

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

July 27, 2004

Jefferson City, Missouri

Volume 2

12 Manager of the Manufactured)
 Housing and Modular Units Program)
 13 of the Public Service Commission,)
)
 14 Complainant,)
)
 15 v.) Case No. MC-2004-0271
)
 16 Coachman Homes of Eureka, Inc.,)
 d/b/a Coachman Homes of Eureka,)
 17 Inc.)
)
 18 Respondent.)

NANCY M. DIPPELL, Presiding,
SENIOR REGULATORY LAW JUDGE.

23 REPORTED BY:
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1 P R O C E E D I N G S

2 JUDGE DIPPELL: This is Case No.
3 MC-2004-0271. My name is Nancy Dippell. I'm the judge
4 assigned to this matter.

5 We've come here today for a prehearing
6 conference, really bit of a settlement conference, and I'm
7 going to begin by letting the attorneys make their entries
8 of appearance. Would Staff begin, please.

9 MR. KRUEGER: Keith R. Krueger and Mary
10 Weston for the Director of the Manufactured Housing and
11 Modular Units Program of the Public Service Commission.
12 Our address is P.O. Box 360, Jefferson City, Missouri
13 65102.

14 MS. MURPHY: Good morning, Judge. Aisling
15 Murphy for Respondent Coachman Homes of Eureka,
16 Incorporated. Our address is 131 Jefferson Street,
17 St. Charles, Missouri 63301.

18 JUDGE DIPPELL: All right. Ms. Murphy, I'm
19 going to start with you. Where's the list?

20 MS. MURPHY: The list is right here, your
21 Honor, thankfully.

22 JUDGE DIPPELL: You know that the list was
23 due on Friday?

24 MS. MURPHY: Yes, and we were working on
25 it. Mr. Boyd was actually out of town. So we had almost

1 the whole thing, but it turned out to be much more
2 significant than we initially had thought. So there
3 are -- I made several copies just for the Commissioners if
4 they wanted one. I provided one to Mr. Krueger as well.

5 JUDGE DIPPELL: Okay. Has it been filed
6 yet?

7 MS. MURPHY: It has not been filed. We're
8 going to file electronically today. So it's being
9 e-mailed over, and then we're going to file
10 electronically, hopefully this afternoon.

11 JUDGE DIPPELL: Okay. And you'll be filing
12 a motion with that to request permission to file it out of
13 time, I assume?

14 MS. MURPHY: Yes, we will, your Honor.

15 JUDGE DIPPELL: All right. So from your
16 list, then, was it such that it was more than the supposed
17 50 homes or --

18 MS. MURPHY: It is more than the initial
19 thought, yes. We're up to 126 at this time, and we do
20 believe that is the total number that we're looking at.

21 JUDGE DIPPELL: All right. Well, the
22 Commission rejected the earlier settlement agreement, and
23 in their Order they stated what I hope is some guidance
24 for you, and I'll just highlight those things that the
25 Commission didn't like about the original settlement

1 agreement. And that was that there didn't appear to be
2 any provision for restitution to Ms. Hatfield or any of
3 the other homeowners who may be damaged that we don't know
4 about.

5 There wasn't any -- well, it wasn't clear
6 that 10 percent of an unknown number was going to be a
7 sufficient number, and when it came out at the settlement
8 hearing that they thought it might be 50 homes, the
9 Commissioners didn't feel that 5 of 50 would even be a
10 representative sample. So if you are discussing
11 settlement, you might keep that in mind that that number
12 did not seem substantial enough to the Commissioners to be
13 a good sample to determine if this is really a problem, if
14 this was just an aberration or what.

15 The other thing was that the Commissioners
16 felt that all of the potential homeowners might need
17 notice about this, and that it would really be Coachman's
18 responsibility to pay for any of the inspections or notice
19 that would be necessary to give to those homeowners.

20 Now, I don't know -- I know -- I'm not
21 personally that familiar with the financing of our
22 manufactured housing division, but I know that they have
23 limited resources. I know the number of resources that
24 the manufactured housing probably entered into your
25 settlement discussions when you were determining how many

1 homes would be inspected. So I would encourage you to
2 look at ways in which Coachman might pick up the tab for
3 that in your settlement discussions.

4 And another form of notice the
5 Commissioners thought, if this did turn out to be a
6 problem -- if it wasn't a problem, it probably wasn't
7 necessary, but if it did turn out to be that this
8 particular contractor was an issue, that they might want
9 to notify other manufactured dealers in the area, and you
10 might consider that when you're having some discussions.

11 Now, it's my understanding that you-all
12 haven't really talked that much more since the last
13 hearing and settlement discussions; is that correct?

14 MS. MURPHY: That's correct. We've had
15 brief conversations on the phone.

16 JUDGE DIPPELL: So you're planning to
17 discuss today further settlement?

18 MR. KRUEGER: We are. We've talked a
19 little bit about broad parameters, but not anything
20 specific.

21 JUDGE DIPPELL: Okay. Well, I did put in
22 the procedural order that a date for proposed procedural
23 schedule to be filed would be next Tuesday, August 3rd,
24 and I'd like you to stick to that. However, I realized
25 afterwards that at this point Coachman hasn't even

1 answered the Complaint. So we don't know if it will be
2 necessary to go forward.

3 So when you are filing a proposed
4 procedural schedule or in case that you come up with a new
5 settlement and want to file that in lieu of a proposed
6 procedural schedule, that will be fine, but just keep in
7 mind that you will need to schedule a date for Coachman to
8 go ahead and answer the Complaint and so forth if this
9 is -- if this is going beyond and looking like it's going
10 to go to a contested hearing.

11 Did you-all have any questions for me at
12 this point?

13 MR. KRUEGER: Does the Commission
14 contemplate use of prefiled testimony or just a live
15 hearing?

16 JUDGE DIPPELL: I suspect in this
17 particular case the Commission would be more interested in
18 hearing live testimony. I don't know that. We haven't
19 discussed that. I haven't discussed that with the
20 Commissioners.

21 If you-all feel that prefiled testimony is
22 a better option, you might, you know, go ahead and request
23 that, but explain maybe why you think that would be a
24 better option in this case. I just suspect in this type
25 of a case the Commissioners want to see and hear the

1 witnesses.

2 MR. KRUEGER: I suspected that.

3 JUDGE DIPPELL: I think that's the main
4 points of issue that the Commissioners had with the
5 original settlement agreement. I do think that the
6 Commission is open to a settlement at this point if they
7 can be assured that there's some protections for the
8 homeowners in these cases. I think that's their main
9 concern.

10 So I would like it if you-all could, after
11 you've concluded your discussions today, if one or both of
12 you would come up to my office and give me a report on how
13 things turned out and also so that, because our
14 receptionist is out today, so that I can have my secretary
15 secure the room and so forth when you're done with it.

16 Do you have anything else for me?

17 MR. KRUEGER: No, your Honor.

18 MS. MURPHY: No, your Honor.

19 JUDGE DIPPELL: All right. Then,
20 Ms. Murphy, I would really appreciate it if you would
21 stick to the deadlines that the Commission sets. We're
22 not just issuing orders to be issuing orders.

23 MS. MURPHY: I understand that, your Honor.

24 JUDGE DIPPELL: I think that's everything
25 here. Then I will expect a report back when you're

1 finished. Thank you.

2 WHEREUPON, the recorded portion of the
3 prehearing conference was concluded.

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