

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 24, 2006

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.

On May 11, 2005, the Commission ordered that the affidavit developed by the committee be mailed, pursuant to Application No. MR-1009/PI-70, by January 20, 2006, with a return date of February 21, 2006, 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 11, 2006. Notice of the hearing was sent to all interested parties on March 1, 2006. A hearing was held on April 11, 2006, in the Commission hearing room in Lincoln.

Two representatives from the household goods movers industry, Earl vonRentzell and Dennis Leslie, appeared at the hearing in Lincoln. No other individuals or representatives either in favor of or against the subject matter of the hearing appeared.

Earl vonRentzell testified before the Commission. Mr. vonRentzell testified that the largest increases in costs were in diesel fuel prices and in workers compensation expenses. Diesel fuel prices began 2004 at about \$1.50 per gallon nationally and are now in excess of \$2.80 per gallon. A chart was supplied by Mr. vonRentzell that showed that household goods movers have a high injury rate, which contributes to their high workers compensation rates.

Mr. vonRentzell specifically addressed two areas that he testified needed special attention. Storage-in-transit charges

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(SIT), which concern storage of goods for a period of time during a move, are, under current rates, lower than other areas of the tariff when compared to the interstate tariff. Mr. vonRenzell proposed that the rate be increased twenty and thirty percent to cover increased costs in this area as well as bring the rate closer to the interstate tariff rate.

The second area addressed was shuttle charges. Currently these charges are based on an hourly rate under the Nebraska tariff. The interstate tariff charge is based on weight. Mr. vonRenzell stated that he would request that the Nebraska tariff be changed to a weight-based charge so as to remove some questions, such as when the time starts on the shuttle move, from the process.

Mr. vonRenzell requested an overall four percent increase in the tariff, with the SIT request being excepted from this level of increase.

Dennis Leslie also testified for an increase in tariff rates. He represented to the Commission that his company's wages increased five percent, health insurance eighteen percent, workers compensation insurance twenty-eight percent, and fuel expenses thirty-four percent. Mr. Leslie asked that the Commission consider an eight percent increase in the tariff.

Exhibit Two is the thirteen affidavits that were received by the Commission. An examination of the affidavits shows that for most movers drivers and administrative wages increased around five percent, health insurance between ten and twenty percent, and insurance for property and general liability rising between five and ten percent.

Workers compensation insurance expenses incurred larger increases, with costs increasing for four of the carriers twenty-five percent or more and six other carriers reporting increases of seven to twenty percent. Packing expenses also showed an increase for ten of the thirteen companies in excess of eight percent.

The most significant increase was in fuel costs. All thirteen companies reported double-digit increases in fuel costs, with the lowest percentage increase being twelve percent and the highest percentage increase being fifty percent. Ten of the thirteen affidavits reported increases in excess of thirty percent.

The Commission is of the opinion that an increase in the tariff is warranted. The Commission finds that a five percent increase in the overall tariff is appropriate at this time.

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Energy costs have risen for everyone, and other charges continue to grow. The five percent increase represents an increase that is reasonable under the circumstances.

The Commission is also of the opinion that SIT does present a special circumstance. While that rate does appear to be lower than comparable rates in the interstate tariff, the requested increase is excessive. The Commission finds that the SIT charge should be raised ten percent, with Warehouse Handling being raised from \$2.90/cwt to \$3.20/cwt, and Storage Rates being set at \$2.75/cwt.

The Commission also finds that the request to change to a weight-based charge for shuttle services should be studied further before a change as that requested be made. The shuttle rate should be increased at the overall rate approved of five percent.

The Commission will also not change the Labor Charges as set forth in Section 3, Item 1000. Last year the Commission raised the upper hourly rate to \$37 per hour. The Commission was not requested to raise this rate, and an examination of current charges show that essentially all carriers in the state are below the current charge.

