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The Commonwealth of Massachusetts

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ANNUAL REPORT

OF THE

Department of Public Utilities

FOR THE

Year Ending November 30, 1935

COMMISSIONERS' REPORT



DEPARTMENT OF PUBLIC UTILITIES  
ANNUAL REPORT

Boston, January 15, 1936.

*To the Honorable Senate and House of Representatives in General Court  
Assembled:*

We respectfully submit the sixteenth annual report of the Department of Public Utilities for the fiscal year ended November 30, 1935.

Richard D. Grant, of Boston, was appointed a commissioner to succeed Henry G. Wells, of Haverhill, who resigned November 20, 1935, and assumed the duties of his office December 2, 1935. Mr. Wells' service extended over a period of nearly sixteen years beginning with the establishment of the Department in 1919. His colleagues desire to record their appreciation of the discerning sense of justice and high ideals of public service which he brought to the discharge of his official duties.

The number of corporations, private and municipal, persons, firms, and associations under the jurisdiction of, and filing annual returns with the Department, exclusive of those filing under the Sale of Securities Act, is as follows:

Steam railroads .....	24	Electric companies .....	45
Street railways .....	24	Water companies .....	78
Telephone companies .....	15	Motor bus lines .....	66
Telegraph companies .....	3	Municipal lighting plants.....	41
Steamboat companies .....	3	Manufacturing and other compa-	
Sleeping car companies .....	1	nies doing an electric business....	4
Express companies .....	3	Voluntary associations .....	31
Gas companies .....	48		
Total .....			386

During the year the Department held 256 formal hearings and many conferences. In addition, 60 days were devoted to hearings in relation to applications for certificates and permits as common carriers and contract carriers, filed with the Department under the 1934 motor truck law. The following tabulation, showing the number and the character of proceedings instituted, indicates the volume of work which required the Department's attention during the fiscal year:

*Petitions and Applications:* Railroad, 44; street railway, 28; gas, 23; electric, 25; water, 14; Securities Division (appeals), 6; motor bus, 100; motor truck, 3,943; telephone, 1; miscellaneous, 2; total, 4,186.

*Special Permits:* Railroad, 227; street railway, 21; gas and electric, 116; telephone and telegraph, 3; motor bus, 16; motor truck, 208; steamboat, 2; water, 1; total, 594.

*Complaints:* Railroad, 196; street railway, 13; gas, 248; electric, 575; telephone and telegraph, 753; motor bus, 53; motor truck, 390; water, 22; sale of securities, 1,193; smoke abatement, 189; total, 3,632.

*Tariff and Rate Schedule Filings:* Railroad, freight service, 1,585; passenger service, 437; express, 148; street railway, 31; telephone, 87; telegraph, 3; motor bus, 20; motor truck, 1,321; electric, 341; gas, 85; gas and electric contracts, 134; water, 21; total, 4,213.

The appropriation for the Department and its expenditures for the fiscal year ended November 30, 1935, are given below:

Appropriation .....	\$317,668.16
Expenditures .....	303,728.46
Balance .....	\$ 13,939.70

The receipts of the Department for the same period are shown in the following itemized statement:

*Gas, Electric and Water Division:*

Fees, gas and meter tests .....	\$15,463.70	
Fees, electric meter tests .....	12.00	
Fees, blank forms .....	479.30	
		\$15,955.00

*Public Service Division:*

Motor Buses:

Fees, bus permits .....	\$3,664.00	
Fees, driver's licenses .....	4,128.00	
		7,792.00

Motor Trucks:

Fees, common carrier certificates .....	2,880.00	
Fees, contract carrier permits .....	34,650.00	
Fees, distinguishing plates .....	22,769.25	
Fees, copies of documents .....	9.80	
Miscellaneous .....	3.00	
		60,312.05

Miscellaneous:

Fees, copies of documents .....		4.25
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*Securities Division:*

Fees, registration of brokers .....	\$30,900.00	
Fees, registration of salesmen .....	15,357.00	
Fees, copies of documents .....	15.40	
Miscellaneous sales .....	36.00	
		46,308.40

Rent of land, Brattle square, Cambridge (Cambridge subway).....		4,100.00
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Total .....	\$134,471.70
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SPECIAL INVESTIGATIONS

Pursuant to the provisions of section 3 of chapter 333 of the Acts of 1931, and upon notice from the Trustees of the Boston Elevated Railway Company of a deficit in the operation of the railway for the nine months ending March 31, 1935, the Department made an investigation of the operations and expenses of the company, and a report, the fourth which the Department has made under that statute, containing the Department's findings and recommendations was transmitted to the Governor and to the members of the Metropolitan Transit Council on October 18, 1935.

