

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the	)	APPLICATION NO. BR-302
Prescription of Reasonable Rates	)	
and Charges for Motor Carriers	)	GRANTED AS AMENDED ON AN
Passengers and Property for Hire	)	EMERGENCY BASIS
subject to the Provisions of	)	
Neb. Rev. Stat. (Reissue 1996),	)	ENTERED: MARCH 22, 2005
Chapter 75, Articles 1 and 3.	)	

BY THE COMMISSION:

## OPININON AND FINDINGS

On March 8, 2005, Midwest Special Services, Inc., Curtis, Nebraska, filed an application for authority to amend its open class rates for its use as follows:

Description	Current	Proposed
I. From point-to-point of delivery, per person	\$1.08/mile	\$1.23/mile
II. One-way trips two miles or less per person	\$4.50	\$8.00
III. One way trips two to Fifteen miles per person	\$12.50	\$20.00

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. Supplement 1 authorizes (A) the 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 the Nebraska Department of Health and Human Services. Supplement 2 authorizes the transportation of passengers and their baggage in vans or sport utility vehicles rates at fifteen (15) passengers or less . . . between points in Nebraska over irregular routes. Supplements 1 and 2 to its authority carry restrictions.

According to the Applicant, the proposed rates are based on the costs of conducting business, including vehicle operating costs such as gasoline, insurance and other expenses. The rates charged by the applicant have remained in effect since May of 2001. Since that time fuel prices have approximately doubled from around \$1.10 per gallon in 2001 to the current prices of over \$2.00 per gallon as of the time of this order. The

## SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

APPLICATION NO. BR-302

PAGE TWO

insurance that the applicant pays has increased 100 percent since September 11, 2001.

The applicant has also had to expend more to recruit, hire and retain employees. Its labor costs have increased approximately fifteen percent since the granting of the last increase in 2001. The proposed rates are based upon the statutory rate that is allowed to be charged to the Nebraska Department of Health and Human Services. These rates are deemed to profitable and competitive with other carriers providing a similar service.

The applicant's profit position has deteriorated since the last granted increase in 2001. The profit margin per trip has eroded due to the increase in expenses set forth above. The overall effect of the increases in costs have been ameliorated somewhat by an increase in the total volume of trips increasing over this same time period, but the applicant states that it soon will be in a negative operating situation if the profit margin issue is not addressed.

The proposed rates represent an increase in Part I of 14%, but are in line with the change in the state reimbursement rate which has increased to \$1.215 per mile. Part II would increase 78%, and Part III would increase 60%. The applicant has stated that these increases in Parts II and III are based upon the hourly wage that it must pay to provide such services, that these trips have historically been very cost inefficient and the losses have been offset by other revenues, and the fact that these trips are becoming more numerous.

The Commission is aware of several of the factors cited by the applicant in its request for an emergency rate increase. The costs of gasoline have increased substantially in the past few weeks, and other cost increases have also been experienced throughout the industry. However, the extent of the increase would not be appropriate. The Commission is of the opinion that an increase in Parts II and III more in line with the proposed increase in Part I is justified. Part II should be raised from \$4.50 to \$5.50 (22%) and Part III from \$12.50 to \$15.00 (20%).

The rates are competitive with the rates on file for other carriers providing a similar service. The application is filed in compliance with Sections 75-308 (Rates) and 75-121 (Emergency Rate Orders) R.R.S. 2003 and the Commission rules.

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 April 1, 2005.

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

APPLICATION NO. BR-302

PAGE THREE

## ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective April 1, 2005, Midwest Special Services, Inc., Curtis, Nebraska, be, and it is hereby, authorized to establish open class rates for its use as follows:

Description	Rates	
I. From point-to-point of delivery, per person	\$1.08/mile	\$1.23/mile
II. One-way trips two miles or less per person	\$4.50	\$5.50
III. One way trips two to Fifteen miles per person	\$12.50	\$15.00

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. 2004, and the Commission's rules.

MADE AND ENTERED at Lincoln, Nebraska, this 22<sup>nd</sup> day of March, 2005.

## NEBRASKA PUBLIC SERVICE COMMISSION

### COMMISSIONERS CONCURRING:

  
//s//Rod Johnson

Chairman

//s//Frank E. Landis

//s//Gerald L. Vap

ATTEST:

  
Executive Director

### COMMISSIONERS DISSENTING:

