

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	APPLICATION NO. LR-252
Prescription of Reasonable Rates)	
and Charges for Motor Carriers)	GRANTED AS AMENDED
Passengers and Property for Hire)	
Subject to the Provisions of)	
Neb. Rev. Stat. (Reissue 1996),)	ENTERED: APRIL 26, 2005
Chapter 75, Articles 1 and 3.)	

BY THE COMMISSION:

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

On January 19, 2005, VIP Limousine, L.L.C., Omaha, Nebraska, filed an application for authority to amend its rates and charges applying in Nebraska intrastate commerce for the transportation of passengers and their baggage between points in Nebraska. The application was unprotected. On April 12, the Commission entered an Order granting the application in part, but requesting that further evidence be taken regarding a proposed fuel and insurance surcharge.

A hearing was held on the proposed fuel and insurance surcharge on April 20, 2005. Notice of the April 20, 2005 hearing was sent by United States mail, postage prepaid, on April 13, 2005.

Applicant is a certified common carrier which holds Certificate B-1640. The certificate authorizes the transportation of passengers and their baggage by luxury sedan limousines between points in Washington, Sarpy, Douglas, and Cass Counties. SUPP. 1(a): Passengers and their baggage by luxury sedan, limousine, and passenger vans between points in Nebraska. RESTRICTIONS: The transportation of railroad train crews and their baggage is not authorized. The use of rate meters is not authorized. The transportation of clients of the Department of Health and Human Services is not authorized.

The first witness for the Applicant was William Alford, owner of VIP Limousine, L.L.C. He presented evidence to the Commission regarding the increases in the price of gasoline and also in their insurance premiums that are paid by the Applicant.

The evidence presented showed that gasoline prices nationwide were between \$1.50 and \$1.60 per gallon at this time last year, and are now near or above \$2.20. The evidence

presented also showed that its insurance expenses for various vehicles increased from 32% to 592% in 2004. Mr. Alford represented to the Commission that VIP Limousine experienced an operating loss of over \$53,000 in 2004. Mr. Alford further testified that the Applicant was running at a loss for the first quarter of 2005.

During the hearing, the Applicant requested that the fuel and insurance surcharge of a flat eighteen percent be amended to a service surcharge of eighteen percent during peak times, fifteen percent if the reservations are made via the internet for peak time reservations, and a service surcharge of five percent and \$5.00 per reservation for non-peak time reservations. Mr. Alford stated that the service surcharge was necessary to place the Applicant in a profitable position. Upon questioning by the Commission, Mr. Alford stated that the surcharge was one that his customers can relate to and understand, and that they intend to inform their clientele of the internet discount by advertising and on the phone.

Steve Mason also testified on behalf of the Applicant. Mr. Mason reviewed insurance information showing substantial increases in insurance costs for the Applicant. Mr. Mason testified that the Applicant has incurred insurance increases due to changes in the industry. The impact affected all modes of public transportation, including limousines and busses. The increases ranged from a 163% increase for smaller VIP limousines to a 442% increase for larger VIP limousines.

The Commission finds that the proposed service surcharge should be approved as amended. The Applicant last received an increase in 2002. When the costs of fuel and insurance are factored with the time involved and the service provided, the Commission finds that the surcharge is reasonable and should be approved as amended.. The Commission will maintain follow up with the Applicant regarding the advertising of the internet discount to ensure that it is well publicized.

Upon consideration of the application and being fully advised in the premises, the Commission is of the opinion and finds that the service surcharge should be granted effective April 29, 2005.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective April 29, 2005, VIP Limousine, L.L.C., Omaha, Nebraska, be, and it is hereby, authorized to establish

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its service surcharge as amended to its schedule of rates as set forth in Exhibit A attached hereto.

MADE AND ENTERED at Lincoln, Nebraska, this 26th day of April, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Lowell Johnson

Frank E. Landis

//s// Frank E. Landis

//s// Gerald L. Vap

Chairman

Gerald L. Vap

ATTEST:

And S. Pollak

Executive Director

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