.81
4. Remainder Assessment Against Utilities	139,969.13	134,317.53
5. Fees for Removal of Material-Outlying Waters.....	790.00	336.15
Total.....	\$391,884.65	\$407,601.39
Disbursements		
Utility.....	\$196,985.51	\$220,598.64
Railroad Transportation.....	49,174.35	49,536.28
Water Power.....	32,509.14	33,488.47
Motor Transportation.....	101,543.31	119,627.90
Total.....	\$380,212.31	\$423,251.29
Collections for General State Fund		
Motor Carrier Filing Fees.....	\$ 22,610.00	\$.....
Utilities Securities Fees (Public Service Cor- porations).....	408.66	118,648.87
Water Power & Engineering Fees.....	515.69	515.63
Copy Work & Sale of Printed Matter.....	664.76	1,856.64
Delinquent Motor Transportation Flat & Mileage Taxes.....		9.52
Total.....	\$ 24,199.11	\$121,030.66
Collections for State Highway Fund		
Motor Carrier Filing Fees.....	\$.....	\$ 39,700.00

Because the Commission is often reimbursed for expenses a year after expenditures are made, the recorded receipts for any one fiscal year do not exactly equal the total expenditures for that year. For example, the preced-

ing tables indicate receipts from remainder assessments against utilities. These amounts were in payment of expenditures during previous years.

The Commission collected more than \$145,000 during the biennium which it paid into the general state fund; also \$40,000 which it paid into the state highway fund.

#### GENERAL LITIGATION; LEGISLATION

Part of the work of the Legal Department consists of the conduct of litigation in which the Public Service Commission is a party. Under chapter 227, Statutes, provision is made for a judicial review of any order, determination, or decision the Commission makes. It is the function of the Legal Department to appear for the Commission in the proceeding for review and to support such position with regard to the order or decision under review as the Commission may direct. Generally, and unless otherwise specifically directed, that position is that the order as made should be affirmed. However, conditions may arise between the time when the order is made when the appeal therefrom is heard which may induce the Commission to consider that some position other than an affirmance of its order should be taken by its counsel.

Generally, it is the function of the Chief Counsel to conduct the litigation in the courts in all appeals from the Commission's orders or decisions. At present, he does this in his capacity as an Assistant Attorney General. This is effected by an arrangement between the Commission and the Attorney General's office under which the Chief Counsel is authorized to appear in all such appeals as an Assistant Attorney General.

All sorts of orders are the subjects of appeal. The Chief Counsel must be familiar with the law which constitutes the fundamental basis for the exercise of any authority vested in the Commission by the state statutes. The order appealed from may be one which grants or denies a certificate or license, or authority thereunder, to a motor carrier of this state. In other cases, the order may provide some direction to a railroad of this state. In other cases,

it may prescribe rates or the performance of some particular duty of a public utility.

During the past 10 years there have been approximately 105 actions or proceedings instituted to obtain judicial review of orders or decisions of the Commission. These appeals have covered practically every activity of the Commission comprised under its authority to regulate railroads, public utilities, motor carriers, and the owners of dams in navigable streams of this state. Some of the cases also involve the function of the Commission in fixing terms and just compensation for municipal acquisition of utility property. Many of the cases involve very substantial rights and interests of the public and of the parties involved. Many of them have been hotly contested, and during the past 10 years, 31 cases have been appealed to the state Supreme Court.

Years ago, the Commission had charge of the collection of taxes imposed by statute upon motor carriers. This resulted in considerable litigation, not only in Wisconsin courts but federal courts in this state and vicinity. That type of litigation has ceased because taxes are now levied in advance of operation and do not have to be collected through court action.

The Legal Department of the Commission also has occasion, at times, to appear in proceedings before various federal agencies, such as the Interstate Commerce Commission and the Federal Power Commission because there is a certain amount of concurrent jurisdiction between the Public Service Commission and the federal agencies over the same subject matter. Thus, the Chief Counsel is now appearing, on behalf of the Public Service Commission and the State, in an action brought in a federal court of New York to attack the validity of an order of the Interstate Commerce Commission to prescribe a ten per cent increase in so-called class rates in a territory comprising part of Wisconsin. This litigation is still pending upon appeal to the Supreme Court of the United States. Also, the Commission participated in an action to review an order of the Federal Power Commission requiring a federal license for a dam in the Wisconsin River, near Tomahawk. This case

was tried in the United States Circuit Court of Appeals for the Seventh Circuit.

