

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. MR-1022/PI-216
Public Service Commission, on)
its own motion, seeking to)
investigate and establish)
reasonable rates and charges) ORDER SETTING RATES
for Household Goods Movers)
pursuant to the Official)
Household Goods Tariff 7F and)
Official Intracity Household)
Goods Tariff 22.) Entered: July 31, 2018

BY THE COMMISSION:

On May 8, 2018, the Nebraska Public Service Commission (Commission), on its own motion, initiated this investigation to investigate and establish reasonable rates and charges for Household Goods Movers and to set this matter for hearing. The Commission had previously established an annual review process to determine whether any adjustment is to be made in the household goods movers Tariffs 7F and 22.¹

Based upon discussion with the moving industry, the Transportation Department undertook a larger review of the Tariffs through this docket and Docket No. MR 1021/PI 210. This docket serves to evaluate the adjustments to line haul and hourly rates. Notice of the hearing was published in The Daily Record, Omaha, Nebraska, on May 10, 2018.

A hearing was held on May 30, 2018, in the Commission Hearing Room. Ms. Jamie Reyes and Ms. Ellie Rohr appeared on behalf of Commission staff. Mr. Steve Nogg made a statement on behalf of I-Go Moving and Storage. Mr. Dennis Leslie made a statement on behalf of Chieftain Van Lines. The May 8, 2018 Order, and the notice of hearing were entered into the record as Commission Exhibits 1 and 2. A rate comparison chart was entered into the record as a late filed exhibit, Commission Exhibit 3.

E V I D E N C E

Ms. Jamie Reyes, Director of the Motor Transportation Department, testified on behalf of Commission staff. Ms. Reyes

¹ In the Matter of the Nebraska Public Service Commission, on its own motion, initiating an investigation on range uniformity in the Official Intracity Household Goods Tariff 22, and to develop procedures for efficiently processing household goods mover tariff amendments, Opened January 1, 2003.

stated overall changes to the structure of the tariffs have been discussed in Docket No. MR 1021/PI 210. This docket was created entirely to investigate rates.² The Department anticipates both dockets will be ongoing dockets to facilitate discussions and changes to the Tariffs.³ Ms. Reyes noted there have been some questions raised by carriers regarding what they can and cannot do under the current rate structures.⁴

Beginning with the Tariff 22, Ms. Reyes discussed that no changes were made to the rates in the last year or so because the Industry wanted to have these more in depth discussions about overall changes.⁵ Ms. Reyes further stated the Department does not have a recommendation for a specific increase, and would prefer to hear from the Industry.⁶ Industry members have previously proposed eliminating the bifurcated system within the Tariff 22 in favor of one hourly rate across the state. Alternatively, Industry members have proposed maintaining the bifurcated system in favor of adding an automatic annual increase.⁷ Commissioner Landis stated his position that a structured review process is necessary, even if it did not occur annually, to ensure there would not be increases which are too large.⁸

Regarding the 7F, Ms. Reyes discussed proposals from the Industry for eliminating certain line item charges in favor of an increased hourly rate.⁹ Specifically, Industry members have discussed eliminating the Elevator/Excessive Distance Charges and Empty Mileage charges.¹⁰

Ms. Reyes also noted there have been questions about some gray areas within the tariff. Namely, Industry Members have inquired about discounted rates. Discounts are barred by statute. However, the Department would support a rate structure that created weekday vs. weekend rates.¹¹ Additionally, the Department would be hesitant to approve coupons because they

² Hrg. Transcr. (May 30, 2018) 3:8-13

³ Id. at 3:18-4:2

⁴ Id. at 4:3-6

⁵ Id. at 4:24-5:5

⁶ Id. at 5:5-9

⁷ Id. at 5:10-21

⁸ Id. at 12:4-12

⁹ Id. at 6:11-15.

