

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

| | | |
|-----------------------------------|---|-------------------------------|
| In the Matter of the |) | APPLICATION NO. BR-263 |
| Prescription of Reasonable |) | |
| Rates and Charges for Motor |) | GRANTED ON AN EMERGENCY BASIS |
| Carriers Passengers and |) | |
| Property for Hire Subject to |) | |
| the provisions of Neb. Rev. Stat. |) | ENTERED: MAY 23, 2001 |
| (Reissue 1996), Chapter 75, |) | |
| Articles 1 and 3. |) | |

BY THE COMMISSION:

OPINION AND FINDINGS

On May 3, 2001, Midwest Special Services, Inc., Curtis, Nebraska, filed an application for authority to amend its rates as follows:

| Description | Current Rates | Proposed Rates |
|--|---------------|----------------|
| I. From point of origin to point of delivery, per person | \$.85/mi | \$ 1.08/mi |
| II. One-way trips two miles or less per person | \$ 4.50 | \$ 4.50 |
| III. Waiting time: | | Delete |
| IV. One-way trips two (2) to ten (10) miles per person | | \$12.50 |

Emergency action is requested.

Applicant is a certificated common carrier which holds Certificate B-1351. The certificate authorizes the transportation of prisoners between points in Nebraska over irregular routes. Supp. 1: (A) Transportation of medical patients in need of supervised assistance between points in Nebraska over irregular routes; and (B) transportation of passengers and their baggage between points in Nebraska over irregular routes under continuing contracts with Nebraska Department of Health and Human Services. Supp 2: Passengers and their baggage in vans or sport utility vehicles rated at fifteen passengers or less . . . between points in Nebraska over irregular routes. Supplements 1 and 2, to its authority, carry restrictions.

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The applicant states that its current rates were approved in November 1998. Since November 1998, fuel prices have increased 60% and labor costs have increased 25%. Workers' compensation insurance has risen from \$6487 in 1998 to \$16345 in 2000. The rates for 2001 are currently being negotiated; however, an increase is expected. Since 1998, health insurance costs have increased in excess of \$3,000, and auto insurance has increased \$15285. The proposed rates eliminate the waiting time charge which would be rolled into the mileage rate. Additionally, an approximate 5% rate increase on the proposed rate above the combined current mileage and wait time rate is requested. The execution of the contract between Applicant and the Department of Health and Human Services has been delayed pending approval of the new rates proposed by this application.

In light of these circumstances, it is therefore respectfully requested that emergency rate relief be granted to the applicant at the earliest possible date. Applicant cannot continue to endure increasing costs without raising its rates. If no emergency relief is forthcoming, Applicant will be irreparably injured and cannot recapture the revenue which would be generated by the proposed rate increase.

Applicant's current rates were approved in August 1998, and affirmed in November 1998. In support of the application, its profit and loss (P&L) statements for 1998, 1999, 2000 and the first quarter of 2001 were submitted. The P&L statements shows gross income increasing 77% between 1998 and 1999 and 41.7% between 1999 and 2000 with corresponding net profits of 56% and 22.6% respectively. Between 1998 and 1999, total expenses increased 80.6%; and between 1999 and 2000, they increased 44.7%. Since 1998, Applicant has experienced cost increases of 185.3% for fuel, 71.2% for vehicle maintenance, 80.7% for auto insurance, 68.6% for health insurance, and 151.9% for worker's compensation insurance. During the same time frame, Applicant's payroll increased 240.1%. Applicant's operating ratio for 1998 was 85.2; for 1999, it was 86.9; and for 2000, it was 88.7. For the first quarter of 2001, its operating ratio was 95.5. The proposed rates are comparable to the rates on file for competing services.

Upon consideration of the application and being fully advised in the premises, the Commission is of the opinion and finds that the application should be granted on an emergency basis effective May 25, 2001.

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ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective May 25, 2001, Midwest Special Services, Inc., Curtis, Nebraska, be, and it is hereby, authorized to amend its rates as follows:

| Description | Rates |
|--|------------|
| I. From point of origin to point of delivery, per person | \$ 1.08/mi |
| II. One-way trips two miles or less per person | \$ 4.50 |
| III. Waiting time: | Delete |
| IV. One-way trips two (2) to ten (10) miles per person | \$12.50 |

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that public notice of this action be published in The Daily Record, Omaha, Nebraska pursuant to the provisions of Section 75-121, R.R.S. 1996, and the Commission's rules.

MADE AND ENTERED in Lincoln, Nebraska, this 23rd day of May, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Ann C. Boyle

Frank E. Landis
//s//Frank E. Landis

Thomas J. Suelz
Chairman

ATTESTS:

John S. Pollack
Executive Director

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