It is also the function of the Legal Department of the Commission, and particularly its Chief Counsel, at the direction of the Commission or the legislature, to appear before committees of the legislature with respect to bills which are pending before that body. The Commission's Counsel is frequently asked to appear by the committees and upon occasion has been asked to draw substitute bills which, in the opinion of the Commission's counsel, would more adequately accomplish the legislative object of the pending bill. In other cases the Commission has directed the appearance of its counsel before legislative committees to oppose or favor bills which are considered to have an important effect upon the public interest, as generally indicated by the statutes vesting the powers and defining the duties of the Commission.

Likewise, the Commission's counsel is engaged at the present time in a draft of proposed federal legislation, the purpose of which is to prevent encroachment by the federal government upon the right of the State of Wisconsin to control the use, level, and flow of streams within its borders.

## UTILITIES

### **Utility plant extensions and changes**

Large utility plant extensions and additions were difficult to make during the biennium because of obstacles to obtaining equipment and manpower. However, due to the generous reserves in plant capacity constructed before the war, the utilities were able to carry the extraordinary war loads without serious impediments. Now those reserves are largely used up through growth, and additional construction is needed and in progress.

Under the requirements of the Commission's general orders on extensions or additions to utility plant facilities, including buildings, many specific authorizations were issued.

For telephone utilities, a number of authorizations have been issued covering switchboard installations, among which



there appears to be an increasing recurrence of dial installation. Such changes have been delayed because of the continuing scarcity of essential material. The Commission has authorized the abandonment of a number of telephone lines, practically all of which are mutual switched companies which have decided to cease operations and to take service from the companies which have been switching the lines.

For gas utilities, a number of authorizations have been issued to change a part or the total supply to liquefied petroleum gas. Natural gas has been brought into the state by one utility and as a result, extensive main construction to provide for anticipated and firm demands due to increased sales have been authorized. In connection with the Federal Power Commission's investigation of natural gas in the United States, an estimate of the market for natural gas in Wisconsin was made by the Commission's staff. It was presented before the Federal Power Commission at one of the public hearings. Consideration is being given to the routine testing of gas meters to allow for the proper taking up of the back-log accumulation of delayed tests due to the lack of personnel and material during the war.

For electric utilities, there have been several transmission-line certificates of authority issued to provide, in some instances, for interconnection of utilities and to furnish greater capacity at certain load centers. A few units have been added to hydroelectric plants, a number of Diesel units have been added to smaller central stations and at least two steam turbines and two boilers have been added to steam plants. However, the other improvements have been postponed and the installation of the improvements authorized have been greatly delayed due to inability to obtain shipments of accepted orders. One new municipal electric utility was established.

For water utilities, a large number of authorizations have been issued for wells, pump houses, main extensions, and water-softening plants, and in the past several months an increasing number of applications have been received for the establishment of small municipal water utilities and

the construction of waterworks systems. Eight new municipal water utilities were established.

#### Utility service

The Commission's activities include the supervision of the service furnished by utilities. The Commission's general orders prescribe the quality of service for gas, electric, telephone, and water utilities.

#### Electrical code

The first issue of the Wisconsin State Electrical Code became exhausted and a new issue was printed and is now available at the Bureau of Purchases. No changes were incorporated in the new issue.

#### Standards Laboratory

The Standards Laboratory, maintained jointly at the university by the Commission and the University of Wisconsin, is testing the electrical instruments used by the Commission's engineers, checking the rotating meter standards used by utilities for testing consumers' meters, and making commercial tests of appliances and equipment.

#### Radio interference

The complaints on radio interference have been handled by referring the conditions to the electric and, occasionally, the telephone company in the locality. There is no legal requirement regulating radio interference in the state; however, the Commission has been interested in correcting the causes of such complaints and the results have been very satisfactory. The investigations by the utilities and the changes made have resulted in a reduction of the trouble.

The extent of the above activities for the past biennium is tabulated as follows:

Certificates of authority	
Electric power -----	20
Miscellaneous electric -----	56
Telephone utility -----	58
Gas utility -----	12
Water utility -----	78

## Service department activities

Utility inspections -----	1,080
Standards laboratory tests -----	729
Formal and informal cases -----	988
Steam railroad inspections -----	1,730
Supervisory inspections -----	3
Miscellaneous inspections -----	6

## Work for other departments

Specifications checked for Bureau of Engineering -----	61
Cases handled for rates and research --	75

**Appraisals and continuing property records**

During the biennium, appraisals were made in connection with utility properties as follows:

Electric properties -----	6
Telephone properties -----	4
Street lighting estimates -----	4
Depreciation estimates -----	3
Electric extension estimates -----	2
Miscellaneous -----	4

Continuing property records work was performed with such manpower as the utilities and the Commission had available. This type of work is expected to increase during the next biennium. Continuing property records developed during the biennium follow:

Electric -----	20
Water -----	1
Gas -----	12
Telephone -----	3

**Acquisitions and sales of utility property**

The following acquisition cases were handled during the biennium:

The village of Centuria purchased its electric distribution system from the Northwestern Wisconsin Electric Company.

