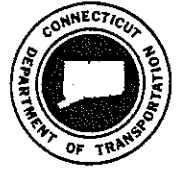


*File*  
**STATE OF CONNECTICUT**  
DEPARTMENT OF TRANSPORTATION



2800 BERLIN TURNPIKE, P.O. BOX 317546  
NEWINGTON, CONNECTICUT 06131-7546

Phone:

(860) 594-2875

DOCKET NUMBER 0804-R-78-T

RE: PETITION TO INSTITUTE A REVISED TAXICAB FUEL SURCHARGE.

Final Decision

July 21, 2008

I. INTRODUCTION

A. PETITIONER'S PROPOSAL

A petition was filed by the Regulatory and Compliance Unit of the Department of Transportation pursuant to Connecticut General Statutes Section 13b-18(b), seeking to revise the taxicab fuel surcharge instituted in Docket Number 0804-R-78-T on September 21, 2004.

B. HEARING HELD

Pursuant to Section 13b-18 of the Connecticut General Statutes as amended and Sections 4-177 through 4-182 of the Connecticut General Statutes, inclusive, this petition was assigned for public hearing which was held at the administrative offices of the Department of Transportation in Newington, Connecticut on June 26, 2008.

Notice of the petition and the hearing to be held thereon was given to the petitioners and to such other parties as deemed necessary by the Department. Legal notice to the public was provided by publication in major newspapers having a circulation in the State of Connecticut.

C. APPEARANCES

1. Marco Henry and Sean Lachapelle appeared pro se on behalf of Certificate 1, The Yellow Cab Company and Certificate 1100, Metro Taxi, Inc. d.b.a. Yellow Cab. Mr. Henry filed a proposal with the Department and was granted intervenor status in this matter. The mailing address for these two companies is 86 Granby Street, Bloomfield, 06002.

2. Charles Curtain filed a written proposal in this matter and was granted intervenor status and appeared pro se on behalf of Certificate 68, Yellow Cab of New London & Groton, located at 176 Cross Road, Waterford, CT 06385.

3. Mathew Mckeever filed a written request was granted intervenor status and appeared pro se on behalf of Certificate 644, Norwich Taxi, Inc. located at 192 Route 32, Franklin, Connecticut 06254.

4. From the Department of Transportation, Kenneth Gambardella, Supervising Adjudicator appeared on a witness in this matter. Sheldon Lubin, Utilities Examiner 2, acted as a member of staff.

In addition to the companies listed above, the following companies offered written comments and/or testimony at the public hearing held on June 26, 2008:

1. Certificate Holder 86-Transportation General dba Metro Taxi, PO Box 26094, W. Haven, CT.

2. Certificate Holder 1066-Ace Taxi Service, Inc., PO Box 411, Vernon, CT.

3. Certificate Holder 1097-Executive 2000 Taxi Co., 11D Alcap Ridge, Cromwell, CT.
4. Certificate Holder 240-Michael Wolkovitz d.b.a Checker Cab, New Haven, CT.
5. Certificate Holder 225-Casino Cab Co, Inc. d.b.a. Yellow Cab Co., Bridgeport, CT.
6. Certificate Holder 93-Greenwich Taxi, Greenwich, CT.
7. Certificate Holder 644-Norwich Taxi, Inc., Norwich, CT.

## II. FINDINGS OF FACT

1. The Regulatory and Compliance Unit's proposal is to revise the current gas fuel surcharge issued in 2004 in Docket Number 0406-R-01-T, since the price of gas has exceeded \$2.76 per gallon, the highest amount contemplated in that decision.
2. The general consensus among operators is not to add the fuel surcharge to the meter drop but instead to add it to the travel mileage. Implementing the gas surcharge on the travel distance instead of the drop will more accurately place the burden of the increased cost of gas on those individuals taking the longest trips.
3. Taxicabs utilize a median of sixteen miles per gallon of gasoline.
4. The rise in gas prices is causing a hardship on the taxicab drivers who must pay for their fuel.
5. The Department will monitor the average price of gas reported in the State. The AAA Daily Fuel Gauge Report is a good basis for monitoring all gasoline price changes.
6. The fuel price recorded on the first business day in January, April, July and October will be the rate utilized to determine the fuel surcharge for the next quarter as determined by the AAA Daily Fuel Gauge Report.
7. The taxicab fuel surcharge is a temporary adjustment that will rise and fall with the price of fuel.
8. Applying the taxicab fuel surcharge is optional for taxicab companies. However, if a taxicab company chooses to participate in the fuel surcharge, it must participate to the fullest extent of the surcharge. No partial fuel surcharges may be charged.
9. The average daily use of gasoline in a taxicab is 14 gallons per day.
10. The fuel price on June 26, 2008 was \$4.37 a gallon.

### III. DEPARTMENT ANALYSIS

The Department held this hearing under Connecticut General Statute Section 13b-18 which states in relevant part "The commissioner may hold investigations inquiries, and hearings concerning all matters under the jurisdiction of the Department."

