

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of the Application ) APPLICATION NO. TR-170  
Of Servant Cab Company LLC, )  
Lincoln, seeking authority to ) GRANTED  
amend its rates. )  
ENTERED: MAY 19, 2009

### APPEARANCES:

For the Applicant:  
Jack L. Shultz, Esq.  
P.O. Box 82028  
Lincoln, Nebraska 68501

For the Commission Staff:  
Mark Breiner, Esq.  
300 The Atrium, 1200 N Street  
Lincoln, Nebraska 68509

### BY THE COMMISSION:

On May 21, 2008, Servant Cab Company LLC (Servant or Applicant), of Lincoln, Nebraska, filed an application for authority to increase its taxi rates between points in Lincoln and a 25 mile radius thereof as follows:

<u>Description</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
First 1/11 mile	\$2.40	\$3.40
Each additional 1/12 mile	\$0.25	\$0.25
Waiting time per minute	\$0.60	\$0.60
Out of town rate per mile	\$3.00	\$3.00
 Fuel Surcharge		
\$1.00-1.50	\$1.20	\$0.15
\$1.50-2.00	\$1.35	\$0.30
\$2.00-2.50	\$1.50	\$0.45
\$2.50-3.00	\$1.65	\$0.65
\$3.00-3.50	\$1.80	\$0.85
\$3.50-4.00	\$1.95	\$1.10
\$4.00-4.50	\$2.10	\$1.35
\$4.50-5.00	\$2.25	\$1.60

Applicant is a certified common carrier which holds Certificate B-1581. The Certificate authorizes the transportation of passengers by taxicab between points in Lincoln and a 25 mile radius thereof.

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Notice of the application was published in *The Daily Record*, Omaha, Nebraska on December 31, 2008, pursuant to the Commission's rules. Hearing on the application was held on March 31, 2009. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln, Nebraska with appearances as shown. No protests were filed to the application and no members of the general public appeared either in support or in opposition to the application. The application is therefore unopposed.

Kirby Young appeared on behalf of the Applicant and testified that he is the managing member of Servant Cab. Mr. Young is familiar with the financial status of the Applicant. Mr. Young testified that the primary reason for the proposed rate increase is the rise in costs that the Applicant has experienced.

Mr. Young testified that the Applicant wanted to change the rate structure relating to the fuel surcharge. He is wanting to increase the initial first 1/11<sup>th</sup> mile charge from \$2.40 to \$3.40, and change the surcharge as proposed above.

Mr. Young stated that this application is based upon a request from the Commission at a tearing in September of 2008. He said that the Commission requested that he evaluate his rate structure and evaluate whether an updated rate structure would be advisable in light of gasoline costs in the current marketplace. This proposal is made with that objective in mind.

Mr. Young proposes that most of the fuel surcharge would be rolled into the initial 1/11<sup>th</sup> mile base charge. The fuel surcharge would be reduced by this same amount. The proposed rate structure would be reflective of current market factors. Mr. Young represented that the proposed rate structure is revenue neutral is it only shifts the payment by the customer from the fuel surcharge to the initial charge.

Mr. Young detailed that the Applicant currently operate around 38 vehicles, with 19 of them being vans and 14 Toyota Prius. The Prius, while costing in the \$2,000 to \$25,000 range, offer economies of scale in that they get very good gas mileage (over 40 miles per gallon in the city) and are low maintenance. Theses savings result in overall cost savings to the applicant and the general public.

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Applicant states it needs the requested rate be granted by the Commission as it more accurately reflects current market factors and is revenue neutral to the general public.

## O P I N I O N      A N D      F I N D I N G S

A hearing on the application was held by the Commission and no member of the public appeared to testify. There is no public opposition to the proposed rates. The Applicant, as well as the entire country, has experienced wide swings in the price of gasoline. Gasoline soared to an amount in excess of \$4.00 per gallon during the summer of 2008, and fell to as low as \$1.80 per gallon in the past few months.

Gasoline surcharges were approved by the Commission as the most economical response to these types of market fluctuations. It allows for a company such as the Applicant to recoup for increase spikes such as last summer, while adjusting downward when the spike recedes therefore keeping the general public with efficient and cost effective transportation during these swings. In the current market, the Commission does not feel that a significant fuel surcharge is warranted for gasoline costs that range down into the \$1.00 per gallon price range. These costs should become part of the ongoing operating costs of a company such as the Applicant.

This proposal places those costs properly into the ongoing operating revenues of the Applicant. The Commission finds that the proposed rate adjustment is fair and reasonable, and should be granted.

Upon consideration of the application, the evidence adduced and being fully advised in the premises, the Commission is of the opinion and finds that the application should be granted effective June 2, 2009.

## O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that effective June 2, 2009, Servant Cab Company LLC, Lincoln, Nebraska, be, and is hereby, authorized to increase its taxi rates between points in Lincoln and a 25 mile radius thereof as follows:

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<u>Description</u>	<u>Ordered Rates</u>
First 1/11 mile	\$3.40
Each additional 1/11 mile	\$0.25
Each additional 1/12 mile	\$0.25
Waiting time per minute	\$0.60
Out of town per mile	\$3.00
Fuel Surcharge	
\$1.00-1.50	\$0.15
\$1.50-2.00	\$0.30
\$2.00-2.50	\$0.45
\$3.00-3.50	\$0.85
\$3.50-4.00	\$1.10
\$4.00-4.50	\$1.35
\$4.50-5.00	\$1.60

MADE AND ENTERED at Lincoln, Nebraska, this 19th day of May, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Donald F. Day*

*Bob Johnson*

*Bruce C. Doyle*

*Tim Schrom*

//s// Frank E. Landis

*Alan J. Smith*  
Chairman

ATTEST:

*Michael J. Smith*

Executive Director