The Northwestern Wisconsin Electric Company purchased the electrical property of the Polk Burnett Light and Power Company.

The village of Pardeeville purchased its electrical distribution system from the Pardeeville Electric Light Company.

The property of the Rush Lake Light and Power Company was acquired by the Wisconsin Power and Light Company.

The property of the Wind Lake Telephone Company was acquired by Hulbert M. Thompson.

The property of the Pine Lake Telephone Company was acquired by the Rhinelander Telephone Company.

The property of the Deer Park Telephone Company was acquired by Fred W. Peterson.

#### **Interconnection of electric utilities**

The construction of interconnecting lines between Wisconsin utilities has been continued, and under the Commission's general orders, certificates of authority were issued for the following:

The Interstate Light & Power Company installed a 22,000-volt transmission line and switching facilities to serve the Wisconsin Hydro Electric Company.

The Wisconsin Hydro Electric Company constructed a 22,000-volt transmission line to enable it to connect with the facilities of the Interstate Light and Power Company.

The Pioneer Power & Light Company and the Oxford Light and Power Company constructed a 5-mile transmission line to permit the interchange of power.

The Wisconsin Power and Light Company and the Wisconsin Public Service Corporation constructed an interconnecting transmission line and substation to permit the interchange of power.

#### **Security issues**

During the past two years the Commission considered 37 applications of public service corporations to issue securities and granted authority to issue \$141,761,606 of securities, for which the applicants paid fees of \$119,057.53, as required by section 184.10(1) of the Wisconsin Statutes. These fees were remitted to the state general fund.

Although the number of security cases coming before the Commission during this biennium was only slightly more than for the preceding two years, the aggregate amount of securities involved was considerably larger, as shown in the following table:

	1940-42	1942-44	1944-46
Common stock .....	\$ 28,033,375	\$ 831,520	\$ 33,081,806
Preferred stock .....	18,477,100	2,000,000	38,000,000
Bonds .....	64,210,000	3,495,000	60,925,000
Notes and other forms of debt .....	6,738,337	1,158,800	9,754,800
Total .....	\$117,458,812	\$ 7,485,320	\$141,761,606

The increase in the volume of securities has been due, principally, to the fact that many of the larger companies have again refunded their outstanding bonds and preferred stock with new securities bearing still lower interest and dividend charges. It will be observed from the following table that refunding operations accounted for 95 per cent of the securities authorized during this 2-year period. The small ratio of securities issued for new financing has been due, in part, to wartime conditions which curtailed or postponed the construction of additions and replacements of property. The result has been that, during the recent past, depreciation reservations have permitted the accumulation of more than a usual amount of cash on hand available for the construction done without the necessity of issuing new securities for that purpose.

Purpose of issue	Amount	Per cent
Refunding of securities .....	\$135,252,280	95.40
Merger or acquisition of property .....	4,403,936	3.11
Stock dividends .....	1,613,880	1.14
Validation of void securities	421,350	0.30
New financing .....	70,160	0.05
Total .....	\$141,761,606	100.00

In our previous report, the Commission commented on the low level of interest rates on debt securities and on the

dividend rate on preferred stock. This downward trend has continued during the past 2 years. The weighted average coupon rate of interest for the larger utility corporations in this state is now 3.27 per cent and is comparable with the rate of 3.51 per cent mentioned in our previous report. Only four of the larger companies have preferred stock outstanding bearing dividend rates in excess of 5 per cent. The others have various dividend rates ranging from 5 per cent down to 3.6 per cent.

#### Accounting matters

In the performance of duties under the public utility laws, many different kinds of financial or accounting investigations are required. During this biennium, the Commission conducted 22 separate investigations, exclusive of those involved in security regulation, covering the following subjects:

Original cost of utility plant and setting up continuing property records -----	7
Financial condition and practices of utilities --	2
Accounting investigations and installation of accounting systems -----	5
Financial arrangements with affiliates -----	4
Certification of depreciation rates -----	2
Acquisition or merger of utility properties --	1
Prescribing uniform system of accounts for telephone utilities -----	1
Total -----	<u>22</u>

#### Annual reports

The statutes require that all public utilities submit annual reports to the Commission in such detail as the Commission may prescribe. These reports range from 1 or 2 pages to more than 100 pages dependent upon the size of the utility. They set forth a substantial amount of detail relative to assets and liabilities, revenues and expenses, and statistical information relative to the physical characteristics and operations of the properties, and contain a vast store of information available to the public and extremely valuable to the Commission in the exercise of its

regulatory duties. More than 600 of these reports are reviewed and checked annually to determine, in some measure, whether the utility appears to have maintained its accounts in compliance with accounting requirements and to keep the Commission informed of the financial and operating facts concerning such utility.

