

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) APPLICATION NO. MODF-6
on its own motion, seeking to)
determine the seal fee amount) ORDER SETTING FEE
for the Modular Housing 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 Modular Housing 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 Modular Housing Program pursuant to the Nebraska Uniform Standards for Modular Housing Units Act, Neb. Rev. Stat. §§ 71-1555 to 71-1568.01 (2010 Cum. Supp.). The 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 fee is currently set at forty-cents (\$.40) per square foot.

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 based on his review of the program's expenses and revenues, the revenue generated by the present seal fee are exceeding the expenses of the Program. The Department continues to make every effort to keep the costs of the Program low and is still operating at reduced staffing levels. The reduction in costs with the current seal fee revenues is enabling the Program generate more than sufficient revenue to fund the Program.

The current seal fee is set at forty-cents (\$.40) 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. Director Luttich recommends that the seal fee for the Modular Housing Program be reduced from its current per

¹ Neb. Rev. Stat. § 71-1559(4) (2010 Cum. Supp.).

square foot rate to Eighteen-cents (\$.18) per square foot of gross space per modular housing unit.

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."

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 less of a reduction to around Twenty-five-cents (\$.25) per square foot and have the Department staffing be returned to full strength.

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, 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 that the recommendation of Director Luttich is reasonable and the seal fee for the Modular Housing Program should be reduced from forty-cents (\$.40) per

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square foot to Eighteen-cents (\$.18) per square foot of gross space per modular housing unit, effective October 1, 2012.

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 reduced to eighteen-cents (\$.18) 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, effective October 1, 2012.

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

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram
Dave Boyle
Gus Lipp

//s// Rod Johnson

Chairman

Rod Johnson

ATTEST:

Robert J. Johnson

Executive Director