

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) APPLICATION NO. BR-367
Prescription of Reasonable Rates)
and Charges for Motor Carriers) GRANTED IN PART AND DENIED
Passengers and Property for Hire) IN PART ON AN EMERGENCY
subject to the Provisions of) BASIS
Neb. Rev. Stat. (Reissue 2003),)
Chapter 75, Articles 1 and 3.) ENTERED: JUNE 29, 2010

BY THE COMMISSION:

OPININON AND FINDINGS

On June 17, 2010, OMALiNK, Inc., Lincoln, Nebraska, filed an application for authority to amend its existing rates for its use as follows:

Description	Current	Proposed
Part 1:		
Standard Rates:		
One Way Trip	\$44.95	\$49.95
Round Trip	\$74.95	\$79.95

Notes applicable to Standard/Commuter Rates:

Rates will also apply on trips originating and/or terminating at authorized intermediate locations, the same as if the trip was between Lincoln and Omaha.

Round trip rate applies only when round trip service is requested and paid at time reservation is made.

Pickups and drop-offs in Lincoln will be made other than at regular stop locations for an additional charge of \$10.00/\$14.95 round trip.

One companion may accompany a full rate passenger on the same itinerary for one-way/round trip charges of (current \$24.95/\$34.95) (proposed \$29.95/\$44.95).

Rates are subject to a \$5.00 discount for senior citizens (age 65 or older), military members and airline industry employees.

Promotional coupons in \$5 increments may be offered to the general public in the form of newspaper and/or other printed media coupons.

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Part II. Open Class Service.

<u>Description</u>	<u>Current/Proposed</u>
Open Class Rates:	
(A) Zone Rates:	
Within Zone 1, and per zone for	
Each additional zone entered	\$9.95/\$14.95
(B) Airport Rates:	
Between Lincoln Municipal Airport Terminal	
and points within the City of Lincoln	\$24.95/\$24.95
Round Trip	-0-/\$39.95
(C) Charter Rates:	
Within Open Class territory	-0-/\$449.95
(D) Hourly Rates:	\$69.95/\$74.95

All Open Class Service not included in
(A), (B) or (C)

Notes applicable to Open Class Service:

1. Open Class Rates (other than Hourly Rates) apply on trips with one origin and one destination. In the event of a stop at an intermediate location due to passenger request, one trip charge will apply for the trip from point of origin to intermediate location, and another trip charge will apply from intermediate location to destination or to the next intermediate location, as the case may be.

2. Zones are as follows:

Zone 1. All location within a one mile radius from point of pickup.

Zone 2. All locations beyond a one mile radius and within a three mile radius from point of pickup.

Zone 3. All location beyond a three mile radius and within a five mile radius from point from pickup.

Zone 4. All locations beyond a five mile radius and within a seven mile radius of point from pickup.

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Zone 5. All locations beyond a seven mile radius and within a nine mile radius from point of pickup.

Zone 6. All locations beyond a nine mile radius from point of pickup.

3. Zone rates are applicable only to trips where both the origin and the destination are located within the city limits of Lincoln.

4. Open Class Rates (other than Charter or Hourly Rates) are stated "per passenger", and do not include exclusive use of the vehicle.

5. Charter Rates are per vehicle per day (12:01 a.m. to Midnight), and include exclusive use of the vehicle.

6. For Hourly Rates, time begins when vehicle is dispatched and ends when vehicle returns to point of dispatch.

Emergency action is requested.

Applicant is a certificated common carrier which holds Certificate B-1628. The certificate authorizes the transportation of passengers and their baggage over regular routes between Lincoln and Omaha over Interstate Highway I-80 serving facilities immediately adjacent to all intermediate exits as intermediate points. RESTRICTIONS: (1) Service from Lincoln Municipal Airport Terminal to Eppley Air Field in Omaha is not authorized; (2) Service from Lincoln under contract with any airline is not authorized; and (3) point to point service wholly within Lincoln is not authorized.

The Applicant has submitted in its application a request to raise its rates in Part I of the application seven percent on round trips and eleven percent on one-way trips. It is also requesting that the additional companion charge be increased approximately twenty percent.