The following table has been prepared from the annual reports for the years ended December 31, 1941 and December 31, 1945 and shows the combined balance sheets for all class A public service corporations operating in Wisconsin.

## COMBINED BALANCE SHEETS\*

Particulars	As of Dec. 31, 1945	As of Dec. 31, 1941	Increase or (decrease)
<b>Assets:</b>			
Utility plant in service.....	\$513, 056, 040	\$478, 157, 978	\$ 34, 898, 062
Less reserve for depreciation.....	155, 295, 265	117, 243, 122	38, 052, 143
Net utility plant in service.....	\$357, 760, 775	\$360, 914, 856	\$ (3, 154, 081)
Utility plant leased to others.....	1, 462, 834	2, 034, 369	(571, 535)
Construction work in progress.....	5, 338, 008	7, 686, 244	(2, 348, 236)
Utility plant held for future use.....	2, 828, 320	2, 619, 078	209, 242
Utility plant adjustments and acquisition adjustments.....	14, 191, 379	14, 832, 834	(641, 455)
Total utility plant.....	\$381, 581, 316	\$388, 087, 381	\$ (6, 506, 065)
Other investments.....	58, 553, 377	69, 761, 890	(11, 208, 513)
Cash accounts.....	49, 699, 286	40, 474, 760	30, 557, 384
Other current assets.....	21, 332, 858		
Unamortized debt discount and expense.....	10, 714, 497	14, 873, 700	(4, 159, 203)
Other deferred debits.....	601, 692	1, 113, 950	(512, 258)
Capital stock expense.....	936, 316	1, 259, 604	(323, 288)
Total.....	\$523, 419, 342	\$515, 571, 285	\$ 7, 848, 057
<b>Liabilities:</b>			
Common stock.....	\$153, 085, 863	\$143, 930, 438	\$ 9, 155, 425
Preferred stock.....	74, 023, 200	79, 453, 500	(5, 430, 300)
Bonds and other long-term debt.....	195, 765, 000	209, 591, 000	(13, 826, 000)
Current and accrued liabilities.....	38, 964, 511	26, 479, 427	12, 485, 084
Deferred credits.....	3, 250, 200	2, 970, 339	279, 861
Miscellaneous reserves.....	18, 709, 481	19, 025, 426	(315, 945)
Contributions in aid of construction.....	2, 579, 169	2, 318, 342	260, 827
Capital surplus.....	8, 120, 175	9, 083, 033	(962, 858)
Earned surplus.....	28, 921, 743	22, 719, 780	6, 201, 963
Total.....	\$523, 419, 342	\$515, 571, 285	\$ 7, 848, 057

( ) Denotes red figure.

\* Consolidated Water Power Co.  
Interstate Light & Power Co.  
Interstate Power Co.  
Lake Superior District Power Co.  
Madison Gas & Electric Co.  
Menominee & Marinette Light & Traction Co.  
Milwaukee Gas Light Co.  
Mississippi Valley Public Service Co.  
Northern States Power Co.  
St. Croix Falls Wisconsin Improvement Co.  
Superior Water, Light & Power Co.  
Wisconsin Electric Power Co.

Wisconsin Gas & Electric Co.  
Wisconsin Hydro Electric Co.  
Wisconsin Michigan Power Co.  
Wisconsin Power & Light Co.  
Wisconsin Public Service Corp.  
Commonwealth Telephone Co.  
Community Telephone Co.  
LaCrosse Telephone Corp.  
North-West Telephone Co.  
United Telephone Co.  
Wisconsin Telephone Co.  
Wood County Telephone Co.

It will be observed that during the war, a substantial improvement has occurred in the financial condition of these companies, viz.:

- (a) The reserve for depreciation has increased by approximately \$38,000,000, which is more than the increase in the utility plant accounts.
- (b) The industry has amortized, or otherwise written off its books, approximately \$641,000 of utility plant adjustment and acquisition adjustment accounts.
- (c) The current assets have increased during this period by more than \$30,000,000, while current liabilities have increased by about \$12,500,000, thus indicating a substantial improvement in net current assets which can finance a sizeable amount of future additions to plant without the necessity of issuing additional securities.
- (d) Over \$4,000,000 of debt discount and expense has been amortized.
- (e) Long-term debt has been reduced by approximately \$14,000,000; preferred stock has been reduced by more than \$5,000,000; and common stock has been increased by more than \$9,000,000, thereby resulting in a material betterment in the total security structure.
- (f) Earned surplus has increased by more than \$6,000,000.

