

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: 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

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*

*Anne C. Boyle*

*Red Johnson*

//s// Gerald L. Vap

Chairman

*Gerald L. Vap*

ATTEST:

*John Burstein*

Deputy Director