Under an order of the Senate, adopted July 2, 1935, the Department was directed to investigate and report on conditions caused by soft coal dust attributable to the manner in which soft coal is stored and handled on various premises in the vicinity of that part of South Boston between City Point and N street park, so-called. A public hearing was held by the Department and an investigation of the conditions referred to was made by the Division of Smoke Inspection. A report on the matter has been transmitted to the Senate.

Under the provisions of chapter 58 of the Resolves of 1935 a commissioner of the Department was designated as a member of the Special Commission, established by said chapter, to investigate and study the sliding scale method of rates and its practicability for use by public utility corporations engaged in the business of the distribution of gas and electricity within the Commonwealth.

Following the filing with the Department of schedules of rates by common carriers engaged in the transportation of property for hire, the Department began an investigation of the matter of establishing minimum rates and charges of contract carriers in competition with common carriers, and under the provisions of section 6 of the motor truck law has prescribed minimum rates and charges for the transportation of property by contract carriers between designated communities in the Commonwealth. The investigation is being continued and minimum rates and charges will be established from time to time until all important points in the state have been covered.

#### RAILROADS AND STREET RAILWAYS

Under a vote of the Commission, adopted May 27, 1935, the Division of Railway and Bus Utilities was consolidated with the Engineering Division and the title of the Engineering Division was changed to Engineering and Railway Inspection Division, under the direction of the Chief Engineer. During the fiscal year the Division made 13,954 inspections of railroad rolling stock, including passenger and freight cars and locomotives; 4,909 inspections of street railway cars; 2,205 inspections of railroad and railway stations; 2,246 inspections of railroad and street railway bridges, and 6,592 inspections of railroad signals, interlocking and crossing signals. In addition, switches and derails, foot blocking, bridge guards and crossing signs were inspected. Defective conditions were called to the attention of the proper officials of the various companies. The Division investigated 128 accidents which occurred on railroads and 155 accidents which occurred on street railways, and 209 complaints filed with the Department.

#### TELEPHONE AND TELEGRAPH

Joseph C. White, of Boston, was appointed Director of the Telephone and Telegraph Division of the Department and assumed the duties of his office January 7, 1935.

There were 753 complaints made to the division during the fiscal year, which required special attention.

On November 30, 1935, there were 806,916 telephone stations in Massachusetts, a net gain of 9,203 stations over the preceding year.

Reductions in several items of the New England Telephone and Telegraph Company's rate schedule have been effected during the year.

On June 1, 1935, the charge for reestablishment of service interrupted for non-payment of bills was reduced from \$2.00 to \$1.00.

Effective June 1, 1935, the rate of 15 cents per month for a hand set does not apply when the subscriber has paid the monthly charge for a period of 36 months.

Revised toll rate schedules were filed effective June 1, 1935. They advanced from 8:30 P. M. to 7:00 P. M., the time at which night rates on station-to-station calls become effective. This change eliminated the so-called "evening rate period" formerly in effect from 7:00 P. M. to 8:30 P. M. Within the territory comprising Maine, New Hampshire, Vermont, Massachusetts and Rhode Island, night rates are now lower than day rates where the latter are more than twenty-five cents. Outside this area, the corresponding figure is thirty-five cents. The new schedule has resulted in giving customers the advantage of low night rates on such calls made during the evening hours after 7 o'clock, and has lessened, to some extent, the traffic congestion which sometimes happened shortly after 8.30 p. m., as customers waited for that time to get the lowest rate.

Further changes in base rate areas were worked out between the Director of the division and the telephone officials. These changes relieved many subscribers from payment of any mileage charge and substantially reduced the rate of others.

