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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of September, 1998.

Director of the Division of Manufactured)	
Homes, Recreational Vehicles and Modular)	
Units of the Public Service Commission,)	
)	
Complainant,)	
)	
v.)	<u>Case No. MC-98-92</u>
)	
Discount Manufactured Housing, Inc.)	
)	
Respondent.)	

ORDER APPROVING STIPULATION AND AGREEMENT

On August 26, 1997, the Director of the Division of Manufactured Homes, Recreational Vehicles and Modular Units of the Public Service Commission (Director) filed a Complaint against Discount Manufactured Housing, Inc. (Discount), in two separate counts, alleging that Discount violated the provisions of Section 700.100.3(6), RSMo, by failing to arrange for the proper initial setup of a manufactured home sold in Missouri without first obtaining a written waiver of that service from the purchaser and deducting an amount equal to the cost of setup from the total cost of the manufactured home. Count One concerns a home sold to Mary and Mitchell Knight and Count Two concerns a home sold to Terry and Linda Shepard. On October 2, Discount filed an Answer to the complaint denying that it violated Section 700.100.3(6), and stating that a waiver had been signed by the purchasers at the time of the sale of the manufactured homes. The Commission issued an Order Granting

Participation without Intervention to the Missouri Manufactured Housing Association (MMHA) on November 13. In accordance with the procedural schedule established by the Commission, the Director submitted the direct testimony of James Phillips and Silas Eugene Winn on January 16, 1998. On February 19, Discount submitted the rebuttal testimony of Larry Meyer, Bruce Rigdon and Mitchell Knight. The Director submitted the surrebuttal testimony of James Phillips on March 18.

As a result of informal discussions during the scheduled prehearing conference on March 31, the Director and Discount were able to resolve the issues between the parties. As a result of their agreement, the Director and Discount filed a Stipulation and Agreement with the Commission on April 16. A copy of that Stipulation and Agreement is attached to this order as Attachment A. The Stipulation and Agreement provides as follows:

1. Discount will install a vapor barrier at the home of Mr. and Mrs. Knight in accordance with the manufacturer's requirements and will provide to the Director a signed release from Mr. and Mrs. Knight verifying that the vapor barrier has been installed and that Mr. and Mrs. Knight have no other outstanding complaints against Discount.

2. Discount shall install concrete base pads consisting of concrete pads with a thickness of six inches, 24 inches square to be placed upon bare ground. In lieu of one 6-inch thick concrete pad, Discount, at its option, may use two, three-inch thick pads stacked on top of each other.

3. Following placement of the base pads, Discount shall re-level the home.

4. Following placement of the base pads and re-leveling of the home, Discount shall notify the Director and the Director shall inspect the work.

The Director and Discount also agreed that when the Director verifies that the pads have been installed and the home re-leveled, he will, within one week, dismiss, with prejudice, the Complaint in this matter.

The MMHA filed comments supporting the agreement on April 24 and the Office of the Public Counsel did not respond to the agreement. On April 24, the Commission entered a notice indicating that the agreement would be treated as unanimous pursuant to 4 CSR 240-2.115(1) and canceling the hearing that was set for April 29 and 30.

The Director filed Suggestions in Support of Stipulation and Agreement on May 11. In those suggestions, the Director states that the Stipulation and Agreement will resolve the concerns expressed by Mr. and Mrs. Knight and Mr. and Mrs. Shepard in their complaints regarding the set-up of their homes. The Stipulation and Agreement does not explicitly state which of the two mobile homes is the subject of the second, third and fourth provisions of the agreement. Those provisions deal with the correction of problems related to the placement of concrete base pads. That is the problem of which Mr. and Mrs. Shepard complained and the Director's Suggestions in Support of Stipulation and Agreement make it clear that those provisions are designed to take care of the problems experienced by the Shepards. The Director also states that the Stipulation and Agreement resolves all outstanding issues between the Director and Discount. The Director requests that the Commission approve the Stipulation and Agreement as being in the best interest of all parties and achieving an equitable resolution of the issues in dispute in the complaint proceeding. Discount did not file any response to the Director's Suggestions in Support.

The Commission finds that the Stipulation and Agreement is in the best interest of all parties and achieves an equitable resolution of the issues in dispute in the complaint proceeding.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement, marked as Attachment A to this Order and incorporated herein, is hereby approved.
2. That this order shall become effective on October 6, 1998.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Murray, Schemenauer and Drainer, CC., concur.
Lumpe, Ch., and Crumpton, C., absent.

Woodruff, Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED

APR 16 1998

**MISSOURI
PUBLIC SERVICE COMMISSION**

Director of the Division of Manufactured
Homes, Recreational Vehicles and Modular
Units of the Public Service Commission,

Complainant,

Vs.

Discount Manufactured Housing, Inc.

Respondent.

Case No: MC-98-92

STIPULATION AND AGREEMENT

Comes Now the Director of the Division of Manufactured Homes, Recreational Vehicles and Modular Units of the Public Service Commission ("Director"), by and through the Commission's Office of the General Counsel, and Discount Manufactured Housing, Inc. ("Discount"), and hereby stipulate and agree as follows:

1. On August 26, 1997, the Director filed a Complaint against Discount in two separate counts alleging that Discount violated the provisions of Section 700.100.3(6) RSMo¹ by failing to arrange for the proper initial setup of a manufactured home sold in Missouri without first obtaining a written waiver of that service from the purchaser and deducting an amount equal to the actual cost of setup from the total cost of the manufactured home.

