

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) APPLICATION NO. MANF-8
on its own motion, seeking to)
determine the seal fee amount) ORDER SETTING SEAL FEE
for the Manufactured Home)
Program.)
) ENTERED: September 15, 2015

BY THE COMMISSION:

On July 28, 2015, 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 31, 2015.

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 2, 2015 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 Two Hundred dollars (\$200.00) to Four Hundred and Seventy-six dollars (\$476.00).

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, but continues to contain more than a nine (9) to twelve (12) month reserve to fund the Department's needs. Director Luttich also discussed the Department's current utilization of the services of independent contractors.

Director Luttich further discussed the loss in each Housing Department program and testified that the Program continues to lose significantly more than the Recreational Vehicles and Modular Housing Units Programs. Therefore, Director Luttich recommends the

seal fee be increased from the current level of Two Hundred dollars (\$200.00) per seal to Three Hundred dollars (\$300.00) per seal. The increase will still continue the reduction in the Cash Fund balance, but will balance the program losses in a more equitable way with the other housing programs.

Mr. Mike Morrow, with Chief Industries, Bonnavilla, in Aurora, Nebraska, testified regarding the fees proposed by the Department. Mr. Morrow stated that he supported the Department's recommendation that the Manufactured Home Program fees increase, but still continue to reduce the Cash Fund. He testified that it is his opinion that the cost of the Manufactured Home Program is going to continue to increase as regulation at the federal level continues to increase and demand decrease.

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. However, the Cash Fund currently contains more than required to fund the Department's needs with a reasonable reserve.

The Commission appreciates the input from the industry and finds the recommended increase to the Program seal fee 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 the recommendation by Director Luttich should be adopted and the seal fee should be increased from Two Hundred dollars (\$200.00) per seal to Three Hundred dollars (\$300.00) per seal, effective October 1, 2015.

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 increased to Three Hundred dollars (\$300.00) per seal, effective October 1, 2015.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 15th day
of September, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Crystal Knoder

//s//Frank E. Landis

//s//Gerald L. Vap

Chairman

Gerald L. Vap

ATTEST:

Jeffrey L. Peltz

Executive Director