

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24R-0448TR

IN THE MATTER OF PROPOSED AMENDMENTS TO THE COMMISSION'S RULES REGULATING MAXIMUM RATES FOR LARGE-MARKET TAXICAB SERVICE, 4 CODE OF COLORADO REGULATIONS 723-6.

**RECOMMENDED DECISION DECLINING
TO AMEND RULES AND CLOSING PROCEEDING**

Issued Date: March 21, 2025

I. STATEMENT AND SUMMARY

1. This Decision declines to adopt amendments to the Commission's Rules Regulating Transportation by Motor Vehicle, 4 *Code of Colorado Regulations* ("CCR") 723-6, and closes this Proceeding.

II. PROCEDURAL HISTORY AND BACKGROUND

A. Procedural History¹

2. On October 22, 2024, the Colorado Public Utilities Commission ("Commission") initiated this matter by issuing a Notice of Proposed Rulemaking ("NOPR") to amend Rule 6804, 4 CCR 723-6.²

3. The NOPR includes the proposed Rules as Attachments A and B thereto; schedules a remote public comment hearing for January 7, 2025, at 11:00 a.m.; identifies specific items for public comment; establishes a December 6, 2024 deadline for initial comments on such items and

¹ Only the procedural history necessary to understand this Decision is included.

² Decision No. C24-0753 (issued October 22, 2024) ("NOPR").

a December 27, 2024 deadline to respond to comments; and refers the matter to an Administrative Law Judge (“ALJ”) for disposition.³

4. On December 4, 2024, by Decision No. R24-0889-I, the ALJ provided additional information relating to the scheduled public comment hearing and other avenues to provide public comment in this Proceeding.⁴

5. On January 7, 2025, the ALJ held the remote public comment hearing as noticed.⁵ Members of the public appeared and provided comments during the hearing.⁶

6. No public comments were submitted before the January 7, 2025 hearing.

7. On January 13, 2025, based on comments provided during the hearing, the ALJ established a January 28, 2025 deadline by which members of the public may submit additional written comment on the proposed Rules.

8. Several members of the public filed comments on January 28, 2025.

B. Background

9. As explained in the NOPR, the Commission opened this Proceeding to review, examine, and consider increasing the maximum rates in Rule 6804, 4 CCR 723-6, that can be charged for taxicab service within the ten most populous counties in Colorado, including Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, and Weld.⁷ The Commission noted that justification for an increase to the maximum rates may include higher levels of inflation and cost of living increases seen in recent years.⁸

³ *Id.* at 4-6.

⁴ Decision No. R24-0889-I (issued December 4, 2024).

⁵ *See* Decision No. R25-0023-I at 2 (issued January 13, 2025).

⁶ *Id.* at 2-3.

⁷ *See* NOPR at 1-2.

⁸ *Id.* at 3.

10. The Commission decided to consider such increases based on a recent petition seeking a waiver or variance in Proceeding No. 24V-0315CP.⁹ That case involved a Petition that Pikes Peak Cab LLC, doing business as Pikes Peak Transport (“Pikes Peak”) filed to obtain a waiver of Rule 6804 so that it may charge additional or higher fees or rates.¹⁰ Rather than granting the Petition, the Commission found that the issues surrounding maximum rates in Rule 6804 are better addressed through a rulemaking proceeding that would be opened contemporaneously.¹¹

11. The existing maximum rates under Rule 6804 went into effect on August 14, 2019, and were initially established via temporary Rules on October 29, 2018.¹²

III. FINDINGS AND CONCLUSIONS

A. Proposed Changes to Rule 6804

12. Proposed Rule 6804(a) seeks to amend the maximum chargeable rates as follows:

- Increase the flag-drop rate from \$3.50 to \$4.40.
- Increase the per-mile rate from \$2.80 to \$3.52.
- Increase the traffic delay rate from \$0.40 to \$0.50.
- Increase the rate for waiting time per minute after five minutes from \$0.50 to \$0.63.
- Increase the additional passenger fee from \$1.00 to \$1.26.
- Increase the baggage fee after three bags from \$1.00 to \$1.26.¹³

⁹ *Id.*

¹⁰ *See* Decision No. C24-0744 at 1-2 (issued October 16, 2024) in Proceeding No. 24V-0315CP (“Decision No. C24-0744”).

