

*Exhibit No.:*  
*Issue(s):* *Complaint - Provision of  
Utility Service*  
*Witness:* *Andrew Harris*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *WC-2022-0295*  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**WATER, SEWER & STEAM DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**ANDREW HARRIS**

**Staff of the Missouri Public Service Commission,  
COMPLAINANT**

**v.**

**I-70 Mobile City, Inc., d/b/a I-70 Mobile City Park,  
RESPONDENT**

**CASE NO. WC-2022-0295**

*Jefferson City, Missouri*  
*October 2023*

**\*\* Denotes Confidential Information \*\***



1 I-70 Mobile City, Inc., d/b/a I-70 Mobile City Park's ("I-70 MCP") water and sewer systems,  
2 and I-70 MCP's operation of a water and sewer utility. It is Staff's position that the  
3 Commission should order I-70 MCP to file an application for a Certificate of Convenience and  
4 Necessity ("CCN").

5 Q. What event led to Staff's involvement with I-70 MCP?

6 A. In early April 2021, an I-70 MCP customer contacted the PSC through its  
7 Customer Service Department with a water billing complaint.

8 Q. What initial complaint investigation efforts were taken by WSS when the  
9 complaint information was received?

10 A. On April 6, 2021, Staff reached the customer by phone, heard her concerns  
11 regarding I-70 MCP billing her for her water usage and a related pending eviction, and  
12 requested copies of bills and tenant agreement. Staff received a copy of an invoice or proposal  
13 to the customer from a water and sewer service repair company for replacement of leaking  
14 meter, copies of electronic bills issued to the customer from I-70 MCP, and company contact  
15 information.<sup>1</sup>

16 Q. Did this raise any concerns for Staff?

17 A. Yes. First, water meter installation, testing, and replacement is typically the  
18 responsibility of a company not a customer. Also, billing for service indicates that I-70 MCP  
19 may be operating a water corporation distributing water for gain as defined in Section 386.020  
20 RSMo, and a public utility subject to the jurisdiction, control, and regulation of the  
21 Commission, without first obtaining a CCN from the Commission.

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<sup>1</sup> Confidential Schedule AH-d2: Record of leaking meter and need for replacement.

1 Q. What action did Staff take to investigate this complaint?

2 A. Staff emailed Ms. Jennifer Hunt (President I-70 MCP) and requested  
3 information regarding the company's practices. On April 7, 2021, a response was received  
4 from Ms. Hunt stating that I-70 MCP is a private company, not a public water supply, and  
5 purchases water directly through Bates City, a public water supply. On April 20 2021, Staff  
6 emailed a standard WSS Questionnaire to Ms. Hunt to gather information from I-70 MCP  
7 seeking business information and company practices. When no response was received, on  
8 June 28, 2021, Staff Counsel mailed the WSS Questionnaire to I-70 MCP seeking a response.<sup>2</sup>

9 Q. Generally, what information does the WSS Questionnaire ask?

10 A. The WSS Questionnaire asks for customer count, billing process details, billing  
11 calculation details, water and sewer system descriptions, whether the systems are permitted to  
12 operate by Department of Natural Resources ("DNR"), and related items that can help Staff  
13 further understand whether a company should operate without a CCN from the Commission.

14 Q. Did Staff receive a response to the Questionnaire?

15 A. Yes. On or about August 13, 2021, Staff received information in a response  
16 from an attorney representing I-70 MCP.<sup>3</sup> This response indicated that I-70 MCP:

- 17 1) operates a mobile home park in Bates City, and
- 18 2) also owns and operates both sewer and water systems operating under  
19 Department of Natural Resources (DNR) permits, and.
- 20 3) that tenants are billed for both sewer and water service, and

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<sup>2</sup> Schedule AH-d3: *Request for Information regarding Utility System Rates and Operation / Unlawful Provision of Water Utility Service in violation of § 393.170.2 RSMo.*

<sup>3</sup> Confidential Schedule AH-d4: Doug Silvius Martin Pringle response.

1                   4) that pad rental is separate from those services, and

2                   5) that water is metered for billing and sewer service is billed based on water  
3                   metering.

4           Q.     So, what did this lead Staff to believe about whether I-70 MCP was operating a  
5 water corporation without a CCN or whether they were also operating a sewer corporation?

6           A.     According to the information provided by I-70 MCP in its Questionnaire  
7 response, not only did it appear that I-70 MCP was operating a water corporation without a  
8 CCN, they were also operating a sewer corporation.

9           Q.     What activities or communication happened next between the parties?

10          A.     During the late winter and early spring of 2022, there were discussions between  
11 the parties as to whether I-70 MCP would discontinue operating as a water and sewer utility,  
12 seek to be regulated by the PSC, or form a non-profit corporation.

