

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the	)	APPLICATION NO. TR-111
Prescription of Reasonable	)	
Rates and Charges for Motor	)	GRANTED AS AMENDED ON AN
Carriers Passengers and	)	EMERGENCY BASIS
Property for Hire Subject to	)	
the provisions of Neb. Rev. Stat.	)	
(Reissue 1996), Chapter 75,	)	ENTERED: FEBRUARY 23, 2000
Articles 1 and 3.	)	

BY THE COMMISSION:

OPINION AND FINDINGS

On February 16, 2000, Husker Cabs, Incorporated, Lincoln, Nebraska, filed an application for authority to establish a twenty cent (\$.20) per trip fuel surcharge for its use with a mechanism to increase/decrease the surcharge as the price of fuel adjusts in the market place. On February 18, 2000, its application was amended to establish a surcharge schedule as follows:

<u>Price per Gallon</u>	<u>Surcharge</u>
Under \$1.30	Zero
\$1.30-1.39	\$0.15
\$1.40-1.49	\$0.20
\$1.50-1.59	\$0.25
\$1.60-1.69	\$0.30
\$1.70-1.79	\$0.35

Emergency action is requested.

Applicant is a certificated common carrier which holds Certificate B-1273. The certificate authorizes the transportation of passengers by taxicab between points in Lincoln and vicinity over irregular routes.

In support of its application, the following statement is made:

"The cost of gasoline has risen dramatically over the past several weeks. The cost of a barrel of crude oil has now gone over the thirty dollar per barrel mark. This is more than double the price of a barrel from one year ago, and is higher than at any time since the Gulf War in 1991. The result is the cost of gasoline at the pump reaching \$1.40 per gallon or more. This is a rise of over

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18 percent in the last few weeks. Analysts are predicting that the price of crude oil, due to the concerted efforts of OPEC, will not drop until sometime after the summer demand has passed shortly after Labor Day. Therefore, the cost of gasoline, now having gone over \$1.40 per gallon, will not be expected to fall over the next few months.

"If the latest estimates turn out to be correct, the current level of prices for gasoline have not stopped rising. It is now estimated that the costs will peak at somewhere between \$1.60 and \$1.70 per gallon. Our current proposal will cover costs at the present levels, but an additional amount will be needed if these predictions actually occur.

"It has been over two years since the Applicant applied for a rate increase. While we have made every effort to hold the line on costs in order to keep our fares as low as workable, this increase in costs is more than our current rate structure can support. If the trend continues, and there is every indication that it will, gasoline prices will eventually result in a significant adverse impact on our ability to continue operations.

"We are anticipating that the additional cost of gasoline due to this sudden and significant increase in the cost of crude oil to be in excess of \$40,000. If prices, which have risen to \$1.43-1.44 per gallon, were to rise to \$1.50, this would put the additional increase in cost to around \$44,000.

In its amendment, the Applicant states:

"Husker Cabs will make every effort to control costs so that no surcharge is necessary under the \$1.30 per gallon level. After that amount the surcharge is necessary. The latest forecasts do call for gasoline to rise to as much as \$1.70 per gallon, but this number appears to be the high end estimate and should not be reached in the immediate future.

"We would request that this structure be current and continuous, with the granting of the authority allowing us to increase or decrease the surcharge according to the schedule permitted without further necessity for proceedings before the Commission.

"We are asking that this Application be granted on an emergency basis, and that we be allowed to implement the surcharge as soon as possible. The cost of gasoline has already risen, and we must be on top of this matter as best as is possible."

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Fuel prices in the last few months have escalated at an alarming rate. Prices have risen as much as eight cents (\$.08) to ten cents (\$.10) per gallon within one week with lesser increases at other times. A similar fuel surcharge was implemented in 1990 during the height of the Persian Gulf War.

Although the Applicant requested authority to increase/decrease the surcharge according to the schedule without further proceedings before the Commission, the Commission believes the fuel prices should be reviewed on a weekly basis and the surcharge adjusted accordingly. This procedure mirrors the fuel surcharge issued in Application MR-930 for the Household Goods Carriers. The Commission, therefore, will remain appraised of the changes occurring in the fuel surcharge.

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 February 24, 2000.

## ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective February 24, 2000, Husker Cabs, Incorporated, Lincoln, Nebraska, be, and it is hereby, authorized to establish a per trip fuel surcharge for its use according to the schedule outlined in the amendment to its application.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that notice of the per trip fuel surcharge be conspicuously displayed within each taxicab and all passengers notified that the fuel surcharge is in addition to the regular meter fare.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that the fuel surcharge be paid to the individual or individuals paying for the fuel.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that the fuel surcharge be reviewed weekly and adjusted according to the schedule contained in the amendment to its application.

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.

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MADE AND ENTERED in Lincoln, Nebraska, this 23rd day of  
February, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Leonard Johnson*

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

*Tim Scurb*  
Chairman

ATTESTS:

*Robert R. Logsdon*  
Executive Director