Pursuant to Connecticut General Statute Section 13b-97 the Department has jurisdiction over each person, association, limited liability company or corporation owning or operating a taxicab in accordance with Connecticut General Statutes Section 13b-96(a), as amended. In addition, the Connecticut Department of Transportation is authorized to prescribe adequate service and reasonable rates and charges with respect to fares, service, operations and equipment as it deems necessary.

The Regulatory and Compliance Unit of the Department of Transportation has brought this petition to revise the taxicab gas surcharge. The Department wants to have a gas fuel surcharge added to the existing incremental mileage rate instead of on the drop rate. In this way, the fuel surcharge will be more evenly applied to passengers taking the longest taxicab trips.

Taxicab companies in Connecticut testified that the increase in gasoline prices has created a hardship on the taxicab drivers to a point where they are suffering a loss in profit. Some of the taxicab companies wanted to reduce the taxicab drop rate or number of travel increments to mislead patrons into believing that they are not paying as high a fare as they really are. While the Department understands there may be some rider resistance to the increased rate due to the fuel surcharge, this is not an acceptable practice.

The average price of self service regular unleaded gas was \$4.37 on June 26, 2008 and \$2.06 on June 2, 2004. Over a two year period, the cost of gasoline has risen by \$2.30 per gallon. As a result of these rising fuel prices, the Department acknowledges that there is a need to revise the gas surcharge implemented in September 21, 2004 which ended when gas reached \$2.76 a gallon.

The taxicab rates that are currently being utilized already include a \$1.00 on the meter drop as the result of fuel prices reaching \$2.76 a gallon, which has been approved by the Department. The rates the taxicab companies are charging will be kept the same, with the only difference being the new fuel surcharge that will be added to the existing travel distance to reflect the current and future fuel prices.

Based on the evidence presented by the Department and the participating taxicab companies, the fuel surcharge will be implemented by adding it to the travel distance increments thereby spreading the cost of fuel to the passengers taking the longest trips. Putting the fuel surcharge on the drop would result in a disproportionate number of passengers taking short trips receiving an unfair fuel surcharge burden.

The fuel rates will be analyzed quarterly with rates to be implemented fifteen days from the analysis date which will occur on the first business day of each quarter in January, April, July and October. If the fifteen mile surcharge deviates 5% or more in either direction, the Department will change the gas surcharge and notify operators of the change. The amount of the fuel surcharge to be implemented on the travel distance will be according to the attached chart which takes into account the miles traveled without passengers which most taxicab companies estimate to be half of all of the miles traveled.

The current price of gasoline is \$4.37 a gallon. Utilizing the chart below, the gas fuel surcharge that is implemented for the next quarter, July 2, 2008 through September 30, 2008, will be \$.02 added to each travel distance increment. Since the price of gasoline is over \$4.25 but under \$4.50 the chart below allows the addition of \$.02 for each fraction of travel distance whether it is 1/8th, 1/9th or 1/10th.

The gasoline fuel surcharge will next be analyzed on October 1, 2008. If the fifteen mile surcharge raises or lowers 5% or more from the last adjustment, a new adjustment will be made. The next adjustment will be made on the exact price of gasoline. Gasoline does not have to reach the next highest chart entry for a fuel surcharge to take effect. If the meter waiting time is not automatically adjusted on the meter as a result of the fuel surcharge being added, an adjustment will need to be made manually by the taxicab company so that the amount of money charged for waiting time is the same as the current approved rate.

Since this decision does not take into account any fuel surcharge on the fifteen mile tariff or change to the shared ride rates, taxicab companies wishing to change their metered rate, shared ride rates or fifteen mile tariffs should forward a written request to the Department.

#### IV. CONCLUSION AND ORDER

Therefore, based on the above, and pursuant to the authority granted under Section 13b-96 of the Connecticut General Statutes, the Department hereby orders the following:

A taxicab fuel surcharge SHALL be applied to all METERED service by all participating taxicab certificate holders pursuant to the following scale:

Price of Gasoline	Average Miles per Gallon (mpg)	Cost of Gas per Mile	Former Surcharge (0406-R.1.T)	Former Surcharge per Mile	Current Additional Fuel Surcharge per Mile (Excluding Dead Miles)	Current Additional Fuel Surcharge per Mile (Including Dead Miles)	Surcharge per 1/8 Mile	Surcharge per 1/9 Mile	Surcharge per 1/10 Mile
\$ 3.00	16	\$ 0.19	\$ 2.76	\$ 0.17	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.00	\$ 0.00

