

In the Matter of the Prescription of)	APPLICATION NO. TR-127
Reasonable Rates and Charges for Motor)	
Carriers Passengers and Property for Hire)	GRANTED ON AN EMERGENCY
subject to the Provisions of Neb. Rev. Stat.)	BASIS
(Reissue 1996), Chapter 75, Articles 1 and)	
3.)	ENTERED: FEBRUARY 20, 2002

BY THE COMMISSION:

OPINION AND FINDINGS

On February 8, 2002, Husker Cabs, Inc., Lincoln, Nebraska, filed an application for authority to establish a twenty-cent (\$0.20) Worker's Compensation Insurance surcharge.

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 Applicant represents to the Commission that it was informed in January of 2002 that its workers compensation insurance premium was to be raised over 80% from \$29,455 to \$71,665. This increase was not anticipated by the Applicant when it applied for its rate increase in 2001.

For the past two years, the Applicant had been able to get said insurance from the regular insurance industry. All of the standard markets that have been available to the Applicant the past two years have informed our insurance agent that they will no longer write cab companies. This is despite the Applicant's very good exposure experience (its experience mod has remained well under 1.00 during this time). A company has stated that they would write the Applicant for insurance, but they are not currently able to do so in the state of Nebraska.

The inability to have regular industry insurance available has placed the Applicant back into the assigned risk pool. The premiums in this pool are over double what they were in 1999, and are much larger than those available to the Applicant in the regular course of insurance. This is the major factor to the large increase in the premium.

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The increase in the workers compensation insurance charge is not one that the Applicant can absorb without undue pressure on its financial position. A thirty thousand dollar increase in this expense would create financial hardships for the Applicant, and would seriously impair its abilities to continue to provide acceptable service levels that its customer base is desirous and deserving of having.

The Applicant is requesting that the surcharge be in the amount of twenty cents per trip. This amount is based on the revenue that a surcharge will produce based on 204,000 trips per year, which is close to the amount of trips that were provided in 2001, less the trips that were made in that January. This should produce a revenue of approximately \$36,000, based on the surcharge being applied in February and the balance of the year. This amount is almost exactly the amount of the insurance increase. The surcharge is also the most economical method of raising the funds necessary to offset the increase, as it is applied directly to the shortfall with no effect on the pay of the driver and the most cost effective manner for the customer.

The Applicant is requesting that this matter be granted on an emergency basis as the increase has already taken effect. To delay this matter will only negatively impact the Applicant's operations. The Applicant is willing to come before the Commission to have the surcharge removed upon the availability of regular insurance being made to it, which has been stated above to amount to a slight increase in cost which would not require a surcharge, and after the costs already incurred due to the increase have been covered."

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 22, 2002.

ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective February 22, 2002, Husker Cabs, Incorporated, Lincoln, Nebraska, be, and it is hereby, authorized to establish a twenty cent (\$0.20) per trip Worker's Compensation Insurance surcharge.

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 at Lincoln, Nebraska, this 20th day of February, 2002.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chair

ATTEST:



Acting Executive Director

//s//Anne C. Boyle
//s//Frank E. Landis

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