Many of these improvements testify to the effectiveness of the financial and accounting regulation of utilities as required by the statutes.

#### **Number of utilities operating**

The following table shows the number of utilities operating in Wisconsin during the biennium:



	Private	Municipal	Total
July 1, 1945			
Electric.....	49	91	140
Gas.....	22	1	23
Telephone.....	710	0	710
Water.....	16	344	360
Electric railway.....	5	0	5
Heating.....	4	3	7
	806	439	1,245
July 1, 1946			
Electric.....	48	91	139
Gas.....	22	1	23
Telephone.....	691	0	691
Water.....	16	348	364
Electric railway.....	4	0	4
Heating.....	4	3	7
	785	443	1,228

### Rate reductions

Rate revisions during the biennium saved 793,000 customers of Wisconsin public utilities about \$2,237,000 annually. There is some duplication in the counting of customers because in certain instances more than one reduction was made to the same customer. A summary of the reductions follows:

	Approximate reductions	Customers benefited
July 1, 1944 to June 30, 1945		
Electric.....	\$ 761,860	350,733
Telephone.....	3,334	1,126
Water.....	8,512	3,188
Gas.....	10,150	2,004
Total.....	\$ 783,856	357,051
July 1, 1945 to June 30, 1946		
Electric.....	\$1,331,476	398,511
Telephone.....	16,162	2,845
Water.....	42,747	25,115
Gas.....	62,825	9,531
Total.....	\$1,453,210	436,002

Electric rate reductions accounted for 94 per cent of the total during the biennium. The largest electric reduc-

tions were made by the Wisconsin Electric Power Company, (\$950,000) and the Wisconsin Public Service Corporation (\$340,000). These reductions were 2.86 per cent and 3.15, respectively, of 1945 operating revenues. The largest reduction made by a municipal electric utility was by the Wisconsin Rapids utility amounting to about \$9,700, or 3.45 per cent of gross operating revenues.

#### Rate increases

During the biennium a number of rate increases were granted to small telephone companies, several water utilities, and a gas utility. Increased operating expenses not paralleled by increased operating revenues made these increases necessary. Prior to this time there had been an almost unbroken series of downward revisions in rates for all utility services since 1930.

#### Wisconsin and national rates

The average cost of electricity per kilowatt-hour consumed by Wisconsin residential customers in 1945 was 13 per cent below the average for the entire country. Wisconsin residential customers used 10 per cent more kilowatt-hours than the national average in 1945 and paid a slightly lower average bill.

The averages for the past 10 years are tabulated below:

RESIDENTIAL REVENUE AND CONSUMPTION RATIOS  
WISCONSIN AND UNITED STATES 1936-1945

	Revenue per kilowatt-hour		Kilowatt-hours per customer		Revenue per customer	
	Wisconsin	United States	Wisconsin	United States	Wisconsin	United States
1936-----	4.11c	4.67c	754	735	\$30.99	\$34.30
1937-----	3.81	4.30	844	805	32.14	34.62
1938-----	3.60	4.14	916	853	32.97	35.31
1939-----	3.42	4.00	984	897	34.24	35.88
1940-----	3.34	3.84	1,064	952	35.51	36.56
1941-----	3.23	3.73	1,123	986	36.30	36.78
1942-----	3.18	3.67	1,168	1,022	37.13	37.51
1943-----	3.11	3.64	1,229	1,069	38.26	38.91
1944-----	3.05	3.51	1,279	1,151	39.00	40.40
1945-----	2.97	3.41	1,355	1,229	40.31	41.91

**Extension of service**

The problem of the extension of various utility services, particularly electric, telephone, and water service, has been severe throughout the biennium and, it appears, will remain so for some time. The Commission has assisted in every way possible to expedite the extension of service to new customers, particularly in hardship cases, and in cases involving extension to veterans and to substantial producers of food.

**Natural gas**

Following the close of the war, interest was revived in the introduction of natural gas into the state. In the early summer of 1946, the first natural-gas service became available in this state, this being furnished by Wisconsin Southern Gas Company in the general area in and near Lake Geneva, Elkhorn, Burlington, and Delavan. The natural gas distributed in that area is transmitted by long-distance pipe line from the Panhandle field in Texas and sold to the Wisconsin company at the state border by Natural Gas Pipe Line Company of America. Both that company and Wisconsin Southern Gas Company had to obtain certificates of public convenience and necessity from the Federal Power Commission. With the introduction of natural gas, the Wisconsin Southern Gas Company made effective, with the approval of this Commission, a rate reduction of approximately 25 per cent which it was estimated would save customers of the company about \$60,000 per year.