In Part II of the proposed rates, the Applicant is requesting a fifty percent raise in the Zone Rate charges and the installation of a round trip charge between the Lincoln Municipal Airport and points within Lincoln of \$39.95. The Applicant also is requesting that a Charter Rate be permitted within its territory of \$449.95 for an all day charter, and an increase in its hourly charge of seven percent.

In support of its application, the Applicant states that some of its expenses have increased and revenues have decreased.

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In Appendix E submitted by the Applicant, the insurance charges for the 2008-2009 fiscal year were \$28,528.00. In Appendix G, the Applicant showed a billing of \$33,113.00. This is an increase of sixteen percent. Payroll for the company also increased between 2008 and 2009 by 5.4 percent.

The Applicant also experienced a decrease in total expenses in 2009 of over \$33,000 in 2009. This was due to a decrease in gasoline costs from \$122, 2323 in 2008 to \$83,999 in 2009. The Applicant submitted to the Commission a report from the United States Energy Information Administration that shows that the average cost of fuel dropped from \$3.25 in 2008 to \$2.34 in 2009. However, the cost of gasoline has risen sharply in 2010, with the monthly price of fuel not less than \$2.64 and up to \$2.84, resulting in an increase in the first five months of 2010 of eighteen percent over 2009. This is a situation that is not expected to improve in the near future.

The Applicant also apparently incurred a decrease in revenues in 2009. The decrease was around \$17,000 (see Appendix A). The net result for the Applicant is that it had a net profit of \$16,029 in 2009. This number would not be expected to improve as costs for fuel should remain high for the foreseeable future.

The last rate increase granted by the Commission was in October of 2008. Since that time the Applicant has experienced the increases in costs as set forth above, as well as the recent increases in fuel costs. The Commission must examine the proposals in not only in relation to the current economic environment but also as to the impact of the proposals on the general public.

In analyzing Part I, the Commission finds that the increases in costs, especially the recent increases in the cost of gasoline, are sufficient to find that an emergency basis exists for granting of that part of the application. The Applicant has proposed a seven and eleven percent increase in the rates. The proposed rates are in line with the increases experienced by the Applicant. The Commission finds that part I of the application should be approved on an emergency basis.

In analyzing Part II, however, the Commission cannot find that the proposed rates are reasonable. The Applicant has requested a fifty percent increase in its Zone Rate charges. This increase has not been justified by the information provided, and is too large of an increase to be approved without additional information being received. The Applicant has also proposed a Charter Rate of \$449.95 without any substantiation as to the

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economic necessity for the Applicant or impact on the general public of the proposed rates. The Commission therefore finds that Part II of the application should be denied on an emergency basis, and that said part should be processed according to Commission rules regarding rate applications.

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 in part and denied in part on an emergency basis effective July 2, 2010.

ORDER

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective July 2, 2010, OMALink, Inc., Lincoln, be, and it is hereby, authorized to amend its rates for its use in part I as follows:

Description	Rates
Part I. Regular Route Service between Omaha and Lincoln.	

Standard Rates:

One Way Trip	\$49.95
Round Trip	\$79.95

Notes applicable to Standard/Commuter Rates:

Rates will also apply on trips originating and/or terminating at authorized intermediate locations, the same as if the trip was between Lincoln and Omaha.

Round trip rate applies only when round trip service is requested and paid at time reservation is made.

Pickups and drop-offs in Lincoln will be made other than at regular stop locations for an additional charge of \$9.95/\$14.95 round trip.

One companion may accompany a full rate passenger on the same itinerary for one-way/round trip charges of \$24.95/\$34.95.

Rates are subject to a \$5.00 discount for senior citizens (age 65 or older), military members and airline industry employees.

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Promotional coupons in \$5 increments may be offered to the general public in the form of newspaper and/or other printed media coupons.

IT IS FURTHER ORDERD by the Nebraska Public Service Commission that Part II of the application be, and it hereby is, denied on an emergency basis, and that this part of the application be processed in accordance with the Commission's regular procedures and Section 75-119, R.R.S. 2009, as amended.

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. 2006, and the Commission rules.

MADE AND ENTERED at Lincoln, Nebraska, this 29th day of June, 2010.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Red Johnson
Anne Boye
Tim Schram

Chairman

Gerald L. Vap

ATTEST:

Executive Director

Phil S. J. H.

//s// Frank E. Landis
//s// Gerald L. Vap