

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of the)
MICHIGAN MOVERS AND WAREHOUSEMEN'S)
ASSOCIATION for authority to revise its rate)
schedule.)
_____)

Case No. T-1315

At the September 11, 1998 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 18, 1998, the Michigan Movers and Warehousemen's Association (MMWA) filed an application for a general rate increase of 4% for Tariff M.P.S.C. MMW 4000 (Tariff 4000) with an effective date of August 3, 1998. Justification for the proposed increase was submitted at that time, along with revised tariff sheets.

On July 13, 1998, following a review of the MMWA's filings, the Commission issued a suspension order and notice of hearing in which the Commission stated that "the MMWA's submission raises concerns that the proposed rates may not be just and reasonable." July 13, 1998 order, p. 1. Accordingly, the effective date of the proposed rate increase was postponed so that the Commission could investigate whether the increase is justified. A prehearing conference was scheduled for July 31, 1998.

Prior to the prehearing conference, the parties submitted a settlement providing for a 2.5% increase, which the Commission rejected on August 5, 1998. The parties then negotiated and submitted another settlement agreement. According to the terms of the renegotiated settlement agreement, attached as Exhibit A, the parties agree that the MMWA should be authorized to increase the rates charged under Tariff 4000 by 2%. The MMWA and the Staff agree that this increase is necessary to cover increased labor and nonlabor expenses for 1998. They further agree that no net revenue enhancement will arise from approval of the settlement agreement.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1933 PA 254, as amended, MCL 475.1 et seq.; MSA 22.531 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.
- b. The settlement is reasonable and in the public interest, and should be approved.
- c. The 2% general rate increase for Tariff 4000 should become effective upon one day's notice following the date of issuance of this order.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The rates for service rendered by the Michigan Movers and Warehousemen's Association members pursuant to Tariff M.P.S.C. MMW 4000 are increased by 2%.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand

Chairman

(SEAL)

/s/ John C. Shea

Commissioner

/s/ David A. Svanda

Commissioner

By its action of September 11, 1998.

/s/ Dorothy Wideman

Its Executive Secretary

STATE OF MICHIGAN
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In the matter of:
MICHIGAN MOVERS & WAREHOUSEMEN'S ASSN./

File No. T-1315

SETTLEMENT AGREEMENT

On June 18, 1998, the Michigan Movers and Warehousemen's Association (MMWA) filed revision to Tariff MPSC MMW 4000 that incorporated a proposed 4% general rate increase, effective August 3, 1998. A statement of justification for the proposed increase was submitted at the time the tariff sheets were filed.

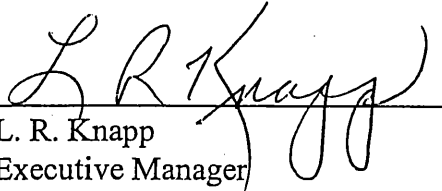
The Commission Staff (Staff) reviewed the justification and, subsequently, the MMWA and the Staff engaged in settlement negotiations, there being no other parties to the case. As a result of the negotiations, the parties agree as follows:

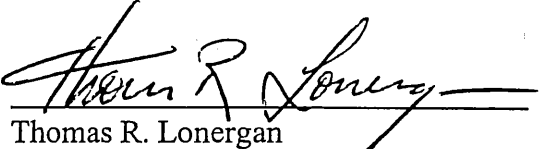
1. The MMWA should be granted 2% increase to the rates in Tariff MPSC MMW 4000 to cover increased labor and non-labor expenses for 1998.
2. The 2% increase does not include revenue enhancement for the carriers.
3. The 2% increase should become effective upon one (1) day's notice following a Commission order approving this Settlement Agreement.
4. If any part of the Settlement Agreement is not approved, the entire agreement is withdrawn and shall have no force or effect whatsoever.

5. Section 81 of the Michigan Administrative Procedures Act is hereby waived, so no Proposal for Decision by the Administrative Law Judge is needed.
6. The parties agree this Settlement Agreement resolves all issues in this case, and the Staff certifies the 2% rate increase is just and reasonable, and consistent with the public interest.
7. If the Settlement Agreement is approved without change, MMWA waives its rights to appeal the Commission's order in this case.

MICHIGAN MOVERS &
WAREHOUSEMEN'S ASSN.

MICHIGAN PUBLIC SERVICE
COMMISSION STAFF


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