¹⁰ Id. at 6:17-23

¹¹ Id. at 7:3-20

would create a discount that is likely barred.¹² However, the Department would likely approve gift cards because they do not change the actual base cost of the move. They are simply an alternative form of payment.¹³ Mr. Nogg supported this interpretation in his testimony and defined gift cards similarly.¹⁴

Mr. Steve Nogg next offered testimony. Mr. Nogg is the President of I-Go Van and Storage. Mr. Nogg recommended continuing with a bifurcated system for rural Nebraska and the metro areas because there are limited options in rural areas. The individuals living there will move themselves if costs are too high.¹⁵ Mr. Nogg further suggested getting a rate increase scheduled for the next three years.¹⁶ He reiterated the importance of having a floor on the rates to prevent individuals from operating outside the Tariffs.¹⁷ It is difficult to report those actors because customers may be unwilling to provide much detail when it is saving them money.¹⁸

Mr. Nogg proposes a 7-8% increase for the next three years.¹⁹ Commissioner Landis questioned whether this was a good idea as it operates on an assumption costs will go up rather than an evidentiary showing.²⁰ Mr. Nogg responded that his company's costs have gone up, and he provided examples at the Workshops to show how much the costs increase year to year.²¹ Mr. Nogg further added that Nebraska's rates have not kept up with Interstate rates or nearby markets.²² Commissioner Schram inquired what the average size move would be. Mr. Nogg stated it is typically 8-10,000 pounds. Commissioner Schram requested a showing of what the cost differential would be on such a move.²³

¹² *Id.* at 8:4-16

¹³ *Id.* at 8:15-20

¹⁴ *Id.* at 28:2-15

¹⁵ *Id.* 16:19-17:4

¹⁶ *Id.* at 17:12-14

¹⁷ *Id.* at 18:21-19:6

¹⁸ *Id.* at 19:11-18

¹⁹ *Id.* at 20:12-13

²⁰ *Id.* at 21:18-22:2

²¹ *Id.* at 22:3-5

²² *Id.* at 22:16-24

²³ *Id.* at 25:9-17

Mr. Dennis Leslie offered testimony on behalf of Chieftain Van Lines. Mr. Leslie testified that the bifurcated rate system was created, as Mr. Nogg had testified, to enable reasonable competition for individuals who might otherwise decide to move themselves in rural areas.²⁴ Mr. Leslie did acknowledge that a wider range could potentially accommodate both areas in one range, rather than a bifurcated system.²⁵

Department Staff created late filed exhibit three. This exhibit compared the cost of a 10,000 pound move to the cost if the rates were increased seven percent. The approximate cost increase on an Omaha to Lincoln Move would be \$206.00. On an Omaha to Scottsbluff move, the increase would be approximately \$293.00.²⁶

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

The Commission opened the above-captioned docket to investigate and establish reasonable rates and charges for Household Goods Movers within the Tariffs 7F and 22.

Based upon the testimony offered by Ms. Reyes, Mr. Nogg, and Mr. Leslie, the Commission finds that a seven percent increase to the Tariff rates is reasonable for this year only effective August 1, 2018. Within the Tariff 7F, basic line-haul charges and hourly rates for local non-domiciled moves will be increased 7%. Additionally, the Tariff 22 hourly rates illustrated in Section 3, Item 1000 will be increased by 7%:

- a. Omaha Area: 26.75-\$47.08
- b. Nebraska Outside of Omaha: \$21.40-\$42.80

The Commission further finds carriers should have the flexibility to create rates that reflect peak and non-peak times during a week. Specifically, carriers may choose to set rates for weekdays and a different rate for weekends under the Tariff 22. Tariff 22 rates must comply with the hourly rate range noted above. As previously required, carriers should report all Tariff 22 hourly rate changes to the Commission, and those rates will be effective 10 days after the Commission has received notice of the rate change. Additionally, the Commission finds

²⁴ *Id.* at 30:10-14

²⁵ *Id.* at 31:9-13

²⁶ *Exhibit No. 3.*

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that gift cards issued by carriers as a method of payment for customers are appropriate.

Testimony suggested the possibility of an automatic annual increase for a fixed number of years. However, the Commission believes additional proceedings would be necessary to evaluate the reasonableness of such a system. The Commission further anticipates additional proceedings to address whether the bifurcated rate structure between rural and urban areas should continue.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the rates within Tariff 7F and Tariff 22 shall be increased by seven percent effective August 1, 2018 as provided herein.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 31st day of July, 2018.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Cystal Knodes
Paul Jensen
Tim Schram

//s//Frank E. Landis
//s//Mary Ridder

Mary Ridder

Chair

ATTEST:

Philip R. H. P.

Executive Director