## MOTOR BUS TRANSPORTATION

There are ninety-two persons, associations and corporations operating motor vehicles for the carriage of passengers for hire under certificates of public convenience and necessity granted by the Department. The total number of certificates issued by the Department during the fiscal year was eighty-five, mainly for extensions of or changes in existing routes.

During the year, the Department issued 366 bus permits and 4,128 driver's licenses. The Engineering and Railway Inspection Division made 6,870 inspections of buses and 1,049 inspections of highway bridges over which buses under the Department's jurisdiction operate. The division investigated 84 accidents involving motor buses and 53 complaints received during the year.

## MOTOR TRUCK TRANSPORTATION

Chapter 405 of the Acts of 1935 provided for the establishment of a Commercial Motor Vehicle Division in the Department. The division, under the charge of a director, is authorized to perform such functions in relation to the administration and enforcement of the motor bus and motor truck laws (chapters 159A and 159B of the General Laws) imposed upon the Department by said laws as the Commission may from time to time determine. Frank E. Riley, of Swampscott, was appointed Director, and assumed the duties of his office September 5, 1935.

By section 8 of the 1934 truck law, a certificate as a common carrier or a permit as a contract carrier is required to be granted as a matter of right to an applicant who was rendering such service on February 1, 1934, provided application therefor was made to the Department within sixty days of the effective date of said section. By the provisions of chapter 24 of the Acts of 1935, a further period of sixty days was authorized whereby a person applying for a certificate or permit was entitled to all the benefits of section 8 of the 1934 law to which he would have been entitled if he had made such an application within sixty days of the effective date thereof, whether or not such an application had previously been made by him or such a certificate or permit previously granted to him. The passage of this act enabled many carriers, who had filed no application with the Department or whose application had been filed subsequent to the effective date of section 8 of the 1934 motor truck law, to secure the benefits provided in said section.

During the fiscal year 288 applications for certificates as common carriers and 3,465 applications for permits as contract carriers were filed with the Department, making a total of 997 common carrier applications and 5,778 contract carrier applications filed with the Department since the passage of the motor truck law in 1934.

During the fiscal year hearings were held on 300 common carrier applications and 3,945 contract carrier applications, and 503 common carrier certificates and 4,840 contract carrier permits were granted. These figures include hearings and certificates and permits granted on some applications filed during the preceding year and not acted upon in that year. A total of 22,906 sets of distinguishing plates (6,076 common carrier sets and 16,830 contract carrier sets) were issued.

An investigation has been made by the Division of 390 complaints filed during the year, and the certificates of three common carriers and four contract carriers have been revoked.

During the year the Department, after a hearing, prescribed and promulgated rules and regulations relating to motor vehicles transporting property for hire. Under the provision of section 6 of the motor truck law the Department prescribed the minimum rates and charges of contract carriers in competition with common carriers to be collected by such contract carriers between certain communities in the Commonwealth and the work is being continued so as to cover all important points in the state.

## GAS, ELECTRIC AND WATER COMPANIES

For the year ending November 30, 1935, 60,262 gas meters were tested and sealed by the Gas, Electric and Water division, compared with 64,593 in 1934. Of these 60,262 meters, 1210 were meters tested on complaint of either the consumer or of the company. The average error of these 1210 complaint meters (excluding those which did not register) was 1.63 per cent fast as compared to 1.77 per cent fast in 1934. In addition, 7 wet experimental meters, five 5-foot provers and 16 calorimeter thermometers were calibrated for the use of various companies. Three electric meters were tested on complaint of consumers.

During the year there were made 603 tests of the quality of the gas supplied by the various companies of the state, and 38 violations of the legal standard were found. Complaints numbering 845 were received and recorded, 575 relating to electric service or rates, 248 relating to gas, and 22 relating to water.

There were several investigations made of customer's appliances and their use.

New calorimeter testing stations were installed in Taunton and Gloucester.

