

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. MANF-10
on its own motion, seeking to)
determine the seal fee amount) ORDER SETTING SEAL FEE
for the Manufactured Home)
Program.)
) Entered: October 24, 2017

BY THE COMMISSION:

On July 25, 2017, the Nebraska Public Service Commission (Commission) entered an order opening the above-captioned proceeding to determine the appropriate seal fee for the Manufactured Home Program (Program) and to set a hearing. Notice of the proceeding appeared in The Daily Record, Omaha, Nebraska, on July 28, 2017.

The Commission is charged by statute to hold an annual public hearing to determine the amount of seal fee necessary to carry out the provisions of the Manufactured Home Program pursuant to the Uniform Standard Code for Manufactured Homes Neb. Rev. Stat. §§ 71-4601 to 71-4620.01 (2012 Cum. Supp.).

A Public hearing was held on September 12, 2017 in the Commission Hearing Room.

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

Mark Luttich, Director of the Commission's Housing Department, testified on behalf of the staff. Director Luttich testified regarding the revenue generated by the present seal fee and the current expenses of the Program. The current seal fee would need to be increased from its current Four Hundred dollars (\$400.00) to Four Hundred and fifty dollars (\$450.00).

Director Luttich further testified regarding the Public Service Commission Housing and Recreational Vehicle Cash Fund (Cash Fund). He reminded the Commission that in 2014, the fees in all three programs administered by the Department were set to generate less revenue than expenses to continue reducing the balance of the Cash Fund. The Cash Fund balance was reduced, and as of the date of the hearing had about a nine (9) month reserve to fund the Department's needs. Director Luttich also discussed the Department's current utilization of the services of independent contractors, and informed the Commission that an additional full-time employee had been added to the Department very recently with the hope that the Department would phase out the need for the services of the independent contractors.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. MANF-10

Page 2

Director Luttich further discussed the loss in each Housing Department program and testified that the Program continues to generate less money than the expense to Department to administer the Program. Therefore, Director Luttich recommends the seal fee be increased from the current level of Four Hundred dollars (\$400.00) per seal to Four Hundred and fifty dollars (\$450.00) per seal. The increase will enable the Manufactured Home Program to break even and cover its estimated expenses, but will not add or subtract from the nine (9) month cash reserve in the Cash Fund.

Mr. Mike Morrow, with Chief Industries, Bonnavilla, in Aurora, Nebraska, testified regarding the fees proposed by the Department. Mr. Morrow affirmed that the company would prefer to continue to utilize the services of the Department inspectors rather than be required to bring in third parties.

Martin Huff, the Executive Director of the Nebraska Manufactured Housing Association, also offered testimony at the hearing. He testified that in his opinion the current balance in the Cash Fund was sufficient and an increase in the Program seal fees was unnecessary.

The Uniform Standard Code for Manufactured Homes allows the Commission to determine the appropriate seal fee based on the revenues and expenses of the Manufactured Homes Program.

The Department has been operating at reduced staffing levels and continues to utilize the services of independent contractors to keep the Department workload at manageable levels to timely respond to factory needs. The revenues generated from the seal fees are currently less than the cost to administer the Program, and the Cash Fund has decreased in the past year. The Cash Fund currently contains approximately a nine (9) month reserve to fund the Department's needs with a reasonable reserve.

The Commission appreciates the input from the industry and finds the fee should remain the same for the time being at Four Hundred dollars (\$400.00). The Commission will continue to closely monitor the financial situation of the industry and the Department, especially during the traditionally slower winter months, and will reevaluate the seal fee and make adjustments accordingly before the next annual review if necessary.

Therefore, the Commission finds the seal fee should remain at the current Four Hundred dollars (\$400.00) per seal, effective November 1, 2017.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. MANF-10

Page 3

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to the Uniform Standard Code for Manufactured Homes, the Manufactured Home Program seal fee should remain at Four Hundred dollars (\$400.00) per seal, effective November 1, 2017.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 24th day of October, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Many Rude
Crystal Kuwader
Ed Johnson

Tim Schram
Chairman

ATTEST:

Michael P. Hall
Executive Director

//s//Frank E. Landis
//s//Tim Schram