

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. MODF-12
Commission, on its own motion,)
seeking to determine the seal) ORDER SETTING FEE
fee amount for the Modular)
Housing 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 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 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. The new manufacturer plan review fee is currently One Thousand Eight Hundred dollars (\$1,800.00).

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 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 nineteen-cents (\$.19) per square foot should remain the same this year. Director Luttich also recommended the new manufacturer plan review fee remain unchanged.

Director Luttich further testified that by keeping the fees steady, it saves the industry money. He further discussed the

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

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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.

To maintain a sufficient balance and fund the department, Director Luttich recommends the fees in the Program remain steady at nineteen-cents (\$.19) per square foot and the new manufacturer plan review fee remain at One Thousand Eight Hundred dollars (\$1,800.00).

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. He also testified Modular Homes are currently the most popular. They are shipping many of them to Colorado currently. 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.

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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 recommendation to maintain Program fees at the current levels, 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 fees 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 remain at nineteen-cents (\$.19) per square foot 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, 2018.

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, 2018.

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

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Crystal Knudsen
Tim Schron

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

Chair

Rod Johnson

ATTEST:

Michael G. H. H.
Executive Director