13          Q.     What decision did I-70 MCP eventually notify Staff it had made?

14          A.     On April 13, 2022, Staff received a response from I-70 MCP indicating there  
15 should be no regulation of its utility services, and that I-70 MCP would not form a non-profit.  
16 Subsequently, on April 22, 2022, Staff filed its formal complaint.

17          Q.     Is it customary for Staff to work with companies in this manner?

18          A.     Yes. It is Staff's position that, where possible, it is better for very small  
19 companies to operate in a manner that does not require Commission regulation. Mobile home  
20 parks normally include utility costs in pad rent, a handful of people in a very small subdivision  
21 using one well can develop a well-users agreement, or a small subdivision can form a  
22 homeowners association to own and operate a sewer system, for example. While Staff does not

1 provide legal advice to these entities, it is Staff's practice to recommend that they investigate  
2 alternative business operations so as to not operate as a water or sewer corporation.

3 Q. Why is Staff generally not in favor of regulating additional very small companies  
4 if it can be avoided?

5 A. Unless there is a safety or adequacy concern to be remedied, regulation by the  
6 Commission requires additional time and resources from a company, and can also increase costs  
7 for a company and their customers for very little additional benefit.

8 Q. Does Staff conduct surprise inspections or otherwise attempt to find mobile  
9 home parks who are illegally operating water or sewer corporations?

10 A. No. Investigations such as this one are driven by customer complaints or  
11 referrals to the PSC from other entities, such as the DNR, regulated companies who discover  
12 an illegal competitor in their service area, local elected officials, etc. The PSC staff does not  
13 "search out" mobile home parks or other businesses to inspect or investigate for possible  
14 violations.

15 Q. What types of customer complaints does the Commission receive?

16 A. Typically, a customer complains about the manner in which they are being billed  
17 for their water and/or sewer service or there are issues with the safe and reliable provision of  
18 those services from the customers' provider.

19 Q. How many of these types of complaints or referrals does the Commission receive  
20 each year?

21 A. It is highly variable, but average ten or less per a year.

1 Q. When Staff filed its formal complaint against I-70 MCP in April 2022, what did  
2 Staff assert?

3 A. In the complaint, Staff asserts that I-70 MCP is engaging in the  
4 unlawful provision of water and sewer services to the public, for gain, without certification  
5 or other authority from the Missouri Public Service Commission, in violation of  
6 Section 393.170.2, RSMo.

7 Q. What Staff activity occurred next after the Complaint was filed?

8 A. Staff began the formal discovery process of issuing data requests (“DR”) to  
9 obtain information and evidence about the I-70 MCP water and sewer systems and billing  
10 processes in order to defend its case under the Complaint.

11 Q. Did Staff obtain any information from DNR about the wastewater treatment  
12 system on I-70 MCPs property?

13 A. Yes. In the records requested and received, Staff obtained a copy of the DNR  
14 I-70 MCP Missouri State Operating Permit.<sup>4</sup>

15 Q. What, if anything, is the significance of the information obtained from DNR in  
16 that Permit?

17 A. The owner’s permit application is attached at the end of the Permit. In the permit  
18 application, I-70 MCP states that there are 71 trailers as the number of units connected to the  
19 facility at the time of the application.

20 Q. What significance is there to the number of connections to a sewer facility?

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<sup>4</sup> Schedule AH-d5: Missouri State Operating Permit (DNR) effective December 1, 2018, Expiring September 30, 2023.

1           A.     A sewer facility with fewer than 25 connections is not considered a sewer  
2 corporation under the definition of Section 386.020(49), RSMo. According to DR No. 0020,  
3 I-70 MCP claims there are 56 connections which is substantially more than 25.

4           Q.     Did Staff attempt to physically inspect the system?

5           A.     Yes. In May of 2022, Staff attempted to schedule a physical inspection of the  
6 I-70 MCP sewer and water systems to observe the condition of the systems and verify  
7 information previously received in Questionnaire responses and DR responses.

8           Q.     Is a physical inspection a common activity that Staff performs?

9           A.     Yes. A physical inspection helps Staff understand the entirety of the systems  
10 and the operation of the systems. The inspection helps Staff form its position as to how the  
11 utility system is being operated for purposes of being subject to PSC jurisdiction. It also helps  
12 Staff figure out if the system is providing safe and adequate service to customers. Staff must  
13 also verify any information provided by companies as part of the investigation, and typically  
14 uses the inspection as an opportunity to further explain the requirements of PSC jurisdiction.  
15 Staff may also meet with customers on site, particularly customers who have filed a complaint.

