

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) APPLICATION NO. MR-1009  
Public Service Commission, on ) PI-70  
Its own motion, initiating an )  
Investigation on range )  
Uniformity in the Official )  
Intracity Household Goods ) ORDER GRANTING SURCHARGE  
Tariff 22, and to develop )  
Procedures for efficiently )  
Processing household goods )  
mover tariff amendments. ) ENTERED: JULY 1, 2008

BY THE COMMISSISON:

O P I N I O N S   A N D   F I N D I N G S

The Nebraska Public Service Commission initiated this investigation on January 28, 2003. The Commission set a process for it to determine, on an annual basis, whether any adjustment is to be made in the household goods movers Tariffs 7 and 22.

A hearing was held on April 3, 2008, in the Commission hearing room in Lincoln. At that hearing, representatives from the Household Goods Moving industry requested that the Commission consider the addition of a fuel surcharge to Tariff 22. Tariff 7 currently has a fuel surcharge in effect. The request was made due to the substantial increase in diesel costs that have occurred over the past few years and the equity that a surcharge can provide to the general public.

The subsequent order issued by the Commission on April 22, 2008, requested that the industry present a proposal for a Tariff 22 surcharge as well as information that would support the proposal. A hearing was scheduled for June 4, 2008, for the Commission to receive the proposed fuel surcharge and the supporting evidence.

Earl vonRentzell appeared at the June 4 hearing in Lincoln. Ed Schneider and Scott Vaughn mailed in letters regarding the tariff consideration. No other individuals or representatives either in favor of or against the subject matter of the hearing appeared.

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Mr. vonRantzell presented a proposed fuel surcharge formula to the Commission. It was based meetings held with members of the moving industry. The proposal is based upon the average trip for a move pursuant to Tariff 22. That average move encompassed a 20 mile round trip. The average move would be divided by five miles per gallon to determine the average fuel use on a trip. A base for diesel costs of \$2.00 per gallon was proposed to be established. The surcharge would therefore be the current price of diesel as determined by the Motor Transportation Department of the Nebraska Public Service Commission for Tariff 7, less \$2.00 and the multiplied by five.

The evidence presented is that this would result in a current surcharge (at price levels of \$4.60 per gallon) of an approximately \$8.00 fuel surcharge. The surcharge as proposed is to be a one-time per tripper vehicle used charge. The fuel surcharge would be paid to the person or company who actually pays for the diesel.

Mr. vonRantzell also presented evidence regarding a surcharge that detailed a surcharge the Victory Packaging was imposing on companies such as vonRantzell Moving. This surcharge applies a \$15 per delivery fee for deliveries within a 50 mile radius of \$20 for trips outside the 50 mile radius.

On examination by Commissioner Schram, the formula was stated that it would cover increases in costs if prices should spike to \$5 or \$6 per gallon. On examination by Commissioner Landis, it was also presented to the Commission that the surcharge also is designed to decrease if the price of diesel were to fall.

On examination by Commissioner Boyle, Mr. vonRantzell detailed some cost saving procedures that are either being developed or are being developed to assist in keeping costs down. Mr. vonRantzell described using an auxiliary power unit, at a cost of \$4,000, that would increase the mileage experienced by his fleet from 5 miles per gallon to closer to 7 miles per gallon. There are also new engines that are better designed to run on the low sulphur diesel that could also bump the mileage up to closer to 10 miles per gallon.

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On examination by Commission staff, Mr. vonRentszell stated that most of the moves that are covered by this surcharge would use one vehicle. It would therefore create one surcharge.

In the April 22 order, the Commission expressed support for a Tariff 22 fuel surcharge. The costs of gasoline have been rising substantially over the past year, and it can be impossible for companies such as moving companies to recoup a sharp increase in these costs when they occur. The Commission has found in the past that a surcharge is the most efficient and fair to permit these companies to recover these increases. There has been a fuel surcharge in Tariff 7 for a number of years, and the Commission finds that one should be adopted in Tariff 22.

The Commission finds that the proposed fuel surcharge for Tariff 22 is reasonable. It is based upon the cost of fuel as well as being related to factors involved in move such as distance of the move. The necessity for a surcharge is evident and the proposed surcharge is reasonable and in the best interest of the industry and the general public.

From the evidence adduced, and being fully informed in the premises, the Commission is of the opinion and finds that Tariff 22 should be amended to add the fuel surcharge as set for the in the evidence provided to the Commission effective July 11, 2008.

#### O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that, effective May 2, 2008, Official Household Goods Tariff 22 be, it is hereby, amended as follows:

#### FUEL SURCHARGE:

(Current price of diesel fuel less \$2.00) divided by 5.

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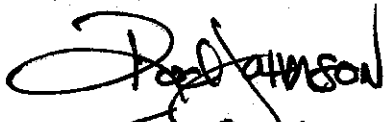

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MADE AND ENTERED at Lincoln, Nebraska, this 1st day of  
July, 2008.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONER CONCURRING:

  
Chair

ATTEST:

  
Executive Director

//s// Anne C. Boyle  
//s// Frank E. Landis