The following companies or persons engaged in selling water have violated the law by failing to file annual returns with the Department within the limit of time prescribed by law:

Deerfield Glassine Company	Savery Avenue Water Supply
George H. Gilbert Manufacturing Company	Southfield Water Trust
The Kendall Company	Whitin Machine Works
Mill River Water Company	

## MUNICIPAL LIGHTING PLANTS

The following is a list of the municipal gas and electric plants with earnings which, from reports filed in 1935 for the year 1934, appear to have violated the provisions of the statute requiring them to reduce their rates when the plants have earned a profit in excess of eight per cent allowed by law:

<i>Municipality</i>	<i>Per Cent</i>	<i>Municipality</i>	<i>Per Cent</i>
Ashburnham .....	12.87	Peabody .....	30.38
Groveland .....	8.82	South Hadley .....	10.30
Norwood .....	9.94	Sterling .....	9.92

The Taunton Municipal Lighting Plant violated the law by failing to file its annual return with the Department within the limit of time prescribed by law.

It also appears that the following towns have violated the statute which provides for the inclusion in the annual appropriations and in the tax levy, not less than the estimated cost of the gas and electricity to be used by the town for street lighting:

	<i>Estimated</i>	<i>Paid</i>
Georgetown .....	\$ 2,371.38	\$ 900.00
Peabody .....	11,141.76	2,140.00

## SMOKE ABATEMENT

Following a Senate order for an investigation by the Department of coal dust conditions in South Boston, the Division made an exhaustive study of conditions in this area, report of which was made to the Department.

Following complaints in Back Bay a survey was made of a typical section to determine the nature of the heating plants. The Division found many potential violators of the smoke law, operating under conditions that would make it very difficult to avoid heavy smoke. Many of the firemen in this district are janitors of buildings and not thoroughly familiar with the problems of combustion.

During the year ending November 30, 1935, there were 280,942 observations made on stationary, locomotive and marine stacks. Of these 1314 were violations. Eighteen formal hearings were held and five formal orders, (which are necessary before court action can be taken) were issued. One hundred conferences were held with owners or operators of plants and the inspectors made

1295 plant calls. One hundred and eighty-nine complaints were received during the fiscal year, an increase of 59 over the number received during the preceding year.

### CAPITAL STOCK AND BONDS

Ten applications for approval of issues of stock, bonds or notes have been decided during the year which ended November 30, 1935. The par value of securities to the amount of \$83,777,650 was approved.

The following table shows the securities approved by the Commission for the several companies applying therefor, giving both the par value of the capital stock and the issue price thereof, determined as required by law.

COMPANY	CAPITAL STOCK APPROVED			Bonds Approved at Par	Date
	Amount at Par	Issue Price	Value at Issue Price		
Barnstable Water Company . . . . .				\$ 115,000	Oct. 11
Boston & Albany Railroad Co. . . . .				9,000,000 <sup>1</sup>	Apr. 18
Boston Elevated Railway Co. . . . .				8,500,000 <sup>2</sup>	Feb. 21
Boston Metropolitan District . . . . .				8,500,000 <sup>3</sup>	Feb. 21
Cape and Vineyard Electric Co. . . . .				750,000	July 19
Chatham Water Company . . . . .				125,000	June 8
Dedham Water Company . . . . .				400,000 <sup>1</sup>	Feb. 20
The Edison Electric Illuminating Company of Boston . . . . .				53,000,000	July 3
The Edison Electric Illuminating Company of Boston . . . . .	\$8,228,900	\$150	\$12,343,350		Nov. 26
Edison Electric Illuminating Company of Brockton . . . . .	708,750 <sup>4</sup>	25	708,750		May 24
Lowell Gas Light Company . . . . .				950,000 <sup>1</sup>	Oct. 26
Worcester Gas Light Company . . . . .				2,000,000	July 23

<sup>1</sup> Refunding bonds.

<sup>2</sup> Negotiable registered or coupon bonds.

<sup>3</sup> Approved as to maturity and interest rate only.

<sup>4</sup> To purchase The Electric Light and Power Company of Abington and Rockland.

