

# PSC HISTORY

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year. The Commission's duties increased again in the early 1930s when the agency regulated motor freight carriers. In the late 30s, the Commission also asserted its jurisdiction over freight forwarding or car loading companies operating in Missouri. On July 1, 1957, the Commission set up its Railroad Safety Department whose purpose was to protect the health and welfare of the employees, passengers and public on railroads in the State.

The mid-1950s saw a rapid expansion of electric plant investment in Missouri. The Commission's 1956-57 annual report noted that such investment had increased during the past 10 years by approximately 248 percent; the use of the service by the public had increased by that much or more. The report also noted that air conditioning had produced an increasingly heavy summer load for the utilities in recent years.

From 1951 to 1960, gas utilities, a Commission annual report noted, expanded materially. The number of million cubic feet (MCF) sold increased by 77 percent; income from gas sales increased by 122 percent; investment in plant physical property increased by 169 percent and the number of consumers increased by 31 percent.

The Commission's 1963-64 annual report acknowledged Missouri's first expanded direct distance dialing telephone service. It was offered in Springfield in December 1964. This new service, the report stated, allows telephone users to dial many of their calls directly, instead of asking an operator to handle them. Also in the 1960s, legislation was signed into law which gave regulatory powers over privately-owned sewer utilities to the Commission.

In the early 1970s, the Commission was certified by the U.S. Department of Transportation as the authority governing intrastate natural gas pipeline safety in Missouri. In addition, the Missouri Natural Gas Pipeline Safety code was amended to include criteria for pipeline corrosion control.

Commission jurisdiction over the manufacturers and dealers of manufactured homes and modular units started in 1973 with the passage of legislation creating a program for enforcing safety standards covering mobile homes and recreational vehicles manufactured or sold in Missouri. A portion of the 1973 law required that the Missouri Division of Health regulate the proper anchoring of mobile homes. That responsibility was shifted to the Commission under a bill which was passed in 1976.

A number of things occurred during the late 1970s at the Commission. The agency opened consumer services offices in Kansas City and St. Louis; activated a toll-free telephone line dubbed the "Consumer Hotline"; and proposed a rule which set up strict procedures utilities must follow before gas, electric or water service could be terminated during the winter months. **That rule, in effect since 1977, is known as the Cold Weather Rule.**

The 1980s found the Commission addressing the winds of change regarding telecommunications. On January 1, 1984, the telecommunications industry changed dramatically with the federal court ordered break-up of AT&T. In 1986, Missouri legislation was passed which deregulated mobile, paging and cellular telephone service and by the mid-1980s, competition had started in the public pay phone market.

The challenge of determining prudent nuclear power plant construction costs faced the Commission in 1984 with rate cases filed by Arkansas Power and Light Company, Union Electric and Kansas City Power & Light Company.

In March 1985, the Commission rendered its decision in Union Electric's rate case to include its Callaway Nuclear Power Plant. The Commission would decide Kansas City Power & Light Company's rate case regarding its Wolf Creek Nuclear Power Plant the following April.

Also in 1985, legislation was passed and signed into law which established the Division of Transportation under the Department of Economic Development to handle transportation matters (bus, truck, railroad) previously handled by the Commission. For the first time since 1913, the Commission no longer regulated railroads operating in the state.

Further deregulation of the telecommunications industry in Missouri came in 1987 when House Bill 360 took effect. The Commission's 1987 annual report noted that the new statutory framework was designed to give the Commission the necessary flexibility to manage the transition of the telecommunications industry to a more competitive environment.

The Commission focused its attention on a re-examination of its natural gas distribution system rules after a series of natural gas incidents during the 1988-89 heating season.

On February 24, 1989, the Commission issued an emergency rule requiring all gas corporations and municipal gas systems to immediately inspect unprotected steel service lines. In May of that same year, the Commission proposed a major revision of its natural gas pipeline safety rules. In addition, legislation was enacted by the General Assembly which clarified and strengthened the Commission's jurisdiction over municipally-operated natural gas systems.

In December 1992, the Commission issued final rules which required electric companies in the state to develop plans examining the most efficient and cost-effective way to provide electric service in the future.

The mid-1990s saw the addition of new telephone area codes in Missouri. In 1996, the 573 area code was introduced. It was followed by the 660 area code in 1997 and the 636 area code in 1998. Telecommunications technology and the medical community joined hands in Missouri in May 1995, making telemedicine a reality for thousands of rural Missourians. In 1996, a law took effect which permitted flexible regulation of competitive telecommunications companies while also ensuring that customers paid reasonable charges for their service.

As the 20th century came to a close, Y2K was the buzz word. The Commission met that challenge by thoroughly reviewing, summarizing and compiling data received by utility companies and filing reports that detailed utility preparedness. During the evening hours of December 31, 1999, and the early morning hours of January 1, 2000, no Y2K related service disruptions occurred as utilities transitioned into the next millennium.

**Further changes to the Commission's Cold Weather Rule occurred in 2004. The Commission provided a higher level of protection for those customers who needed help paying**

their heat-related utility bills. The new provisions included a winter disconnect moratorium for registered elderly and disabled customers who meet certain income guidelines and make a minimum payment. The Commission also changed the temperature moratorium from 30 to 32 degrees for all customers.

The Cold Weather Rule was again addressed two years later when high wholesale natural gas prices led to the Commission implementing an emergency amendment providing more lenient payment terms for reconnection of service or to avoid disconnection of service for nonpayment for those customers who defaulted on a previous Cold Weather Rule payment agreement.

The role of the Commission's Manufactured Housing and Modular Unit Program expanded in 2004 under a law which required the Commission to license manufactured home installers, inspect home installations, adopt installation standards and administer a process to resolve disputes among consumers, installers, dealers and manufacturers.

Due to a number of customer outages from severe storms, the Commission held roundtables in June of 2007 to review electric utility storm outage planning, restoration and general service reliability. The following year, the Commission adopted extensive rules setting standards for electric companies to follow regarding vegetation management, infrastructure inspections and service reliability.

In 2008, the Missouri General Assembly passed and the governor signed a law which established a Hot Weather Rule,

in effect each year from June 1 to September 30. During this time, natural gas or electricity providers are prohibited from disconnecting service to residential customers on days when either the temperature is expected to rise above 95 degrees or the heat index is expected to rise above 105 degrees.

The first decade of the new millennium saw continued change regarding the regulation of telecommunications providers in Missouri. The Commission's 2009 annual report noted that the Commission had limited oversight authority for most landline or wireline telecommunications services which included local telephone services, interexchange telecommunications services, interconnected voice over the Internet protocol (VoIP) services, video services, payphone services and shared tenant services.

Being energy efficient and conserving energy are important pieces to consider when discussing Missouri's energy future. In 2009, the Missouri legislature passed and the governor signed the Missouri Energy Efficiency Investment Act (MEEIA) which is designed to encourage investor-owned electric utilities to develop and implement energy efficiency programs. Commission rules took effect in May 2011.

While the utility landscape has certainly changed since 1913, the Commission's mission remains the same as it was when the Commission heard its first case and rendered its first decision 100 years ago. The Commission continues its work to ensure Missouri's rate paying customers receive safe and adequate service at just and reasonable rates.

*Source: Public Service Commission Annual Reports*

