

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) APPLICATION NO. MR-1009/PI-70  
Public Service Commission on its )  
own motion, initiating an )  
investigation on range )  
uniformity in the Official ) ORDER GRANTING INCREASE  
Intracity Household Goods Tariff )  
22, and to develop procedures )  
for efficiently processing )  
household goods mover tariff )  
amendments. ) ENTERED: MAY 8, 2007

BY THE COMMISSION:

## OPINIONS AND FINDINGS

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.

On May 24, 2006, the Commission ordered that the affidavit developed by the committee be mailed, pursuant to Application No. MR-1009/PI-70, by January 19, 2007, with a return date of February 20, 2007, being set. Upon receiving the affidavits, the Commission ordered a public hearing to be held in March of April of 2006 if necessary.

After receipt of the affidavits, the Commission determined that a hearing in this matter should be held on April 3, 2007. Notice of the hearing was sent to all interested parties on March 27, 2007. A hearing was held on April 3, 2007, in the Commission hearing room in Lincoln.

Two representatives from the household goods movers industry, Earl vonRantzell and Edward Schneider, appeared at the hearing in Lincoln. Dennis Leslie was present at the hearing, but did not testify as he supported the testimony presented by Mr. vonRantzell and Mr. Schneider. No other individuals or representatives either in favor of or against the subject matter of the hearing appeared.

Earl vonRantzell testified before the Commission. Mr. vonRantzell compared the interstate tariff and the Nebraska tariffs regarding the comparative charges allowed under each tariff. He also detailed some difficulties that Nebraska movers experience. Many times movers must take their own workers on the long-haul move as there is not a mover in the city the client is moving to that they can use for unloading purposes. This contributes to higher expenses as the crews are paid for the transit time in addition to loading and unloading services.

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Movers also incur deadhead miles on occasion due to the unavailability of a return load. This also makes a negative contribution to the bottom line as the expenses are not recouped over the deadhead portion of the trip.

Mr. vonRenzell testified that the largest increases in his company's costs were in diesel fuel prices. Diesel prices are currently around \$2.85 per gallon, considerably higher than the \$1.95 per gallon cost in January of 2006. He also pointed out, on examination by Commissioner Landis, that his company pays many surcharges in areas such as packing materials and garbage collection.

Mr. vonRenzell specifically addressed storage-in-transit charges. He stated that these charges were below the respective tariff charges allowed in interstate tariffs. He requested that the Commission raise these rates at an amount higher than increases in other areas of the tariff due to this shortfall.

In summary, Mr. vonRenzell requested that the Commission raise the overall tariff five percent. He requested that the storage-in-transit charges be raised to \$3.50 for warehouse handling and \$3.25 for storage charges.

Mr. vonRenzell also requested that the Commission change that Hourly Labor charges in Section 3, Item 1000. Currently the Omaha Labor Rate is capped at \$37 per unit per hour, and the rest of Nebraska is capped at \$35 per unit per hour. Mr. vonRenzell requested that the rates be raised \$4.00 per unit per hour in Omaha and \$3 per unit per hour in the rest of the state. He also requested that the \$18 per unit per hour charge be raised to \$23 per unit per hour. The basis for the request is that he does not believe that the lower amount is economically feasible and needs to be raised to accurately reflect the costs of doing business.

Ed Schneider also testified for an increase in tariff rates. He represented to the Commission that his company's health insurance costs increased twenty percent and workers compensation insurance eighteen percent. His company's fuel costs increased seven percent in 2006.

Mr. Schneider also detailed the amount of increase in dollar amount to the client that various increases would cause. He cited a 2000 pond move would increase costs by \$26 for a three percent increase to \$42 for a five percent increase. He also cited that movers need to keep its costs in line with the current circumstances as they have competition with competition such as

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U-Haul rentals and other people that use friends or relatives with trucks to do these types of moves as well as PODS that effect the local moving industry.

Exhibit Two is the six affidavits that were received by the Commission. An examination of the affidavits shows that for most movers drivers and administrative wages increased around four percent, health insurance between fifteen and twenty percent with one carrier reporting only a one percent increase, and insurance for property and general liability not showing a consistent pattern as some carriers experienced small increases and one reporting a decrease in some insurance costs.

Workers compensation insurance expenses showed most with no change or a reduction in their costs. Packing expenses increased for most companies between seven and twenty percent.

Fuel costs also increased. All six companies reported increases in fuel costs, with the lowest percentage increase being two percent and the highest percentage increase being thirteen percent.

The Commission is of the opinion that an increase in the tariff is warranted. Energy costs have risen for everyone, and other charges continue to grow. There is also the pressure of increased labor and some areas of insurance. There is also an increase in costs due to fuel surcharges that the moving companies have to pay from other vendors.

The Commission finds that a three and one-half percent increase in the overall tariff is appropriate at this time. This increase represents an increase that is reasonable under the circumstances.

The storage-in-transit charge does appear to be lower than comparable rates in the interstate tariff. However, the Commission finds that the requested increase is excessive. The Commission finds that the SIT charge should be raised in line with other increase to be approved herein. The Warehouse Handling charge should be raised from \$3.20/cwt to \$3.30/cwt, and the Storage Rates being set at \$2.85/cwt.

The Commission will also change the Labor Charges as set forth in Section 3, Item 1000. Last year the Commission left the upper hourly rate at \$38 per hour in Omaha and \$35 in the rest of the state. The Commission finds that these rates should be increased in accordance with other increases to be approved herein. Therefore the top rate in Omaha will be increased from \$38 to \$39 per unit per hour, and the top rate in the rest of the state should be raised from \$35 to \$36 per unit per hour.

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The Commission further finds that there is not persuasive evidence before it to warrant increasing the minimum charges allowed in the tariff. These amounts will remain as currently in effect.

From the evidence adduced, and being fully informed in the premises, the Commission is of the opinion and finds that the tariffs should be increased effective May 18, 2007.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that, effective May 18, 2007, Official Household Goods Tariff 7-F be, it is hereby, amended as follows:

1. (Increase) Increase all rates and charges three and one-half percent (3.5%) rounded up to the next ten cents.
2. (Increase) Increase the Warehouse Handling Charge for Storage-in-Transit to \$3.30/cwt.
3. (Increase) Increase the Storage charge to \$2.85/cwt.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that effective May 18, 2007, Official Household Goods Tariff 22 be, and it is hereby, amended as follows:

4. (Increase) Increase Section 3, Item 1000, Labor Rates, as follows:

Omaha area: \$25 to \$39

Nebraska outside of Omaha: \$18 to \$36

5. (Increase) Increase Section 3, Item 1100, Packing container charges three and one-half percent (3.5%) rounded up to the next ten cents.

5. (Increase) Increase Section 4 Transportation Rates Optional Packing Charges Labor Rate charge per container three and one-half percent (3.5%) rounded up to the next ten cents.

The adopted affidavits will be sent out to all certificated carriers by January 21, 2008. The affidavits are to be returned to the Commission by February 20, 2008. The Commission will then hold any hearings that are determined to be necessary in March or April of 2008.

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MADE AND ENTERED at Lincoln, Nebraska, this 8<sup>th</sup> day of May, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONER CONCURRING:

*Gerald L. Up*  
*Tim Schrom*

//s// Rod Johnson  
//s// Frank E. Landis

Chairman

*Rod Johnson*

ATTEST:

*AdB Pollock*  
Executive Director

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