

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) APPLICATION NO. TR-152
 Servant Cab Company LLC, Lincoln,)
 seeking authority to amend it rates.) GRANTED
)
) ENTERED: March 14, 2006

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 November 21, 2005, 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 1/10 mile	\$2.40	-
First 1/13 mile	-	\$2.00
Each additional 1/10 mile	\$0.25	-
Each additional 1/13 mile	-	\$0.20
Waiting time per minute	\$0.60	\$0.60
Out of town rate per mile	\$2.40	-
Out of town rate per mile	-	\$2.60
Fuel Surcharge		
- Begins at (Price per gallon)	\$2.30	\$2.00
- Rate of increase	10 cent increased surcharge for every 20 cent increase in gas cost	5 cent increased surcharge for every 10 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 December 29, 2005, pursuant to the Commission's rules. Hearing on the application was held on February 23, 2006 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. Mr. Young testified that the primary reason for the proposed rate increase is the rise in costs that the Applicant has experienced.

The major costs cited by Mr. Young involved increases in the Applicant's insurance premiums, repair and maintenance costs and utility expenses. According to Mr. Young, liability costs increased from \$47,400 in 2004 to \$63,273 in 2005, an increase of thirty-three percent. Unemployment insurance costs also increased despite the company's experience mod being well under the industry average. These increases in costs were industry wide and, according to Mr. Young, were not due to any specific activity or losses generated by the Applicant.

The other costs cited by Mr. Young were repair and maintenance costs and utility expenses. Repair and maintenance expenses rose over sixteen percent in 2005, despite the purchase of newer cabs by the Applicant. The newer cabs purchased by the Applicant are more expensive to repair, which contributes to the increase in costs. Utility expenses also increased eleven percent in 2005. The Applicant further represented to the Commission that the Consumer Price Index rose 3.4 percent in 2005.

The Applicant also stated to the Commission that its drivers will benefit from the proposed rate increase. The drivers are paid on a commission basis, and therefore any increase in the rates will be shared between the Applicant and its drivers.

The Applicant was last granted a rate increase in February of 2005, 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 1/10 of a mile under the current tariff to 1/13 of a mile under the proposed rates. There would be no change in the waiting charge. Currently, the fuel surcharge is triggered at the time a cost of a gallon of fuel reaches \$2.30 and at that point, there is a \$0.10 increase in the surcharge for every \$0.20 increase in gas cost. Under the proposed application, the surcharge would be triggered when the price of gasoline is at \$2.00 per gallon, at which time a \$0.05 surcharge would be assessed for every \$0.10 increase in

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the cost of gas over \$2.00 per gallon. The proposed rates would increase the cost of a five mile trip from \$14.55 to \$15.05.

Applicant states it needs the requested rate increase in order to allow it to continue to maintain its current 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. The Applicant, as well as the entire industry, has experienced major increases in costs of operations as was set forth by the Applicant in this proceeding. 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 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 24, 2006.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that effective March 24, 2006, 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:

<u>Description</u>	<u>Ordered Rates</u>
First 1/13 mile	\$2.00
Each additional 1/13 mile	\$0.20
Waiting time per minute	\$0.60
Out of town rate per mile	\$2.60
Fuel Surcharge	
- Begins at (Price per gallon)	\$2.00
- Rate of increase	5 cent increased surcharge for every 10 cent increase in gas cost

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MADE AND ENTERED at Lincoln, Nebraska, this 14th day of March,
2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Gerald Z. Up

Anne C. Boyle

Lowell C. Johnson

//s// Lowell C. Johnson

//s// Frank E. Landis

Lowell C. Johnson
Chairman

ATTEST:

A. S. Pollock
Executive Director