

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	APPLICATION NO. BR-446
Prescription of Reasonable)	
Rates and Charges for Motor)	
Carriers Passengers and)	
Property for Hire subject to)	GRANTED ON AN EMERGENCY
the Provisions of Neb. Rev.)	BASIS
Stat. (Reissue 2013), Chapter)	
75, Articles 1 and 3. (Midwest)	
Special Services, Inc.))	ENTERED: February 25, 2014

BY THE COMMISSION:

OPININON AND FINDINGS

On February 23, 2014, 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 of origin of Passenger to point Of delivery in excess of Ten miles, per person	\$1.51/mi.	\$1.66/mi.
II. In-town stops	\$7.00	\$7.50
III. One way trips, in town, 0-10 miles per person	\$21.00	\$23.10
IV. Holiday or After Hours (8 p.m. to 6 a.m.)	\$20.00	\$22.00

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

APPLICATION NO. BR-446

PAGE 2

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 changes in the rates are necessary due a significant increase in costs and operating expenses, especially insurance and recent fuel price increases. The Applicant has also experienced a significant change in operations that has resulted in a narrowing of profit margins that has impacted its services.

The major increase in costs has been in insurance. According to information supplied by the Applicant from Steve Mason, the cost of insurance has increased by 199% since 2010, from \$1,420 per vehicle to \$2,827 per vehicle in the current renewal period. Mr. Mason further stated that there will likely be another rise in insurance rates for the next renewal period. These increases have all occurred since the last rate increase granted to the Applicant in August of 2010.

The Applicant has also experienced a change in its services provided since August of 2010. The revenue that the Applicant earned during this time period was reduced when the Department of Health and Human Services used a broker for its services and simultaneously cut the reimbursement rate for providers such as the Applicant. This change, as well as the loss of some business due to the privatization of child welfare, reduced the Applicant's profit margin to around one cent per mile, according to the Applicant. This also resulted in a reduction in the Applicant's fleet of thirty percent.

The Applicant states that it has adjusted its business model to bring in additional revenue by providing more services in the secure transportation area with counties across the state as well as a contract with Juvenile Probation Services. The Applicant states that the increase is necessary to provide for additional revenue to continue operations and produce income for increasing the fleet as well as revenue to improve operations and maintenance of its vehicles.

The proposed increases are approximately ten (10) percent across the board. The proposed increases are reasonable in light of the circumstances of the Applicant's increases in costs as well as the amount of time since the last increase granted to the Applicant. The requested rates are competitive with those of other providers performing a similar service over a similar area. The changes requested by the Applicant are reasonable under the circumstances. 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.

The Commission must find that an emergency situation exists before it can grant an application on an emergency basis. The Commission finds that an emergency situation exists in this situation as the Applicant's operations may be adversely impacted if the rates are not approved on an emergency basis.

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 effective March 7, 2014.

ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective March 7, 2014, Midwest Special Services, Inc., Curtis, Nebraska, be, and it is hereby, authorized to amend its open class rates for its use as follows:

Description	Rates
I. From point of origin of Passenger to point Of delivery in excess of Ten miles, per person	\$1.66/mi.
II. In-town stops	\$7.50
III. One way trips, in town, 0-10 miles per person	\$23.10
IV. Holiday or After Hours (8 p.m. to 6 a.m.)	\$22.00

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

APPLICATION NO. BR-446

PAGE 4

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. 2013, and the Commission's rules.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of February, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Anne Boyle

Frank E. Landis
Chairman

Tim Schram

ATTEST:

Deborah A. S.

Steve Meredith
Executive Director

Heidi L. Kay

//s//Frank E. Landis