The Commission has actively participated in a proceeding before the Federal Power Commission relating to an application by Michigan-Wisconsin Pipe Line Company to bring natural gas to the southeastern and lakeshore area of the state. It is anticipated that a decision in that proceeding will not be issued before the first part of 1947. The Commission has also intervened in a proceeding before the Federal Power Commission concerning an application of Midcontinent Gas Transmission Company to extend natural gas service to certain communities in the western part of the state, including La Crosse, Sparta, Tomah, Eau Claire, Chippewa Falls, and Hudson.

At the invitation of the Federal Power Commission, this Commission participated in a nation-wide investigation of the natural gas industry. At a hearing held in Chicago in February and March, 1945, the Commission presented a study of the potential natural gas market in the state of Wisconsin. The hearings in this investigation have been concluded, and it is expected that in a few months the Federal Power Commission will issue its report including recommendations for action by Congress. This Commission will have the opportunity of filing exceptions to the report or recommendations.

### WATER POWER

Although there was less than the usual amount of large water-power construction during the biennium, due to the war, fortunately good stream-flow conditions prevailed and the water powers carried a major portion of the extra war-load. It is anticipated that water-power construction will increase during the next biennium.

The following table indicates the function of the 1,043 dams which were under the jurisdiction of the Commission at the end of the 1944-46 biennium:

Over 750 theoretical horsepower	
Public utility hydroelectric developments --	48
Private power developments -----	28
Combined utility and private power develop- ments -----	4
Reservoirs -----	5
Under 750 theoretical horsepower	
Public utility hydroelectric developments --	86
Private power developments -----	205
Combined utility and private power develop- ments -----	4
Reservoirs -----	8
Miscellaneous nonpower	
Lake reservoirs -----	18
Lake control -----	175
Recreational -----	160
Occupational -----	91
Drainage control -----	211

The Commission's work on water powers for this period is indicated by the following tabulation:

Formal cases decided .....	63
Special field investigations .....	179
Plans checked and approved .....	16
Informal water-power cases investigated and disposed of .....	93
Stream and lake gaging stations maintained in cooperation with the U. S. Geological Survey .....	121
Stream measurements made .....	1,403
Inspection of dams having 750 theoretical horsepower or over .....	170
Inspection, survey, and resurvey of dams having less than 750 theoretical horse- power .....	140

The 63 formal cases decided consist of 13 contracts for removal of material from the beds of lakes, 11 determinations of lake levels, 1 permit to acquire a dam, 4 permits to abandon dams, 9 permits for the construction of dams, 4 permits for the raising and enlarging of dams, 9 decisions in the operation of dams, 4 approval of tolls, and 8 miscellaneous cases.

#### Stream gaging

The federal government, through the water resources branch of the United States Geological Survey, and the Public Service Commission cooperate in the water-power work which includes stream gaging and maintenance of discharge records for use of federal and state agencies as well as for public use. Nearly 100 stream-gaging stations are operated.

### RAILROAD AND MOTOR TRANSPORTATION

#### Motor carrier section

The exigencies of war uncovered the tremendous utility of the motor carrier industry, and revealed its essentiality both to war and to peace time economies. Basically, its greatest value lies in its comprehensiveness and flexibility. These require dispatch in regulatory procedure if its inherent public benefits are to be maintained.

While most of the states, as well as the federal government, regulate for-hire motor carriage, such regulation is ordinarily an outgrowth of established railroad and utility regulations, consequently it is dovetailed into the established regulatory machinery. These procedures, while adequate and sufficient to take care of the industries for which they were originally created, appeared to fall short of the facilities needed in the motor carrier field.

Approximately 35 per cent of the Commission's activities are devoted to motor carrier work under the provisions of chapter 194, Statutes. Administratively, therefore, this industry has assumed a conspicuous position before the Commission, resulting in a need for a section devoted exclusively to this work.

Following V-J Day, there was created a motor carrier section to centralize and to coordinate all the Commission's motor carrier functions. Specifically, these duties entail handling preliminary work on authority applications; assisting carriers and the traveling and shipping public in the application of the law; handling complaints both through machinery available to the Commission and to the Motor Vehicle Department; editing, preparing, and distributing the weekly hearing calendar; determining the need for temporary grants of authority, pending hearing; examining the feasibility of grants of authority without hearing; compiling and maintaining statistical data and records; liaison with other sections of the Commission and State Departments; and other procedures relating to motor carrier activities.

This enlargement in the Commission's organizational functions should more fully meet the legislative intent as enunciated in section 194.02 "to carefully preserve, foster and regulate transportation to the end of developing and preserving each separate type of the transportation system by highway and railroad adequate to meet public needs."

Although hostilities of World War II ceased during the past biennium, many of the wartime federal controls applicable to both intrastate and interstate traffic and transportation still continue in effect. To prevent inflation, the Office of Price Administration still maintained its control over contract and common carrier rates. Some service orders

issued by the Interstate Commerce Commission and various orders of the Office of Defense Transportation have been vacated due to the cessation of hostilities, while others were established to facilitate the handling of the increased traffic incident to the transition from a wartime to a peacetime economy.

In spite of postwar controls designed to prevent inflation, operating costs of many transportation carriers have increased because of additional costs of materials and supplies and of increased wage rates granted employees, many under awards by federal wage boards. This has resulted in the institution of various formal proceedings before the Commission by carriers requesting increased rates and charges to offset enlarged operating expenses.

During this biennium, the tariffs section of the Commission audited 19,536 freight bills rendered by various rail and motor carriers for transportation services performed for the many state agencies and institutions maintained throughout Wisconsin. It has also handled 425 informal applications of railroads and motor carriers for rate and tariff changes.

#### *Intrastate Rates*

##### **Contract motor carrier**

The Commission, upon petition of the Wisconsin Household Goods Carriers' Bureau, reopened Docket MC-1, Sub. 2; for further hearing with respect to the rates and charges of contract motor carriers for long-distance moving of used household goods and used furniture, fixtures, and equipment of stores, offices, farms, or other business establishments.

The previous order of October 18, 1939 in this proceeding prescribed only minimum rates for local moving, and the actual (both minimum and maximum) rates for long-distance moving. After full hearing and investigation, and upon proper showing as to carrier need of some additional revenue due to increased costs of operation, the Commission found the 1939 scale to be reasonable minimum rates and charges, but prescribed a higher scale as reasonable maximum rates and charges. Carriers were authorized to file

increased rates and charges not higher than the maximum scale on 1 day's notice by the issuance of a proper supplement to Household Goods Tariff No. 1.

#### **Common motor carrier**

The Wisconsin Association of Common Carrier Truck Operators petitioned the Commission early in 1946 for authority to increase common motor carrier rates and charges for the transportation of property to offset increased operating costs.

The Commission reopened Docket MC-1135, and, after hearing at which the carriers' immediate need for increased revenue was shown, an interlocutory order was issued authorizing the publication and filing of the proposed increases, with certain modifications. The final order, issued after subsequent hearing, affirmed the reasonableness of the increased rates and charges authorized by the interlocutory order, pending further order of the Commission.

Joint-line rates for the transportation of property by more than one common motor carrier were considered by the Commission upon a petition filed by the Wisconsin Manufacturers Association. This petition, docketed as MC-1186, requested the Commission to require the publication and filing of a single tariff providing joint-line class rates for all intrastate common motor carriers.

At the hearing, the Wisconsin Association of Common Carrier Truck Operators proposed a 6-month trial of a joint-line tariff with rates based on air-line distance rather than on the distance the shipment actually moved via the certificated highway routes of the carriers performing the service. The use of air-line distances was proposed in order to simplify and reduce the cost of publication of rates between all points in Wisconsin served by intrastate common motor carriers.

The proposal was accepted by the petitioner, and the Commission authorized the carriers to publish and file the proposed tariff for a test period of 6 months, or until further order of the Commission. During this period, all other joint-line class-rate tariffs filed with the Commission have been temporarily suspended.



## Railroad

The railroads operating in Wisconsin have filed a petition with this Commission, corresponding to that filed with the Interstate Commerce Commission, requesting a general increase of 25 per cent in freight rates, with various exceptions as to the maximum increase to be applied on certain commodities. At the request of the railroads, hearing on this petition has been held in abeyance pending completion of the hearings in the interstate proceeding.

Pending final action on their petition, the railroads requested reinstatement of the 6 percent increase, which had been under suspension since May 15, 1943, to provide temporary increases in revenue. In view of the record made before the Interstate Commerce Commission with respect to increases in wages and costs of materials and supplies, and declining volume of freight traffic, the Commission canceled its suspension order referred to in our last biennial report, and authorized the railroads to file tariffs providing for the same increases originally granted in 1942.

Various other formal proceedings involving rail and motor carrier rates on specific commodities, or between specific points, have been concluded by the Commission during the past biennium. These are not referred to particularly as they are not of general interest.

