

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) APPLICATION NO. LR-285
Prescription of Reasonable)
Rates and Charges for Motor)
Carriers Passengers and) GRANTED AS AMENDED
Property for Hire subject to)
the Provisions of Neb. Rev.)
Stat. (Reissue 2006), Chapter)
75, Articles 1 and 3.) ENTERED: APRIL 15, 2008

APPEARANCES:

APPLICANT:

Kelly Tollefsen
201 North 8th, Suite 300
Lincoln, NE 68502

COMMISSION STAFF:

Mark Breiner
1200 N Street, Suite 300
Lincoln, NE 68508

BY THE COMMISSION:

OPINION AND FINDINGS

On December 4, 2007, Zalt, Inc., d/b/a Central Limousine, Grand Island, Nebraska, filed an application for authority to amend rates for its use as follows:

Description	Proposed Rates					
	1hr	2hr	3hr	4hr	5hr	6hr
Cadillac Escalade	\$300	\$600	\$630	\$720	\$750	50% off
Harley Davidson	\$275	\$550	\$578	\$660	\$688	50% off
H2 Hummer	\$250	\$500	\$525	\$600	\$625	50% off
H3 Hummer	\$150	\$300	\$315	\$360	\$375	50% off
Chrysler 300	\$150	\$300	\$315	\$360	\$375	50% off
Cadillac Esc. VIP	\$100	\$200	\$210	\$240	\$250	50% off

Casino Trips/Wineries:

H2 Hummer 9 hrs \$750 Over 9 hrs- \$75/hr
Harley Davidson 9 hrs \$950 Over 9 hrs- \$100/hr

Friends/Family/Employee Discount- 30% off

Advertisement Specials- 10-50% off

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December specials-	20% off
Charity/fund raisers	1 hour free
Gas Expense Fee:	50 miles- \$50 charge 51+ miles- additional \$0.40/mile
Weekday Rates (Monday-Thursday)	\$20/hr off

The Application was published in The Daily Record on December 19, 2007. On January 17, 2008, a protest was filed by Trease Enterprises, Inc., d/b/a Special Moments Limousine. A Notice of Hearing on the proposed rates was sent to all parties on February 27, 2008, with the hearing in this matter being held on March 12, 2008.

Applicant is certificated common carrier which holds Certificate B-1613. The certificate states as follows: COMMON: Provide limousine service by luxury or stretch limousine in Nebraska as a common carrier between points in Buffalo, Hall, Hamilton, Merrick and Nance counties, and between points in said counties, on the one hand, and, on the other hand, points in Nebraska over irregular routes. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized.

PROTESTANT'S EVIDENCE

Lori Friesen is the secretary for the Applicant. She is primarily involved with the bookkeeping and rates for the Applicant. MS. Friesen is the person who prepared the rate application being considered in this matter.

Ms. Friesen reviewed Exhibit 2, which are the rates that were proposed by the Applicant. She stated that she would propose to amend the application to delete a section that referred to a Friends and Family Discount. She also requested that the Commission limit a proposed advertising discount of 10 to 50 percent off to only allow for a 10 percent discount. That advertised discount would be applied to radio advertisement specials.

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Ms. Friesen also requested that the Commission approve a 20 percent discount as a December special bookings rate for service performed during the holiday season.

On examination by Commissioner Schram, Ms. Friesen stated that the rates did provide a economic return for the Applicant. She stated that the rate structure factors in an amount of time that could be considered waiting time. Her experience shows that trips of durations that are longer than two hours have time where the limousine is not being operated. The expenses of the company are not as great during these times, and therefore do not require a full charge.

Ms. Friesen stated that the average trip time for weddings is two hours. For other trips, the average is closer to four or five hours. It is the length of these trips that account for the times as she described above.

Ms. Friesen also requested that the casino charge needed to be changed to a distance charge to more accurately reflect the actual nature of the trips. She also further detailed that the length of time that is encountered in trips of this type do include a larger amount of time that could be considered waiting time and thus account for the relatively lower charge for this longer period of time.

