

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) APPLICATION NO. MANF-5
on its own motion, seeking to)
determine the seal fee amount) ORDER SETTING SEAL FEE
for the Manufactured Home)
Program.)
ENTERED: August 28, 2012

BY THE COMMISSION:

The above-captioned proceeding was opened by the Commission, on its own motion, to determine the appropriate seal fee for the Manufactured Home Program (Program). 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 (2010 Cum. Supp.).

Notice of the proceeding appeared in The Daily Record, Omaha, Nebraska, on July 13, 2012. The order opening the above-captioned docket and setting the hearing was entered on July 10, 2012, and mailed to all interested parties. A Public hearing was held on August 14, 2012 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 that the revenue generated by the present seal fee is exceeding the expenses of the Manufactured Home Program. The Department in an effort to keep the costs of the Program low is still operating at reduced staffing levels. Based on his calculations, Director Luttich estimates that to reduce the revenue generated to approximately the cost to operate the Program, the label fee should be reduced from the current level of Two Hundred and Twenty Five dollars (\$225.00) per seal to One Hundred and Forty (\$140.00) per seal.

Mr. Curt Wilkerson, with Chief Custom Homes in Aurora, Nebraska, testified regarding the fees proposed by the Department. Mr. Wilkerson stated that the industry supported the increase in fees a few years ago to sustain the Department and the Program during tough economic times. Mr. Wilkerson stated that Chief Custom Homes has experienced an increase in business in the past year and has moved to increase production. He further stated that this was true with other factories in Nebraska and that the industry as a whole is, "ramped up from what they were a year ago at this time."

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Mr. Wilkerson expressed concern that due to the increase in production that delays could be experienced getting inspections with the Department continuing to operate on a reduced staffing level. Mr. Wilkerson testified that while the reduced fees advocated by the Department would be good for his business and the industry, he would rather have the reduction in fees be a little less than the reduction recommended by the Department and have the staffing come back to full strength in the Department.

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 continues to make every effort to reduce costs in the program and is still operating on a reduced staffing level. The revenues generated from the seal fees are currently exceeding the costs to administer the Program and the Housing Department cash fund has been increasing in the past few months. Due to the economic issues faced by the housing industry in Nebraska and nationally the past few years, the Commission, with the consent and support of the industry, increased seal fees and made staffing reductions to keep the Program operating. Now, due to increased production and positive movement in the economic situation of the industry, revenues from the seal fees are now outpacing the costs of the Program.

The Commission appreciates the input from the industry, but with the current cash balance in the housing fund and the current revenues to the Department from the seal fees, we think the recommended reductions are reasonable. However, 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.

Therefore, the Commission finds based upon the current cash balance in the housing fund and the revenues being generated by the seal fees that the reductions recommended by Director Luttich should be adopted and the seal fee should be reduced from Two Hundred and Twenty Five dollars (\$225.00) per seal to One Hundred and Forty (\$140.00) per seal, effective October 1, 2012.

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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 be reduced to One Hundred and Forty (\$140.00) per seal, effective October 1, 2012.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of August, 2012.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram
Aune Boyle
Gerald L. Vap

//s// Rod Johnson

Chairman *Rod Johnson*

ATTEST:

Shirley J. L.
Executive Director