

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) APPLICATION NO. TR-139
Servant Cab Company LLC, Lincoln,)
seeking authority to amend it rates.) GRANTED
)
) ENTERED: February 23, 2005

APPEARANCES:

For the Applicant:
Jack L. Shultz, Esq.
P.O. Box 82028
Lincoln, Nebraska 68501

For the Commission Staff:
Mark Breiner, Esq.
300 The Atrium, 1200 N Street
Lincoln, Nebraska 68509

BY THE COMMISSION:

On October 20, 2004, Servant Cab Company LLC (Servant or Applicant), of Lincoln, Nebraska, filed an application for authority to increase its taxi rates between points in Lincoln and a 25 mile radius thereof as follows:

<u>Description</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
First 1/12 mile	\$1.70	—
First 1/10 mile	—	\$2.40
Each additional 1/12 mile	\$0.20	—
Each additional 1/10 mile	—	\$0.25
Waiting time per minute	\$0.60	\$0.60
Out of town rate per mile	\$2.15	—
Out of town rate per mile	—	\$2.40
Surcharge for Workers Comp	\$0.20/trip	\$Deleted
Fuel Surcharge		
- Begins at (Price per gallon)	\$1.30	\$2.30
- Rate of increase	5 cent increased surcharge for every 10 cent increase in gas cost	10 cent increased surcharge for every 20 cent increase in gas cost

Applicant is a certified common carrier which holds Certificate B-1581. The Certificate authorizes the transportation of passengers by taxicab between points in Lincoln and a 25 mile radius thereof.

Notice of the application was published in *The Daily Record*, Omaha, Nebraska on November 15, 2004, pursuant to the Commission's rules. Hearing on the application was held on January 26, 2005 in the Commission Library, 300 The Atrium, 1200 N Street, Lincoln, Nebraska with appearances as shown. No protests were filed to the application

and no members of the general public appeared either in support or in opposition to the application. The application is therefore unopposed.

Kirby Young appeared on behalf of the Applicant and testified that he is the managing member of Servant Cab. Mr. Young is familiar with the financial status of the Applicant which generated a profit in 2002 of \$2,693.00 and a loss in 2003 of \$1,109.00. Year-end profitability for 2004 is expected to be comparable to prior years. The Applicant last sought a rate increase in July of 2003, at which time it sought approximately a 3.5% increase. The Applicant is seeking an increase of approximately 3.5% by virtue of this application.

The application would change the incremental charge for transportation from 1/12 of a mile under the current tariff to 1/10 of a mile under the proposed rates. There would be no change in the waiting charge. Currently, a \$0.20 per trip workers' comp surcharge is assessed on all trips. If the current application were granted, the workers' comp surcharge would be eliminated as a separate charge and rolled into the proposed rates. Currently, the fuel surcharge is triggered at the time a cost of a gallon of fuel reaches \$1.30 and at that point, there is a \$0.05 increase in the surcharge for every \$0.10 increase in gas cost. Under the proposed application, no surcharge would be triggered until the price of gasoline reached \$2.30 per gallon, at which time a \$0.10 surcharge would be assessed for every \$0.20 increase in the cost of gas over \$2.30 per gallon. The fuel surcharge that would have been assessed under the existing rates when the price of gasoline was between \$1.30 and \$2.30, would now be included in the proposed mileage rates. The proposed rates would increase the cost of Applicant's average trip from \$12.95 to \$13.40.

Servant currently operates 34 vehicles. The fleet has been upgraded substantially since its purchase, and Mr. Young attempts to upgrade at least one vehicle per month. When Mr. Young purchased the predecessor cab company's assets, it had no wheelchair accessible vehicles. Servant currently operates five wheelchair accessible vehicles.

In an effort to accommodate non-English speaking passengers, the Applicant has, through the Nebraska Department of Health and Human Services (HHS), identified a service provider in California which can provide an interpreter for up to 120 languages. HHS has utilized this service for many years. If a prospective passenger who does not speak English were to call the Applicant, and the language which the prospective passenger was speaking could be identified, the Applicant could get an interpreter on the line in a matter of seconds. The

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. TR-139

Page 3

Applicant has implemented this service in an effort to reach out to non-English speaking members of the public.

Applicant has experienced some efficiencies due to the upgrading of its vehicles. While additional investment is required to upgrade the vehicles, the efficiencies in fuel consumption and oil use are being recognized. Several vehicles have been converted to operate on diesel fuel for which the miles per gallon are greater than gasoline. Applicant has also partially self-insured in an effort to reduce its liability insurance premiums. Despite these improvements in efficiencies, Applicant does not anticipate its year-end 2004 profitability to be materially different than 2003 and 2002.

Applicant states it needs the requested rate increase in order to allow it to continue to provide a good level of service and upgrade its vehicles.

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

A hearing on the application was held by the Commission and no member of the public appeared to testify. There is no public opposition to the proposed rates. Vehicles have been upgraded and additional vehicles have been placed on the street. Wheelchair accessible vehicles are now available to the public. Applicant has not sought a rate increase since July of 2003. The proposed rate increase is reasonable and should provide the applicant with the ability to continue to provide service and upgrading of its fleet. The structure of the proposed tariff makes its application and modification in the event of fuel surcharge more efficient. The Commission is of the opinion that without the proposed increase, Applicant's taxi service to the community could suffer.

Upon consideration of the application, the evidence adduced and being fully advised in the premises, the Commission is of the opinion and finds that the application should be granted effective March 7, 2005.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that effective March 7, 2005, Servant Cab Company LLC, Lincoln, Nebraska, be, and is hereby, authorized to increase its taxi rates between points in Lincoln and a 25 mile radius thereof as follows:

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. TR-139

Page 4

<u>Description</u>	<u>Ordered Rates</u>
First 1/10 mile	\$2.40
Each additional 1/10 mile	\$0.25
Waiting time per minute	\$0.60
Out of town rate per mile	\$2.40
Fuel Surcharge	
- Begins at (Price per gallon)	\$2.30
- Rate of increase	10 cent increased surcharge for every 20 cent increase in gas cost

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of February, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Lowell Johnson
Alan C. Boyle

Chairman

Gerald L. Vap

ATTEST:

John Burdick

Deputy Director

//s// Frank E. Landis
//s// Rod Johnson
//s// Gerald L. Vap