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 June 5, 2006.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that, effective June 5, 2006, Official Household Goods Tariff 7-F be, it is hereby, amended as follows:

1. (Increase) Increase all rates and charges five percent (5%) rounded up to the next ten cents.
2. (Increase) Increase the Warehouse Handling Charge for Storage-in-Transit to \$3.20/cwt.
3. (Increase) Increase the Storage charge to \$2.75/cwt.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that effective June 5, 2006, Official Household Goods Tariff 22 be, and it is hereby, amended as follows:

4. (Increase) Increase Section 3, Item 1100, Packing container charges five percent (5%) rounded up to the next ten cents.

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5. (Increase) Increase Section 4 Transportation Rates
Optional Packing Charges Labor Rate charge per container
five percent (5%) rounded up to the next ten cents.

The adopted affidavits will be sent out to all certificated carriers by January 19, 2007. The affidavits are to be returned to the Commission by February 20, 2007. The Commission will then hold any hearings that are determined to be necessary in March or April of 2007.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of May, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONER CONCURRING:



//s// Lowell C. Johnson
//s// Frank E. Landis


Chairman

ATTEST:


Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

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Public Service Commission on its)	70
own motion, initiating an)	
investigation on range)	ORDER GRANTING INCREASE
uniformity in the Official)	
Intracity Household Goods Tariff)	
22, and to develop procedures)	
for efficiently processing)	
household goods mover tariff)	ENTERED: May 11, 2005
amendments.)	

BY THE COMMISSION:

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.

On June 10, 2004, the Commission ordered that the affidavit developed by the committee be mailed, pursuant to Application No. MR-1009/PI-70, by January 14, 2005, to all certificated household goods movers in the state of Nebraska, with a return date of February 14, 2005, being set. Upon receiving the affidavits, the Commission ordered a public hearing to be held in March or April of 2005 if necessary

After receipt of the affidavits, the Commission determined that a hearing in this matter should be held on April 5, 2005. Notice of the hearing was sent to all interested parties on March 9, 2005. A hearing was held on April 5, 2005, in the Commission Hearing Room in Lincoln.

Four representatives from the household good movers industry, Ed Schneider, Earl vonRentzell, Dennis Leslie, and Eileen Marrison appeared at the hearing in Lincoln. No other individuals or representatives either in favor of or against the subject matter of the hearing appeared.

Ed Schneider testified before the Commission. He informed the Commission that numerous costs have increased in the past year. His employee costs increased over six percent in 2004 after having a wage freeze in 2003. Health insurance costs have increased while the benefits offered to his employees have been reduced to try to keep the package available. Mr. Schneider presented evidence that the price of diesel fuel has increased 61 percent from one year earlier. Workers Compensation rates

have increased twelve percent since the first of the year. Packing materials were also raised by 10 to 50 percent effective April 1, 2005.

Earl vonRentzell testified that he would request a five percent increase in the tariff. His request was based primarily on large increases in insurance costs. He testified that he believed that a five percent increase in the tariff would allow him to cover his expenses while remaining reasonable for the public. He also requested an adjustment in the valuation options in Tariff 22, while not making an adjustment in the Tariff 7F valuation charge.

Dennis Leslie stated his support of an increase in the tariff. He cited a 30 percent increase in insurance costs, and a 100 percent increase in workers compensation insurance.

Eileen Marrison also testified in support of an increase in the tariff. She cited her auto insurance increasing from \$87,000 last year to \$130,000 this year upon renewal.

Exhibit six are the affidavits that were received by the Commission on this matter. It showed that the cost areas of interest such as drivers and administrative salaries, benefits and insurance have shown greatly different results for the companies reporting. Driver's salaries and administrative salaries were the most steady with almost all companies reporting increases between five and twenty percent. Benefit packages were also reported increasing between zero and twenty-five percent in most cases.

Insurance was the area where the most fluctuation in reported increases. Workers compensation was the main area of increase, with increases ranging from thirteen percent to, in one case, a two hundred percent increase. Other insurance such as general, property and auto showed more modest increase ranging up to forty percent but also including a carrier whose property and auto insurance costs decreased.

