

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) APPLICATION NO. LR-281
Prescription of Reasonable Rates)
and Charges for Motor Carriers)
Passengers and Property for Hire) GRANTED AS MODIFIED
Subject to the Provisions of)
Neb. Rev. Stat. (Reissue 2003),)
Chapter 75, Articles 1 and 3.) ENTERED: October 24, 2007
)

BY THE COMMISSION:

APPEARANCES:

APPLICANT:

John Boehm
811 South 13th Street
Lincoln, NE 68508

COMMISSION STAFF:

Mark Breiner
1200 N Street, Suite 300
Lincoln, NE 68509

BY THE COMMISSION:

On July 11, 2007, R&F Hobbies, Inc., dba Aquila Limo Service, Ravenna, Nebraska filed an application for authority to amend its limousine rates for its use as follows:

Description	Rates
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Ten Passenger Limousine:

\$85.00 per hour (Two hour minimum)
\$35.00 per hour waiting time
\$0.85 per mile to pickup location and from drop off location

Fourteen Passenger Limousine:

\$180.00 per hour (two hour minimum)
\$35.00 per hour waiting time
\$1.00 per mile to pickup location and from drop off location

Emergency action was denied on an emergency basis on August 1, 2007. A hearing was ordered by the Commission and was held on October 2, 2007.

The Applicant is a certificated common carrier which holds Certificate B-1697, which reads as follows:

COMMON: Transportation of passengers and their baggage by

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limousine between points in Sherman, Buffalo, Custer, Garfield, Hall and Howard counties and between points within said counties on the one hand, and, on the other hand, points in Nebraska over irregular routes. RESTRICTION: No transportation of railroad train crews and their baggage or transportation originating in Hall County is authorized. Supp

A: Transportation of passengers and their baggage by limousine between points in Loup, Blaine, Wheeler, Valley, Greeley, Hamilton, Kearney, and Phelps counties and between points within said counties on the one hand, and, on the other hand, points in Lancaster County over irregular routes. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized. Supp. B: Transportation of passengers and their baggage by luxury limousine between points in Adams, Webster, Clay and Hall counties over irregular routes. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized. Supp. C: Transportation of passengers by luxury limousine between points in Chase, Dundy, Hayes, Hitchcock, Frontier, Red Willow, Furnas, Gosper, Dawson, Harlan, Franklin, Nuckolls, Holt, Knox, Antelope, Boone, Nance, and Merrick counties on the one hand, and, on the other hand, points in Nebraska over irregular routes. RESTRICTION: (1) The transportation of railroad train crews and their baggage is not authorized; (2) Transportation of passengers in vehicles other than sedan-style luxury limousines is not authorized; (3) The governmentally financed transportation of clients of the Nebraska Department of Health and Human Services and/or of private contractors of the Nebraska Department of Health and Human Services, such as, but not limited to, FHC Options, Partners, and Curtis & Associates, and/or persons in the custody of the Nebraska Department of Corrections, in capacity as such clients and/or persons in custody is not authorized.

EVIDENCE

The Applicant presented one witness in its behalf. Sean Schroll is the Chief Operating Officer of the Applicant. He has direct management involvement in the daily operations of the Applicant. He testified that the Applicant operates two limos and their primary business involves weddings and proms.

Mr. Schroll reviewed some steps that the Applicant has taken to grow its business such as advertising in media such as the Yellow Pages, newspapers, brochures, radio and running its own website. He then reviewed some trip history of the Excursion as well as some of the competition that the Applicant faces in its operating area.

Mr. Schroll reviewed exhibits relating to the operation of the Applicant. He testified that a breakdown of a trip,

comparing revenue from a trip with prorated expenses, shows that a trip at current levels is a loss when the prorated expenses are factored in. He also testified that profit/loss analysis shows that the Applicant is currently operating at a loss for the first nine months of 2007.

Mr. Schroll testified that they were requesting the \$180 per hour in an effort to improve their operating revenues. He stated on cross-examination by Commissioner Landis that he understood that he could price himself out of the market with a rate that was too high, but that he believed that the rate requested would still be under rates charged by his competition. He also stated that they had made a "rookie" mistake by setting its rates at the \$120 per hour figure in January of 2007.

OPINION AND FINDINGS

The Applicant in this matter is applying for an increase in its rates that call for an increase of just over six percent for its sedan rate, a forty-one percent increase in the mileage rate for that vehicle, a fifty percent increase in the hourly rate for the Excursion, and a sixty-six percent increase in the mileage rate for the vehicle.

These sizes of increases are not generally approved by the Commission. The impact of such extreme increases on the general public is significant. The Commission understands that there are costs in the operation of every business. The Applicant should be more responsive to changes in its business environment by applying more frequently for smaller increases that will meet its operating needs while striving to minimize the impact of the increase on the general public.

The Commission finds that a twenty-five percent increase in the Applicant's rates regarding the Ford Excursion and the mileage rates is justified. The Commission will approve rates for the ten passenger sedan to \$85 per hour and a mileage charge of \$0.75 per mile, and a rate for the Excursion of \$150 per hour and a mileage charge of \$0.75 per mile. The Commission finds that these rates are reasonable and competitive with rates of similar providers.

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 as modified effective November 2, 2007.

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O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective November 2, 2007, R&F Hobbies, Inc., dba Aquila Limo Service, Ravenna, Nebraska, be, and it is hereby, authorized to amend limousine rates for its use as follows:

Description	Rates
Ten Passenger Limousine:	

\$85.00 per hour (Two hour minimum)
\$35.00 per hour waiting time
\$0.75 per mile to pickup location and from drop off location

Fourteen Passenger Limousine:

\$150.00 per hour (two hour minimum)
\$35.00 per hour waiting time
\$0.75 per mile to pickup location and from drop off location

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of October, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Donald F. Vop

Tim Schram

//s// Frank E. Landis

Joan Sanders
Vice Chairman

ATTEST:

Michael J. Hall

Executive Director