

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)	ORDER GRANTING INCREASE
Uniformity in the Official)	
Intracity Household Goods)	
Tariff 22, and to develop)	
Procedures for efficiently)	ENTERED: JULY 7, 2009
Processing household goods)	
mover tariff 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 April 22, 2008, the Commission ordered that the affidavit developed by the committee be mailed, pursuant to Application No. MR-1009/PI-70, by January 23, 2009, with a return date of February 20, 2009, being set. Upon receiving the affidavits, the Commission ordered a public hearing to be held in March of April of 2008 if necessary.

After receipt of the affidavits, the Commission determined that a hearing in this matter should be held on April 7, 2009. Notice of the hearing was sent to all interested parties on March 3, 2009. A hearing was held on April 7, 2009, 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. Ed Schneider and Dudley Moving and Storage 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.

Earl vonRentzell testified before the Commission. Mr. vonRentzell stated that the federal government eliminated the national tariff and that all interstate movers are therefore responsible for their own tariff publication. He therefore will not be comparing the Nebraska intrastate tariff with the federal tariff.

Mr. vonRentzell detailed some of the issues that are presented to movers such as gasoline costs and expense exposure. He then reviewed several actual moves that his company had made over the last year to illustrate how proposed changes in the tariff will affect consumers. His presentation included costs adjustments for consumers if the Commission were to adjust the tariff by between 0.5% up to four percent.

Mr. VonRentzell reviewed cost figures and other factors that the industry faces. He noted that many of the costs that are involved in the moving industry have remained stable or have fallen since the last hearing in this matter in 2008. This is due in part to the general slowdown of the economy causing fewer moves and less pressure to increase materials costs. It is not predicted that these types of costs will increase in the next year.

The major decrease in costs is in the cost of fuel. Fuel prices are around one-half of what they were at this time last year. This has created a situation where movers have had the advantage of lower costs and therefore better operating margins.

In summary, Mr. vonRentzell requested that the Commission maintain the tariff at its current levels. While some costs have increased, other costs have decreased. When coupled with the decrease in fuel costs, the movers are in better shape than they were last year. While the costs of fuel may increase in the future, the Commission added a fuel surcharge to Tariff 22 in addition to the Tariff 7F surcharge that has been in place for some time. Mr. VonRentzell stated that the current situation is one that does not require an increase in the tariff for this year.

The one area that Mr. VonRentzell did request a change was in the Tariff 22 fuel surcharge. The current surcharge

formula can result in a surcharge that is in pennies per truck per trip. He stated that it costs more to process the surcharge than it is worth, and requested that the Commission place a floor of \$1.00 on this surcharge.

Mr. Dennis Leslie testified in support of the position that was presented by Mr. VonRentzell. He stated that he also did not believe that the tariff needed to be adjusted upward this year due to the factors cited by Mr. vonRentzell.

The Commission also received two letters from other industry members. One was from Dudley Moving and Storage, which supported the position that the tariff should remain where it is for the next year. The other letter was from Ed Schnieder of I-Go Moving and Storage. In this letter he proposed a three percent increase in the tariff.

An examination of fourteen Exhibit A affidavits show that there is no pattern of expense trends in the industry. Some movers have experienced increases in costs such as insurance such as workers comp while others have seen a decrease. Overall, it appears that additional costs increases have, in general, been modest. The one area of general experience that almost all movers saw was a substantial decrease in fuel costs, most ranging from forty to fifty percent.

The Commission is of the opinion that an increase in the tariff is not warranted at this time. Most costs incurred by the moving companies have remained the same over the past year, while the industry has experienced a dramatic decrease in the cost of fuel. The fuel surcharges should be enough to offset fuel spikes that may be experienced in the future, but no such spikes are currently being predicted.

The Commission will adjust the Tariff 22 surcharge in line with the testimony offered at the hearing. A floor of \$1.00 per trip per truck will be placed in the surcharge.

From the evidence adduced, and being fully informed in the premises, the Commission is of the opinion and finds

That Tariff 7F and Tariff 22 will remain unchanged with the exception of the Tariff 22 fuel surcharge floor of \$1.00 being set in place.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that, effective July 17, 2009, Official Household Goods Tariff Tariff 22 be, it is hereby, amended as follows:

Fuel Surcharge: 4 X (Current average diesel- \$2.00)
 Surcharge amount to be \$1.00 or more

The adopted affidavits will be sent out to all certificated carriers by January 19, 2010. The affidavits are to be returned to the Commission by February 19, 2010. The Commission will then hold any hearings that are determined to be necessary in March or April of 2010.

MADE AND ENTERED at Lincoln, Nebraska, this 7th day of July, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONER CONCURRING:

Chairman

ATTEST:

Executive Director

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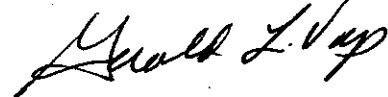
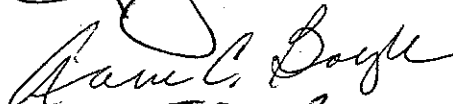
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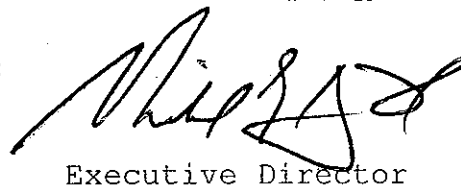
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NEBRASKA PUBLIC SERVICE COMMISSION

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//s// Frank E. Landis