

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Ex. 2
FILED

SEP 26 2017

In the Matter of the Proposed Amendments)
Of the Missouri Public Service Commission's)
Rules Relating to Manufactured Housing)

Missouri Public
Service Commission
File No. MX-2016-0317

ADDITIONAL COMMENTS OF THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION

4 CSR 240-120.065 Manufactured Home Dealer Setup Responsibilities

Staff suggests further wording changes to subsections (1)(C) to specify the subsections to which any potential discipline applies. Additional new language should be rejected. Staff also suggests a change to the proposed subsection (2)(C), in order to clarify the applicable inspection period. After discussions with industry representatives, Staff believes the suggested language better represents the original intent of the subsection. These sections as modified now read:

(1)(C):

(C) If a dealer fails to arrange for the proper initial setup of a manufactured home the commission may discipline the dealers registration by suspending, revoking, or placing the registration on probation pursuant to the provisions of section 700.100, RSMo, if the manager provides evidence to the commission incident to an inspection, under subsections (2)(B) and (2)(C) of this rule, of set up deficiencies.

(2)(C):

[(B)] (C) [After the one (1) year period has passed and w] Within two (2) years of the delivery date of the home to the consumer, if no initial inspection was performed pursuant to subsection (2)(B) of this rule, the [director] manager may conduct an inspection of the home for [setup and] code violations upon the receipt of a formal written complaint by the consumer[;].

Staff also suggests further wording changes to the proposed subsection (1)(D) and (2)(A)1. to add clarity to what will be considered when assessing a potential fee. With modifications, the subsection now reads:

(1)(D):

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(D) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess a two hundred dollar (\$200) inspection fee to dealers that fail to hire commission licensed installers to set up a home, and will conduct an investigation of installations of manufactured homes sold by the dealer to ensure compliance with Commission Rules

(2)(A)1.:

1. The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess a fifty dollar (\$50) per home inspection fee to dealers who fail to submit the property locator within five (5) business days from the due date.

Staff supports the proposed section as further modified.

4 CSR 240-120.085 Re-Inspection and Re-Inspection Fee

Staff suggests further wording changes to the proposed subsection (1)(C) and (2)(B) to add clarity to what will be considered when assessing a potential fee. With modifications, the subsection now reads:

(1)(C):

(C) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess re-inspection fee(s) for any re-inspection subsequent to the first re-inspection. The fee is charged to the dealer, installer, or the manufacturer who was responsible for making the corrections and completing the corrections.

(2)(B):

(B) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess the dealer, installer, or the manufacturer, or each entity, a fee for the re-inspection(s) if the dealer, installer, or the manufacturer responsible for making the required corrections fails to complete the required corrections within sixty (60) days of receipt of a consumer complaint. The fee will not be charged to the dealer, installer, or the manufacturer who is responsible for making the required corrections if, during the re-inspection, it is found that the required corrections have been corrected within sixty (60) days of the initial inspection.

Staff supports the proposed section as modified.

4 CSR 240-120.130 Monthly Report Requirement for Registered Manufactured Home Dealers

Staff suggests further wording changes to the proposed subsection (8) to add clarity to what will be considered when assessing a potential fee. With modifications, the subsection now reads:

(8) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess a late submission fee of fifty dollars (\$50) against a manufactured home dealer for each monthly sales report filed sixty (60) days after the due date.

Staff supports the proposed section as modified.

4 CSR 240-123.065 Modular Unit Dealer or selling Agent Setup Responsibilities

Staff suggests further wording changes to subsections (2)(A)1. to add clarity to what will be considered when assessing a potential fee. With modifications, the subsection now reads:

1. The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess a fifty dollar (\$50) per home inspection fee to dealers who fail to submit the property locator within five (5) business days from the due date.

Staff supports the proposed section as modified.

4 CSR 240-123.070 Monthly Report Requirements for Registered Modular Unit Dealers

Staff suggests further wording changes to subsections (7) to add clarity to what will be considered when assessing a potential fee. Subsection (7), with proposed modifications, now reads:

(7) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess a late submission fee of fifty dollars (\$50) against a modular unit dealer for each monthly sales report filed sixty (60) days after the due date.

Staff supports this section as modified.

4 CSR 240-123.095 Re-Inspection and Re-inspection Fee

Staff recommends further wording changes to subsections (1)(C), and (2)(B) to add clarity to what will be considered when assessing a potential fee. The modified subsections now read:

(1)...

(C) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess re-inspection fee(s) for any re-inspection subsequent to the first re-inspection. The fee is charged to the dealer, installer, or

the manufacturer who was responsible for making the corrections and completing the corrections.

(2)...

(B) The manager, in consultation with the commission staff director, after attempting contact with the entity at issue and documented consideration of potential mitigating factors, including but not limited to the number of similar non-compliance issues, circumstances beyond the entity's control, and responsiveness to commission requirements, may assess the dealer, installer, or the manufacturer, or each entity, a fee for the re-inspection(s) if the dealer, installer, or the manufacturer responsible for making the required corrections fails to complete the required corrections within sixty (60) days of receipt of a consumer complaint. The fee will not be charged to the dealer, installer, or the manufacturer who was responsible for making the required corrections if, during the re-inspection, it is found that the required corrections have been corrected within sixty (60) days of receipt of the consumer complaint.

Staff supports the proposed section as modified.

4 CSR 240-125.070 Installation Decals

This section proposes minor wording changes that are necessary for the clarification of the processes contained in this rule. There is also a proposed increase in the price of installation decals from twenty-five dollars (\$25) to thirty-five dollars (\$35) to combat increasing operating costs. The Program has experienced an increase of approximately 300% in the costs to purchase decals from the supplier. To help mitigate the increase, Staff proposes an approximate 40% increase in the price.

Staff chose the \$35 dollar amount based upon the fees charged by surrounding states. However, after reassessing the needs of the Program, \$27 is more appropriate, and represents only the increase in cost of the decals. Staff recommends setting the price of installation decals at \$27.

Staff supports the proposed section as modified.