A significant area of increase was in fuel costs. Fuel cost increases ranged from ten to forty percent for reporting companies. These costs are offset somewhat by a separate fuel surcharge that is adjusted on a weekly basis by the Commission.

The Commission is unanimous that an increase in the tariffs subject to this matter is warranted. The Commission is of the opinion that a four (4) percent increase is appropriate. The tariff was raised eight percent on June 12, 2004, after not being raised in the two years prior. The industry also has a

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fuel surcharge that has assisted in ameliorating the increases in costs due to fuel. The Commission believes that the valuation charge is a matter that should be looked at more closely, and declines to take action on those charges at this time. This order will also set forth a time line to be followed for consideration of this matter again in 2006.

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 23, 2005.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that effective May 23, 2005, Official Household Goods Tariff 7-F be, and it is hereby, amended as follows:

1. (Increase) Increase all rates and charges four percent (4%) rounded up to the next ten cents (\$0.10).
2. (Exception) No increase for:
 - A. Item 1340, Valuation Charges
 - B. Item 1350, Full Value Protection Charges

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that effective May 23, 2005, Official Household Goods Tariff 22 be, and it is hereby, amended as follows:

1. (Amend) Section 3, Item 1000, Labor Charges
 - A. All Other Areas of Nebraska, Standard Hourly Rates: Range \$18 to \$37 per hour.
2. (Increase) Increase Section 3, Item 1100, Packing Container Charges:
 - A. Increase all container charges four percent (4%) rounded up to the next ten cents (\$0.10).
3. (Increase) Section 4 Transportation Rates:
 - A. Optional Packing Charges: Increase labor charge per container four percent (4%) rounded up to the next ten cents (\$0.10).

IT IS FURTHER ORDERED that the process adopted by the Commission be followed for 2006 on the following timeline:

The adopted affidavit will be sent out to all certificated carriers by January 20, 2006. The Affidavits are to be returned to the Commission by February 21, 2006. The Commission will then hold any hearings that are determined to be necessary in March or April of 2006.

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MADE AND ENTERED at Lincoln, Nebraska, this 11th day
of May, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Gerald L. Vap

Ann C. Boyle

Red Johnson

//s// Gerald L. Vap

Chairman

Gerald L. Vap

ATTEST:

John Burdick

Deputy Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) APPLICATION NO. MR-1009/PI-
Public Service Commission on its) 70
own motion, initiating an)
investigation on range) ORDER GRANTING INCREASE
uniformity in the Official)
Intracity Household Goods Tariff)
22, and to develop procedures)
for efficiently processing)
household goods mover tariff) ENTERED: JUNE 2, 2004
amendments.)

BY THE COMMISSION:

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 determined not to adopt a statewide intracity rate schedule for household goods movers, but did adopt a timeline for annual review of household goods mover rates. A committee was formed to develop a process and a standard format to be adopted by the Commission for an annual review of household mover rates.

On February 10, 2004, the Commission ordered that the affidavit developed by the committee be mailed, pursuant to Application No. MR-1009/PI-70, to all certificated household goods movers in the state of Nebraska, with a return date of March 12, 2004, being set. Upon receiving the affidavits, the Commission ordered a public hearing be held on April 14, 2004. Notice of the hearing was published in the Daily Record on March 31, 2004, pursuant to the Commission's rules. A hearing was held on April 14, 2004, in the Commission Library, Lincoln, and by video link in Omaha.

Three representatives from the household good movers industry, Ed Schneider, Earl vonRantzell, and Dennis Leslie, appeared at the hearing in Lincoln. No other individuals or representatives either in favor of or against the subject matter of the hearing appeared in either Lincoln or Omaha.

Ed Schneider testified before the Commission. He informed the Commission that Interstate Tariff 400-N was raised 3.3 percent on January 1, 2003, and an additional 2.2 percent on January 1, 2004. Packing materials was also raised by 12 percent effective March 15, 2004. He further testified that his own costs have greatly increased over the past year, with health insurance increasing 45 percent, and general liability insurance increasing 55 percent being two of the larger increases. He

requested that the Commission grant an increase of between six and eight percent. An increase of this amount would still leave intrastate moves less expensive than a comparable interstate move.