### *Interstate Rates*

This Commission has continued its participation during the past biennium in proceedings before the Interstate Commerce Commission which were referred to in our last report, some of which have since been concluded.

A report and order, favorable to Wisconsin interests, has been issued by the Interstate Commerce Commission in the investigation of proposed increases in freight rates on iron and steel articles originating in Illinois territory and destined to points in Iowa, Michigan, Minnesota, and Wisconsin. The suspended rates under investigation were found not just and reasonable, and were required to be canceled without prejudice to the filing of new schedules in conformity with the views expressed in the report.

The Interstate Commerce Commission has issued its report and order in the general investigation of class rates and freight classifications which was outlined in our last biennial report.

The order required the railroads to establish a uniform classification for interstate traffic providing descriptions of articles, carload minimum weights, and ratings applicable to the transportation of property throughout the United States by railroad, by water, or partly by railroad and partly by water. It also prescribed a uniform scale of class rates for general application within and between all rate territories east of the Rocky Mountains to become effective coincidental with the establishment of the uniform classification. Pending the establishment of the uniform rates and freight classification, the Interstate Commerce Commission prescribed an interim adjustment which required the railroads to increase by 10 percent, interstate class rates applicable on traffic moving at classification ratings within Official and Illinois territories; and to reduce by 10 percent, interstate class rates applicable on similar traffic moving within and between Southern, Southwestern, and Western Trunk Line territories, and interterritorially between these territories and Official and Illinois territories.

The interim adjustment has been contested in the courts by certain of the Official territory states, including Wisconsin, and the Western railroads, alleging that it is invalid. It is now before the Supreme Court of the United States on appeal. The prescribed rates have not as yet been made effective due to the proceedings before the courts.

This Commission has also participated in the general rate increase proceedings which have been instituted before the Interstate Commerce Commission upon petitions filed by the railroads and the Railway Express Agency, Inc. The carriers are seeking authority to increase transportation rates to obtain additional revenue to offset increased operating costs caused by increased costs of materials and supplies, and various wage increases awarded employees in proceedings under the Railway Labor Act.

Temporary increases have been granted the railroads pending final decision of the Commission.

During the past biennium this Commission has also participated in the general wool and mohair rate investigation which is still pending before the Interstate Commerce Commission. This proceeding was instituted upon petition of the United States Department of Agriculture and various state and national wool growers associations for a general reduction in freight rates on wool and mohair throughout the United States. Under the procedure outlined by the Commission, hearings have been held at which complainants have introduced testimony and statistical evidence. Further hearings will be held for the introduction of railroad evidence.

#### **Railroad abandonments**

The Wisconsin Central, operated by the Minneapolis, St. Paul & Sault Ste. Marie Railroad, was authorized to abandon its connecting line between Stevens Point and Portage and its branch line between Packwaukee and Montello, a total of 76.9 miles. The last train operated over the Stevens Point to Portage line on November 2, 1945, and the track is now being dismantled.

During this period, the Marinette, Tomahawk & Western Railroad Company filed an application for abandonment of its railroad line between Kings and Harrison, a distance of 9.4 miles.

Several miles of industry spurs and sidetracks were abandoned and removed during the biennium.

#### **Railroad-highway crossings**

The protection of crossings with automatic and manual devices has been slow because of shortage of equipment. Material is again becoming available for such installation, but difficulty is still experienced in obtaining some of the items necessary.

#### **Railroad signals**

Railroad plans were checked and approved for new installations or revision of old installations as follows:

Installation of interlocking plants .....	1
Revision of interlocking plants .....	44
Revision of block signals .....	102
Revision of highway crossing protection .....	22
New highway crossing protection .....	30
Reflector lenses for switch lights .....	20
Revision of traffic control .....	3
Revision of station train-order signals .....	2
Installation of switch indicators .....	9
Gates and signals .....	7
Track changes .....	40
Spring switches .....	17
Rock-slide fence .....	1
Installation of power switches .....	6

Total plans approved for biennium -- 304

### Railroad accidents

During the biennium, the following accidents have been reported by the railroad companies:

	Number of accidents
Nontrain accidents .....	868
Employees killed .....	10
Employees injured .....	763
Nonemployees killed .....	4
Nonemployees injured .....	77
Train and train-service accidents .....	1,988
Employees killed .....	25
Employees injured .....	610
Nonemployees killed .....	151
Nonemployees injured .....	567
Trespassers killed .....	46
Trespassers injured .....	19

Of the above accidents, 749 were at grade crossings and involved the death of 118 persons and injuries to 359 persons. Of these grade crossing accidents, 711 involved motor vehicles and resulted in 98 deaths and injuries to 354 persons.