

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, ) Application No. MANF-11  
on its own motion, seeking to )  
determine the seal fee amount ) ORDER SETTING SEAL FEE  
for the Manufactured Home )  
Program. )  
 ) ENTERED: September 18, 2018

BY THE COMMISSION:

On July 31, 2018, 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 August 3, 2018.

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 5, 2018, 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 recommended current seal fee remain steady at Four Hundred dollars (\$400.00). The number of regulations have been decreased and the \$400.00 rate should be sufficient to maintain the current program. The actual calculation shows a necessary fee of \$400.89, but Director Luttich indicated the department can absorb the additional eighty-nine cents per seal.

Director Luttich further testified that by keeping the fees steady, it saves the industry money. Manufacturers pay the seal fee by section. So, a two section home is two seals and would cost factories \$800. He further discussed the cost savings to the department by utilizing independent contractors for inspections. The Department has entered into two agreements for inspections and reduced costs substantially. The Cash Fund balance was reduced, and as of the date of the hearing had about a six to eight (6-8) month reserve to fund the Department's needs. Director Luttich also testified it is possible to review this again in the spring. If the fund appears to be increasing, the Department could schedule an additional fee hearing to discuss lowering the rate.

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Mr. Kevin Stephens, with Champion Homes, in York, Nebraska, testified regarding the fees proposed by the Department. Mr. Stephens stated he was grateful the fees would not be going up and was looking forward to telling his staff. He also expressed gratitude for the excellent working relationship his company has with the Department and Director Luttich. Mr. Stephens further indicated business is going exceptionally well. He said they will be adding twenty to thirty more employees to meet increased demand, which is approximately a twenty percent increase to their workforce.

Kelvin Peterson, also of Champion Homes, testified the fees remaining steady certainly helped the industry. He indicated fee increases would be passed on to the consumers and make it more difficult to compete. Keeping the fee steady will help them maintain their current increases in business. Mr. Peterson further testified the company is not experiencing the typical downturn they have in the winter and have orders to carry them through with an increased workforce. He also testified it is important for the inspectors to come in regularly. They see the product at least twice before it goes out the door and it ensures quality.

Todd Wiltgen, Legislative Aid to Senator Kolterman, also offered testimony at the hearing. He testified Senator Kolterman introduced LB 707 in the past session, which would allow for private inspections to save cost. Senator Kolterman intends to continue to look into this as Champion is one of the major employers in York.

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 Cash Fund currently contains approximately a six to eight (6-8) 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 and will reevaluate the seal fee and make adjustments accordingly before the next annual review if necessary.

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Therefore, the Commission finds the seal fee should remain at the current Four Hundred dollars (\$400.00) per seal, effective November 1, 2018.

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, 2018.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 18<sup>th</sup> day of September, 2018.

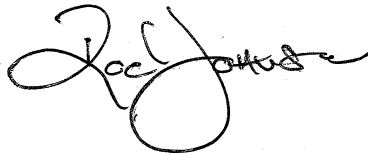
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Rod Johnson  
//s//Frank E. Landis

Chair



ATTEST:



Executive Director