¹¹ *Id.* at 3-4.

¹² NOPR at 2-3, citing Decision No. C18-0963 (issued October 29, 2018) in Proceeding No. 18R-0749TR and Decision No. R19-0417 (issued May 14, 2019) in Proceeding No. 18R-0915TR.

¹³ *See* Attachment A to NOPR.

B. Public Comments

13. During the January 7, 2025 public comment hearing, representatives for All Cities Taxi and Union Taxi offered public comment.¹⁴ Union Taxi also filed written comment on January 28, 2025.¹⁵

14. All Cities Taxi and Union Taxi strongly object to the proposed Rule changes.¹⁶ They generally noted that increasing maximum rates will negatively impact their companies' ability to compete with non-taxicab transportation providers.¹⁷

15. All Cities Taxi explained that the remaining taxicab companies work together to discuss how to best serve the metro area, and that many other taxicab companies also oppose the proposed increases.¹⁸ Union Taxi echoed this comment, and added that customers already complain that the current maximum per mile rate (\$2.80) is too high, and that pushing it up to \$3.52 as proposed will create even more problems with Union Taxi's ability to compete.¹⁹

16. Union Taxi noted that it is the largest taxi company in Denver at this time, and that raising the per mile rate as proposed will "kill" the taxi business, which has already shrunk dramatically from year to year.²⁰ Union Taxi submits that maintaining the current rates is in the public's best interests, and is essential to sustain taxi services in this highly competitive market.²¹ Union Taxi explained that if the rates change as proposed, it will be increasingly difficult to

¹⁴ See Decision No. R25-0023-I at 2-3.

¹⁵ See Union Taxi's Comments filed January 28, 2025 ("Union Taxi's 1/28/25 Comments").

¹⁶ See Decision No. R25-0023-I at 2.

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See *id.* at 3.

²⁰ See *id.*

²¹ Union Taxi's Comments filed January 28, 2025 ("Union Taxi's 1/28/25 Comments").

compete with rideshare services like Uber and Lyft, and that the proposed higher rates will force taxicab companies out of business.²²

17. Union Taxi explained that many of its customers do not have smartphones, so they cannot use Uber or Lyft.²³ Union Taxi is concerned that increasing rates may significantly impact these customers' access to essential transportation services.²⁴ Union Taxi also noted that taxicab rates do not change with high demand or severe weather conditions, which benefits low income customers who depend on taxicab service.²⁵

18. Union Taxi recently participated in discussions with leaders from several taxi companies and there was a "strong consensus" to maintain the current rates.²⁶

19. Union Taxi and All Cities Taxi questioned why the Commission initiated this Rulemaking, noting that none of the taxicab companies they spoke with requested the changes. They suggested that other rule changes would better support the taxicab business, such as reducing the required insurance limits, which results in very expensive insurance.²⁷

20. Pikes Peak supports the proposed Rule, explaining that the current maximum rates have remained stagnant for the last six years while the cost of everything else has increased.²⁸ For example, Pikes Peak states that costs for the following have increased and continue to increase: gasoline, vehicles, vehicle maintenance and parts, interest rates, insurance, advertising, marketing, rental rates, food, energy and water.²⁹ Pikes Peak argues that the current circumstances are similar

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ Union Taxi's 1/28/25 Comments. *See* Decision No. R25-0023-I at 3.

²⁸ Pikes Peak's Comments filed January 28, 2025 at 1-2 ("Pikes Peak's 1/28/25 Comments").