16           Q.     Was Staff successful in working with I-70 MCP to schedule a physical  
17 inspection of the systems?

18           A.     Not at first. When initially approached about a site visit, Staff received an email  
19 from I-70 MCP's counsel on May 26, 2022, advising Staff that access to I-70 MCP for a site  
20 visit was denied.<sup>5</sup>

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<sup>5</sup> Confidential Schedule AH-d6: Email from Stephanie Bell to Carolyn Kerr dated May 26, 2022 regarding "Site Visit."



1 Q. How long did it take Staff to get access to the I-70 MCP premises?

2 A. It took approximately a year, with formal discovery motions, a discovery  
3 conference, a trip to Cole County Circuit Court, and a Commission Order, but Staff eventually  
4 obtained permission to conduct formal discovery of the I-70 premises.

5 Q. What did the Commission order that eventually allowed Staff to schedule and  
6 perform a limited site inspection of the I-70 MCP systems and premises?

7 A. The Commission entered its February 8, 2023 “Order Denying I-70 Mobile City  
8 Park’s Motion for a Protective Order.” It specifically allowed Staff to view and inspect the  
9 wastewater treatment lagoon facility & water distribution system, the water and sewer  
10 connections, water meters, the master meter, above-ground system appurtenances, and to take  
11 limited photos.

12 Q. When did Staff eventually meet with I-70 MCP representatives at their property?

13 A. On March 8, 2023, Staff was allowed access to I-70 MCP property with a limited  
14 scope for the purpose of observing the sewer and water systems and collecting limited  
15 photographs of system components.

16 Q. What did Staff observe during this limited scope observation?

17 A. For the sewer system, though sanitary sewer system manholes were not  
18 accessed, I-70 MCP Counsel confirmed Staff’s assumption that the system is installed with  
19 gravity flow sewers with no need for lift station(s); a typical sewer service connection; and a  
20 two-cell lagoon near the Northeast corner of the property, observed by limited access and  
21 without access inside the lagoon fencing, appeared to be in good condition with mowing  
22 performed, protective fencing with signage, some berm erosion at the water interface, and with

1 access road available to a lagoon gate for maintenance and mowing equipment. Only one  
2 opportunity where underpinning was already pulled back provided exposure for visual  
3 observation of a sewer connection.

4 For the water system, Staff observed the master meter (for a distribution system for  
5 provision of water that is supplied by and purchased from Bates City Public Water Supply in  
6 Lafayette County) near the entrance to the property, various water service meter locations,  
7 various apparent water isolation valve locations, typical water flushing hydrants. The  
8 observable water system appurtenances appeared to be intact and serviceable and, other than an  
9 occasional elevated valve extension access without lid, were installed to grade. Valves for  
10 isolation of portions of the distribution system for repair outages without necessity of isolation  
11 of the entire system appeared to be installed, as well.

12 Q. Did Staff note the type of residences during its inspection of I-70 MCP?

13 A. Yes. Nearly all of the customers were living in mobile homes with typical  
14 weather protection and aesthetic underpinning for long-term placement.

15 Q. What other information and details did Staff verify through the DR process?

16 A. Details of operational practices consistent with its operation as a public sewer  
17 and water utility that were verified through the DR process include the following:

- 18
- billing process information and sample bills<sup>6</sup>;
  - 19 • that a properly formed nonprofit is not applicable to the system<sup>7</sup>;
  - 20 • that 56 tenants receive water service<sup>8</sup>;
  - 21 • that 56 tenants have sewer service to their homes<sup>9</sup>;

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<sup>6</sup> DR No. 0014.

<sup>7</sup> DR No. 0018.

<sup>8</sup> DR No. 0019.

<sup>9</sup> DR No. 0020.

- 1                   • how funds are allocated<sup>10</sup>;  
2                   • how sewer bills are calculated<sup>11</sup>.

3 I-70 MCP operational practices are not generally different from other public utilities that are  
4 regulated by the Commission.

5           Q.     What conclusion did Staff draw from its overall investigation and limited  
6 inspection of I-70 MCP?

7           A.     Staff's conclusion is that I-70 MCP owns a typical mobile home park and  
8 operates a sewer collection and treatment system with more than 25 connections as confirmed  
9 by the DNR permit application and I-70 MCP's DR responses, as well as a water distribution  
10 system. I-70 bills its tenants for both sewer and water service separately from lot rent as  
11 documented in I-70 MCP's DR responses, operates as a sewer corporation, a water corporation,  
12 and a public utility. Therefore, Staff recommends that I-70 MCP file an application for CCN  
13 with the PSC.

14           Q.     Does this conclude your testimony?

15           A.     Yes it does.

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<sup>10</sup> DR No. 0025.

<sup>11</sup> DR No. 0027.