2. On October 2, 1997, Discount filed an answer to the Complaint denying that it violated Section 700.100.3(6), and stating that a waiver had been signed by the purchasers at the time of the sale of the manufactured home.

3. The Commission issued an Order granting participation without intervention to the Missouri Manufactured Housing Association ("MMHA") on November 13, 1997 and setting a

¹ All references to the Revised Statutes of Missouri will be to RSMo 1994 and 1997 Supplement unless otherwise noted.

procedural schedule including dates for the filing of testimony, a prehearing conference, a prehearing memorandum and setting a date for an evidentiary hearing.

4. In accordance with the procedural schedule, the Director submitted to the Direct Testimony of James Phillips and Silas Eugene Winn on January 16, 1998. Discount submitted to the Rebuttal Testimony of Larry Meyer, Bruce Rigdon and Mitchell Knight on February 19, 1998 and the Director submitted the Surrebuttal Testimony of James Phillips on March 18, 1998.

5. The Director and Discount held informal discussions during the scheduled Prehearing Conference on March 31, 1998, and were able to reach a satisfactory resolution of the issues between the parties as follows:

- A. Discount will install a vapor barrier at the home of Mr. and Mrs. Knight in accordance with the manufacturer's requirements and will provide to the Director a signed release from Mr. and Mrs. Knight verifying that the vapor barrier has been installed and that Mr. and Mrs. Knight have no other outstanding complaints against Discount.
- B. Discount shall install concrete base pads consisting of concrete pads with a thickness of six inches, 24 inches square to be placed upon bare ground. In lieu of one 6 inch thick concrete pad, Discount, at its option, may use two, three inch thick pads stacked on top of the other.
- C. Following placement of the base pads, Discount shall re-level the home.
- D. Following placement of the base pads and re-leveling of the home, Discount shall notify the Director, and the Director shall inspect the work.

6. When the Director has verified that the pads have been installed and the home re-leveled, the Director agrees to file with the Commission within one week of the completion of

the obligations of Discount pursuant to Paragraph 5 of this Stipulation and Agreement, a Notice of Dismissal With Prejudice of the Complaint in this matter, and Discount hereby agrees to the dismissal of this matter, pursuant to 4 CSR 240-2.116.

7. This Stipulation and Agreement has resulted from negotiations between the signatories and the terms are interdependent. If the Commission does not approve this Stipulation and Agreement in total, it shall be void and no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions thereof and except as specified herein, no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions hereof in any future proceeding, or any proceeding currently pending under a separate docket.

8. The Director shall have the right to submit to the Commission a memorandum explaining his rationale for entering into this Stipulation and Agreement. Each party shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within ten (10) business days of receipt of the Director's memorandum, a responsive memorandum which shall also be served on all parties. A memorandum filed by the Director pursuant to this paragraph shall not bind the Director in this proceeding if the Commission does not approve the Stipulation and Agreement and shall not bind the Director in any future proceedings.

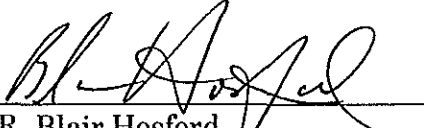
9. The Director shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Director shall, to the extent reasonably practicable, promptly provide the other Parties with advance notice of when the Director shall respond to the Commission's request for such explanation once such explanation is requested from the Director. The Director's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or otherwise protected from disclosure.

10. The parties agree that all of the prefiled testimony submitted by the Director and Discount shall be received into evidence without the necessity of their respective witnesses taking the stand.

11. In the event the Commission issues an Order approving this Stipulation and Agreement, the parties waive their respective rights to:

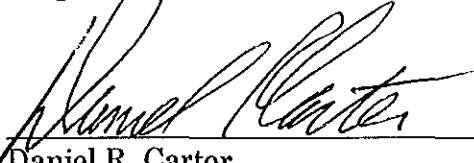
- a. Call, examine or cross-examine witnesses, pursuant to Section 536.070(2);
- b. Present oral argument and written briefs, pursuant to Section 536.080.1;
- c. The reading of the transcript by the Commission pursuant to Section 536.080.2;
- d. Seek rehearing or reconsideration pursuant to Section 386.510; and
- e. Seek judicial review pursuant to Section 386.510.

WHEREFORE, the signatories respectfully request the Commission issue its Order approving the terms of this Agreement.


R. Blair Hosford
Deputy General Counsel
Missouri Bar No. 21775

Director for the Director of the Division of
Manufactured Homes, Recreational Vehicles
and Modular Units of the Missouri Public
Service Commission
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(573) 751-9285 (FAX)

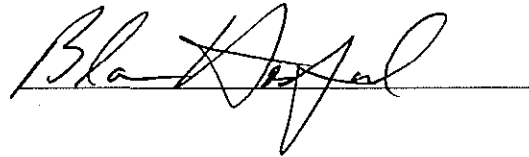
Respectfully Submitted,


Daniel R. Carter
Fitzgerald, Fitzgerald & Carter
Missouri Bar No. 31223

Attorney for Discount Manufactured Housing, Inc.
219 North Holden Street
Warrensburg, MO 64093
(660) 747-3188
(660) 747-8070 (FAX)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown below this 16th day of April, 1998.

A handwritten signature in black ink, appearing to read "Blair", written over a horizontal line.

Daniel R. Carter
Fitzgerald, Fitzgerald & Carter
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Warrensburg, MO 64093

Office of the Public Counsel
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Jacqueline L. Kennemer
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COMMISSION GOV. WEL.
PUBLIC SERVICE COMMISSION