3.25	16	0.20	2.76	0.17	0.03	0.06	0.01	0.01	0.01
3.50	16	0.22	2.76	0.17	0.05	0.09	0.01	0.01	0.01
3.75	16	0.23	2.76	0.17	0.06	0.12	0.02	0.01	0.01
4.00	16	0.25	2.76	0.17	0.08	0.16	0.02	0.02	0.02
4.25	16	0.27	2.76	0.17	0.09	0.19	0.02	0.02	0.02
4.50	16	0.28	2.76	0.17	0.11	0.22	0.03	0.02	0.02
4.75	16	0.30	2.76	0.17	0.12	0.25	0.03	0.03	0.02
5.00	16	0.31	2.76	0.17	0.14	0.28	0.04	0.03	0.03
5.25	16	0.33	2.76	0.17	0.16	0.31	0.04	0.03	0.03
5.50	16	0.34	2.76	0.17	0.17	0.34	0.04	0.04	0.03
5.75	16	0.36	2.76	0.17	0.19	0.37	0.05	0.04	0.04
6.00	16	0.38	2.76	0.17	0.20	0.41	0.05	0.05	0.04
6.25	16	0.39	2.76	0.17	0.22	0.44	0.05	0.05	0.04
6.50	16	0.41	2.76	0.17	0.23	0.47	0.06	0.05	0.05
6.75	16	0.42	2.76	0.17	0.25	0.50	0.06	0.06	0.05
7.00	16	0.44	2.76	0.17	0.27	0.53	0.07	0.06	0.05
7.25	16	0.45	2.76	0.17	0.28	0.56	0.07	0.06	0.06
7.50	16	0.47	2.76	0.17	0.30	0.59	0.07	0.07	0.06
7.75	16	0.48	2.76	0.17	0.31	0.62	0.08	0.07	0.06
8.00	16	0.50	2.76	0.17	0.33	0.66	0.08	0.07	0.07
8.25	16	0.52	2.76	0.17	0.34	0.69	0.09	0.08	0.07
8.50	16	0.53	2.76	0.17	0.36	0.72	0.09	0.08	0.07
8.75	16	0.55	2.76	0.17	0.37	0.75	0.09	0.08	0.07
9.00	16	0.56	2.76	0.17	0.39	0.78	0.10	0.09	0.08
9.25	16	0.58	2.76	0.17	0.41	0.81	0.10	0.09	0.08
9.50	16	0.59	2.76	0.17	0.42	0.84	0.11	0.09	0.08
9.75	16	0.61	2.76	0.17	0.44	0.87	0.11	0.10	0.09
\$ 10.00	16	\$ 0.63	\$ 2.76	\$ 0.17	\$ 0.45	\$ 0.91	\$ 0.11	\$ 0.10	\$ 0.09

1. The chart calculates the fuel surcharge for prices of gasoline from \$3.00 to \$10.00 per gallon at twenty-five cent intervals. The chart has been adjusted to include only the excess of the seventeen cents per mile for fuel. The chart is only a guideline. Fuel surcharge adjustments do not have to wait until gas reaches the next highest chart entry as long as a 5% change occurs in the fifteen mile surcharge.

2. The current price of gasoline is \$4.37 a gallon. Utilizing the above chart, the gas fuel surcharge that is implemented for the next quarter, July 2, 2008 through September 30, 2008 will be \$.20 added to each travel distance increment. The gasoline fuel surcharge will next be analyzed on October 1, 2008. During this adjustment and all subsequent adjustments, the exact price of gasoline will be used.

3. Participation in the gas fuel surcharge is optional, but if a taxicab company chooses to participate in the surcharge, it must participate fully and apply the surcharge as listed above.

4. There is no longer a gasoline fuel surcharge on the over fifteen mile tariff or waiting time which is not affected by this decision. Each carrier can change its over fifteen mile tariff by filing a new request with the Department.

5. A one-time notice to the public of the above-stated "scale of taxi fuel surcharges" shall be published, by any participating taxicab certificate holder in a newspaper having circulation in that certificate holder's area of concern not less than five (5) days prior to the implementation of the initial fuel surcharge.

6. This order supersedes the decision and order in Docket Number 0406-R-01-T issued on September 21, 2004.

7. Notice of the application of any specific fuel surcharge authorized by the Department SHALL be posted in the form prescribed below in each taxicab in clear view of passengers.

---

#### **TAXI FUEL SURCHARGES PER DOCKET NUMBER 0804-R-78-T**

##### METERED SERVICE

A FUEL SURCHARGE OF \$1.00 ON THE DROP AND \_\_\_\_\_ CENTS PER MILE IS INCLUDED IN THE METERED RATE.

---

8 This scale of taxi fuel surcharges shall become effective as of August 10, 2008 at 12:01 AM.

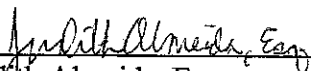
9. The Department will survey fuel prices each quarter, or more frequently if prices change dramatically, and will issue written notices to the operators of changes in the surcharge rate. When the fifteen mile surcharge is either 5% higher or 5% lower than the previous quarter's rate, the Department will issue a notice for operators to adjust their meters accordingly.

10. On the first business day of each quarter, the Department will adopt the AAA CT Daily Fuel Gauge Report and use this price to analyze whether a change in the fuel surcharge should be made for that next quarter. The dates used for analysis for each quarter shall be the first business day in January, April, July and October. The fuel surcharge will be implemented fifteen days from the date of the analysis.

11. If gasoline prices should ever drop below \$2.76, the fuel surcharge decision in Docket Number 0406-R-01-T will apply.

Dated at Newington, Connecticut this 21st day of July 2008.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

  
\_\_\_\_\_  
Judith Almeida, Esq.  
Staff Attorney III  
Administrative Law Unit  
Bureau of Finance and Administration