Earl vonRentzell testified that he would request an eight percent increase in the tariff. His request was based primarily on large increases in insurance costs.

Dennis Leslie asked for a ten percent increase in the tariff. His workers compensation increased twenty-four percent in 2003, and his health insurance premiums increased eight percent despite raising his deductible from \$500 to \$1,000.

Exhibit three is a summary of the seventeen affidavits that were received by the Commission on this matter. It showed that, over the past year, on average, drivers salaries increased thirteen percent, health insurance increased seventeen percent, general liability increased eighteen percent, and auto liability insurance increased sixteen percent. Workers compensation insurance costs rose twenty-one percent, packing materials increased nine percent, and fuel increased twenty-two percent in the past twelve months.

The Commission is unanimous that an increase in the tariffs subject to this matter is warranted. The majority of the Commission believes that an eight percent increase is appropriate due to the high increase in costs that the industry has experienced since its last tariff increase in 2002.

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 June 12, 2004.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that effective June 12, 2004, Official Household Goods Tariff 7-F be, and it hereby is amended, as follows:

1. (Increase) Increase all rates and charges eight percent (8%) rounded up to the next ten cents (\$0.10).

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2. (Exception) No increase for:
 - A. Item 1340, Valuation Charges
 - B. Item 1350, Full Value Protection Charges

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that effective June 12, 2004, Official Household Goods Tariff 22 be, and it is hereby, amended as follows:

1. (Amend) Section 3, Item 1000, Labor Charges
 - A. Omaha Area, Standard Hourly Rates: Range \$25 to \$38 per hour.
 - B. All Other Areas of Nebraska, Standard Hourly Rates: Range \$18 to \$35 per hour.
2. (Increase) Increase Section 3, Item 1100, Packing Container Charges:
 - A. Increase all container charges eight percent (8%) rounded up to the next ten cents (\$0.10).
3. (Amend) Section 4, Transportation Rates:
 - A. Change Standard Hourly Rate, as follows:

<u>Description</u>	<u>Rate</u>
<u>Labor:</u>	
Per Hour/per person, Omaha area	\$25.00 to \$38.00
Per Hour/per person, all other areas	\$18.00 to \$28.00
<u>Vehicle:</u>	
Per Hour/per person, Omaha area	\$25.00 to \$38.00
Per Hour/per person, all other areas	\$18.00 to \$28.00

4. (Increase) Section 4 Transportation Rates:
 - A. Optional Packing Charges: Increase labor charge per container eight percent (8%) rounded up to the next ten cents (\$0.10).

IT IS FURTHER ORDERED that the process adopted by the Commission be followed for 2005 on the following timeline:

The adopted affidavit will be sent out to all certificated carriers by January 14, 2005. The Affidavits are to be returned to the Commission by February 14, 2005. The Commission will then hold any hearings that are determined to be necessary in March or April of 2005.

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MADE AND ENTERED at Lincoln, Nebraska, this 2nd day of June, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Frank E. Landis

//s//Gerald L. Vap

Chairman



ATTEST:



Executive Director

COMMISSIONERS DISSENTING:

//s// Anne C. Boyle

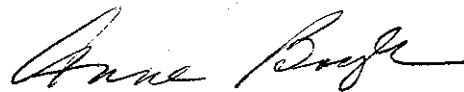
D I S S E N T

I hereby respectfully dissent from the decision

The trucking industry made requests for an increase in the tariff rate subject in this hearing that ranged from six percent to ten percent. They did not provide evidence that would identify or justify a specific increase amount other than the general six to ten percent requests.

Under those circumstances, I believe that it is incumbent that the Commission consider the side of the consumer. It is the general public that will be paying the increase in the tariff, and their needs must be taken into account.

The evidence does support an increase in the tariff. In the absence of specific evidence supporting a higher number, however, I believe that a six percent increase in the tariff would be sufficient.



Anne Boyle, Commissioner