### SECURITIES DIVISION

During the year, 617 brokers and 3,069 salesmen were registered in the Division. The sale in the Commonwealth, in that period, of securities of persons, corporations or other organizations having an aggregate par value of \$522,800,203.12 has been forbidden by the Securities Division. Since the effective date of the Sale of Securities Act (August 26, 1921), up to November 30, 1935, the proposed sale of securities having an aggregate par value of \$3,435,012,438.26 has been prohibited. Forty-four formal hearings were held by the Director of the Division during the year on complaints arising in connection with sales of securities or the manner in which brokers or salesmen conducted their business. Seven appeals from the orders and findings of the Division were filed with the Commission. The registration of 12 brokers and 99 salesmen were cancelled pursuant to their request. The registration of 12 brokers and 4 salesmen were cancelled by orders of the Division after a hearing. In addition, approximately 1,193 complaints against brokers and salesmen were investigated by the Division. Three cases were referred to the Attorney General during the year under the provisions of section 20 of the Sale of Securities Act.

### RECOMMENDATIONS FOR LEGISLATION

#### *Carriers of Property by Motor Vehicle:*

Under the provisions of section 7 of chapter 159B of the General Laws common carriers and contract carriers of property for hire by motor vehicle are required to have attached to each of their motor vehicles used in the carriage of property a set of plates issued by the Department. The sole purpose of this provision, we think, is to identify the vehicle with the carrier operating it. When carriers are operating both as common carriers and contract carriers the carrier is required to attach to his vehicle four plates, and if he operates

in other states the laws of those states require additional plates. All these plates lead to confusion in identifying the plates issued by the Registrar of Motor Vehicles, which are the more important and which should be readily ascertainable by those having charge of the safety of the highways. We see no necessity for more than one plate being issued for each vehicle used in the business of a common carrier and one plate for each vehicle used in the business of a contract carrier and we recommend that the section be amended to that end.

Under the provisions of said section 7 a certificate or permit may be assigned and transferred with the approval and consent of the Department. Situations have arisen where the holder of a certificate has desired to assign a part thereof and where there appeared to be no sound reason why it should not have been permitted. We think the section should be amended to permit of the transfer of a certificate or permit in whole or in part.

The transfer of a certificate or permit, requiring as it does the approval of the Department, imposes upon it a considerable amount of investigation and clerical work. As a consequence, we are of the opinion that a fee should be imposed for the approval of such transfers, limited in the case of the approval of the transfer of a contract carrier permit to one dollar and to five dollars in the case of the approval of the transfer of a common carrier certificate, and we so recommend.

Under the provisions of said section 7 the Department may revoke any certificate or permit for wilful and repeated violations of the provisions of said chapter 159B. Situations often arise where the revocation of a part of the certificate or permit would meet the ends of justice. We recommend that the section be amended so that the Department may, in such cases, revoke a part of the certificate or permit, rather than the whole.

*Commercial Motor Vehicle Division:*

By the passage of chapter 405 of the Acts of 1935, chapter 25 of the General Laws was amended by the insertion of section 12F which created in the Department a Commercial Motor Vehicle Division under the charge of a Director. By the provisions of section 12F the division, under the general supervision and control of the Commission of the Department, is to perform such functions in relation to the administration and enforcement of chapters 159A and 159B of the General Laws imposed upon the Department by said chapters as the Commission may from time to time determine. In order to perform properly the powers of the Department delegated to him, the Director should have the authority to summon witnesses, administer oaths and take testimony, which was not provided for in the passage of said chapter 405.

*Sale of Securities Act:*

We renew our recommendation of last year, for the reasons then expressed, that the word "security" should be defined to include mineral deeds conveying fractional interest in minerals or oils. Many persons have been engaged in the Commonwealth in the sale of such deeds and we see no reason why such mineral deeds should not be included in the term "security", when oil, gas and mining leases and certificates of interest in or under the same are so included.

We renew our recommendation of last year that pending the final action by the Commission where a claim is made by an aggrieved party to a public hearing before a majority of the Commission, the taking effect of the order or finding of the Director may be stayed pending final action by the Commission where there is serious doubt, in the judgment of two or more commissioners, as to the soundness of the order or finding of the Director.

Respectfully submitted,

HENRY C. ATTWILL, *Chairman*,  
LEONARD F. HARDY,  
A. C. WEBBER,  
LEO H. LEARY,  
RICHARD D. GRANT,

*Commissioners.*