Upon examination by Commission staff, Ms. Friesen reiterated the changes requested in the proposed rates. Ms. Friesen also stated that the proposed rates are easier to charge and to explain to the customer than other rates that include a differential rate charge for driving time as opposed to waiting time.

Ms. Friesen admitted that they had been charging these rates for a period of time until notified by the Commission that they needed to be stopped and applied for. She stated that she was not aware that rates needed to be approved by the Commission, but that she did cease charging the rates, took down any advertising and make this application in order to come into compliance with Commission rules.

On redirect by Ms. Tollefsen, Ms. Friesen stated that the proposed rates also include new rates for vehicles that

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are not on their current approved rates. These rates are also competitive with current market charges for vehicles of this type.

Dwain Trease, the Protestant, made comments to the Commission. He stated that he believes that the Applicant has been charging these rates for a period of time. He also stated that the Applicant continues to quote these rates even though they no they are not in effect.

Mr. Trease pointed out that the Applicant is required to fill out an affidavit in which they state that they understand Commission rules and regulations. He stated that the fact that the Applicants charged these rates for a period of time without approval shows that the Applicants are either ignorant of or are deliberately ignoring the rules. He believes that the Applicants should be reprimanded for these actions.

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

This matter comes before the Commission on the Applicant's request to change their rates for their use. The primary changes are in the vehicles that are set up in the proposed rates, as well as a schedule of charges for the various vehicles that are listed.

The Applicant did remove some charges from the proposed rate structure, most notably the Family and Friends discount. It also restricted a promotional discount to ten percent and a seasonal discount for the month of December to twenty percent.

The Applicant represented to the Commission that the proposed rates are reasonable for the area being served. The Commission finds that the proposed rates are reasonable and should be approved as amended by testimony from the Applicant.

The rates approved by the Commission should also be clarified on the basis of the amendment by the Applicant. The rates for the longer-hour bookings should be set forth exactly as opposed to the discount method originally set forth in the application.

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The Commission hereby does instruct the Applicant to apply more timely for rate changes in the future. The Applicant should now be fully aware of the process that is required to change its rates, and must follow that procedure in upcoming rate changes.

Upon consideration of the application and the evidence presented at hearing, and being fully advised in the premises, the Commission is of the opinion and finds that the application as amended should be granted effective April 25, 2008.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective April 25, 2008, Zalt, Inc., d/b/a Central Limousine, Grand Island, Nebraska, be, and it hereby, authorized to amend its limousine rates as follows:

Description	Rates					
	1hr	2hr	3hr	4hr	5hr	6hr
Cadillac Escalade	\$300	\$600	\$630	\$720	\$750	\$900
Harley Davidson	\$275	\$550	\$578	\$660	\$688	\$825
H2 Hummer	\$250	\$500	\$525	\$600	\$625	\$750
H3 Hummer	\$150	\$300	\$315	\$360	\$375	\$450
Chrysler 300	\$150	\$300	\$315	\$360	\$375	\$450
Cadillac Esc. VIP	\$100	\$200	\$210	\$240	\$250	\$300

Distance Trips:

H2 Hummer	9 hrs	\$750	Over 9 hrs-	\$75/hr
Harley Davidson	9 hrs	\$950	Over 9 hrs-	\$100/hr

Advertisement Specials- 10% off

December specials- 20% off

Charity/fund raisers 1 hour free

Gas Expense Fee: 50 miles- \$50 charge
51+ miles- additional
\$0.40/mile

Weekday Rates (Monday-Thursday) \$20/hr off

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MADE AND ENTERED at Lincoln, Nebraska, this 15th day of April, 2008.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rob Johnson
Frank E. Landis
Tim Johnson

//s// Anne C. Boyle
//s// Frank E. Landis

Anne C. Boyle
Chair

ATTEST:

Michael E. Zyl
Executive Director