

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. MODF-11
Commission, on its own motion,)
seeking to determine the seal) ORDER SETTING FEE
fee amount for the Modular)
Housing 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 Modular Housing 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 and new manufacturer plan review fee necessary to carry out the provisions of the Modular Housing Program pursuant to the Nebraska Uniform Standards for Modular Housing Units Act, *Neb. Rev. Stat.* §§ 71-1555 to 71-1568.01 (2012 Cum. Supp.). The seal fees are subject to a statutory minimum of One Hundred dollars (\$100.00) and maximum of One Thousand dollars (\$1,000.00) per modular housing unit.¹ The seal fee is currently set at fifteen-cents (\$.15) per square foot of gross space per modular housing unit; minimum fee of One Hundred dollars (\$100.00) per modular housing unit and maximum fee of One Thousand dollars (\$1,000.00) per modular housing unit. The new manufacturer plan review fee is currently One Thousand Eight Hundred dollars (\$1,800.00).

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 stated that for the fees to cover the current expenses just in the Program, the current seal fee of fifteen-cents (\$.15) per square foot would need to be increased to nineteen-cents (\$.19) per square foot. Director Luttich recommended the new manufacturer plan review fee remain unchanged.

Director Luttich also testified regarding the Public Service Commission Housing and Recreational Vehicle Cash Fund (Cash Fund).

¹ *Neb. Rev. Stat.* § 71-1559(4) (2012 Cum. Supp.).

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, as of the date of the hearing, contains around a nine (9) month reserve to fund the Department's needs with a reasonable reserve. 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.

To level off the Cash Fund balance, Director Luttich recommends the fees in the Program be increased to nineteen-cents (\$.19) per square foot and the new manufacturer plan review fee remain at One Thousand Eight Hundred dollars (\$1,800.00).

Mr. Mike Morrow, with Chief Industries, Bonnavilla, in Aurora, Nebraska, testified regarding the fees proposed by the Department. Mr. Morrow stated that he understood the need for the increases proposed in the Department's recommendation, but affirmed that the company would prefer to continue to utilize the services of the Department inspectors rather than be required to bring in third party inspectors. Mr. Morrow also stated in his opinion stabilizing the fee would be good for the industry.

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 less than the cost to administer the Program, and the Cash Fund has decreased in the past year. The Cash Fund currently contains around 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 recommendation to increase Program seal fees and retain the new plan inspection fees at its current level, 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 is reasonable and the seal fee for the Modular Housing Program should increase to nineteen-cents (\$.19) of gross space per modular housing unit and the new manufacturer plan review fee should remain at One Thousand Eight Hundred dollars (\$1,800.00), effective November 1, 2017.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to the Nebraska Uniform Standards for Modular Housing Units Act, the Modular Housing Program seal fee should be set at nineteen-cents (\$.19) per square foot of gross space per modular housing unit; minimum fee of One Hundred dollars (\$100.00) per modular housing unit and maximum fee of One Thousand dollars (\$1,000.00) per modular housing unit and the new manufacturer plan review fee should remain at its current level of One Thousand Eight Hundred dollars (\$1,800.00), effective November 1, 2017.

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

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Kudder
Crystal Knoades
[Signature]

[Signature]
Chairman

ATTEST:

[Signature]
Executive Director

Commissioners Dissenting:

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