²⁹ *Id.* at 2.

to situations in the past where the Commission authorized fuel surcharges when gasoline prices escalated rapidly.³⁰

21. WHC Colorado Springs, WHC Fort Collins and WHC Denver, also known as zTrip (“zTrip”) commented that as a transportation provider, it is committed to providing safe, reliable and efficient transportation options, and that it is essential that any rate changes consider their potential impact on operational sustainability, affordability for end users, and accessibility of services across all demographics.³¹ zTrip urges the Commission to carefully weigh these broader implications and ensure that rate changes align with long-term fiscal accountability required to sustain high-quality transportation services while remaining fair and equitable for providers and customers alike.³²

C. Findings and Conclusions

22. Despite numerous opportunities to submit public comments supporting the proposed Rule,³³ only one taxicab company submitted comments supporting the proposed Rule.³⁴ When considering that the proposed Rule would result in taxicab companies receiving more compensation for their services, the lack of support from other taxicab companies is notable. And while Pikes Peak raises valid concerns that costs have increased, making a rule change that will impact an entire industry requires a broader assessment as to how the change will impact the industry and the public.

³⁰ *Id.*, citing Decision Nos. C90-1617, C91-64, C00-743, C00-744, C001079, C00-1080, C04-0608, C04-0975, C04-0976, C07-1027, and C08-0666. Pikes Peak did not identify the proceeding numbers in which these Decisions were issued. *Id.* Pikes Peak provided exhibits with its comments relating to average gasoline prices, vehicle repair costs (and estimates), rental and real estate market pricing and trends, the cost of living in Colorado Springs, inflation estimates, average vehicle prices, interest rates for vehicle loans, produce prices for milk and eggs, mortgage rates, minimum wage, and a cost of living index for Colorado school districts. *Id.* at 2-27.

³¹ zTrip’s Comments filed January 28, 2025 (“zTrip’s 1/28/25 Comments”).

³² *Id.*

³³ NOPR at 5-6 (setting two deadlines to file written comments and a hearing at which comments would be received) and Decision No. R25-0023-I at 5 (extending the deadline to file public comments to January 28, 2025).

³⁴ *See* Pikes Peak’s 1/28/25 Comments.

23. Comments indicate that the taxicab business in the relevant area has already shrunk dramatically from year to year, due at least in part, to significant competition introduced by rideshare companies like Uber and Lyft. Comments express concern that higher rates may exasperate this and may negatively impact taxicab companies' ability to compete, and ultimately, their ability to stay in business. This would negatively impact the public interest, especially for those members of the public who rely on taxicab service because they do not have smartphones to access Uber or Lyft, or those with low incomes who cannot afford the sometimes significantly increased rates that Uber and Lyft charge during periods with high demand or weather impacts.

24. For the reasons discussed, and based on the record in this Proceeding, the ALJ is persuaded that increasing the maximum rates as proposed may not serve the public interest given the potential negative impact this may have on taxicab companies' sustainability, and the many customers that heavily rely on taxicab service. The record in this Proceeding establishes that the broader implications associated with higher rates advise in favor of maintaining maximum rates at their current levels. As a result, the ALJ closes this Proceeding without adopting changes to Rule 6804, 4 CCR 723-6.

25. For the reasons discussed, the ALJ does not consider changes to the Commission's Rules setting minimum insurance requirements (Rule 6008, 4 CCR 723-6). Changes to Rule 6008 are outside the scope of the NOPR because the NOPR does not provide notice that the Commission may modify Rule 6008, and modifications to Rule 6008 are not consistent with the NOPR's subject-matter.³⁵ The Commission may wish to consider opening a miscellaneous docket to receive feedback from the public as to whether it should open a rulemaking proceeding to consider changes to these requirements.

³⁵ See § 24-4-103(3)(a) and (c), C.R.S.

26. Being fully advised in this matter and consistent with the above discussion, in accordance with § 40-6-109, C.R.S., the ALJ now transmits to the Commission the record in this proceeding along with this written Recommended Decision.

IV. ORDER

A. The Commission Orders That:

1. Proceeding No. 24R-0448TR is closed.
2. This Recommended Decision will be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.
3. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision will be served upon the parties, who may file exceptions to it.
4. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the Recommended Decision is stayed by the Commission upon its own motion, the Recommended Decision will become the Decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.
5. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the Administrative Law Judge, and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

6. If exceptions to this Decision are filed, they may not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MELODY MIRBABA

Administrative Law Judge

ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Rebecca E. White'.

Rebecca E. White,
Director