



Public Service Commission of Wisconsin

AB 368
20

Cheryl L. Parrino, Chairman
Daniel J. Eastman, Commissioner
Joseph P. Mettner, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

June 12, 1997

The Honorable DuWayne Johnsrud
323 North
State Capitol
P. O. Box 8952
Madison, WI 53702-8952

Dear Representative Johnsrud:

During the Assembly Committee on the Environment Hearing related to AB 368 which proposes regulation of water and sewer service provided in mobile home parks, you asked the question of whether or not intervenor compensation funds would legally be available to the parties involved in the type of complaints addressed by AB 368.

From a legal standpoint, a party to a formal complaint regarding water and sewer service to mobile home parks could apply for intervenor compensation. Section PSC 3.02 of the Wisconsin Administrative Code states that to be eligible for intervenor compensation the person shall be all of the following: (a) a customer of the utility which is the subject of the proceeding, or someone who may be materially affected by the outcome of the proceeding, (b) someone for whom full intervention in the proceeding would cause significant financial hardship without compensation from the Commission, (c) someone who represents an interest material to the proceeding which but for an award of compensation would not be adequately represented, (d) someone whose interest must be represented for a fair determination in the proceeding, and (e) someone who has been granted full party status and who will participate in the proceeding as a full party. While it is certainly possible under the rules for an individual or group to be eligible for consideration by the Commission for intervenor compensation if they meet the above criteria in a water or sewer service complaint regarding service in a mobile home park, I anticipate that most of the complaints arising from this legislation would be settled by the Commission's informal complaint process. In the case of sewer complaints, which is similar in nature to this legislation, very few ever become formal proceedings and on that basis the parties do not become eligible for

Rep. DuWayne Johnsrud
Page 2

intervenor compensation. While legally eligible, there has never been a request for intervenor compensation for an issue of this type in the Commission's experience thus far.

If I can provide further information to you, please contact me at 267-7829.

Sincerely,



Joyce A. Narveson
Administrator
Division of Water, Compliance
and Consumer Affairs

JAN:sab:w:\cmt\narvej\06119703

cc: Members of the Assembly Committee
on the Environment
Cheryl Parrino, Chairman
Jackie Reynolds, Executive Assistant
Jason Kratochwill, Legislative Liaison



Wisconsin Manufactured Housing Association

Ross Kinzler, Executive Director
202 State Street, Suite 200
Madison, WI 53703-2215
E-mail: wmha1@itis.com
608-255-3131
608-255-5595 Fax



AB 368

AB 368 is intended to address the concerns of the author that residents of mobile home parks are being overcharged for water and sewer service. The Manufactured Housing Association asserts that the practices alleged by the proponents of the bill are already illegal in Wisconsin. Rules of the Department of Agriculture, Trade and Consumer Protection require that 1) billings be based on amounts used, 2) invoices specify both the charge and amounts of utility service used, 3) that if charges are not included in the rent, that the rates be competitive with retail prices charged for equivalent service from public utilities 4) the lease must disclose the rate or method used for billing and 5) that if the service is provided directly to tenants by a public utility, no additional charge can be assessed by the park operator. Violation of those rules are covered by the Unfair Trade Practices Act and result in double damages and attorney's fees.

There are no new consumer protections in AB 368. AB 368 just adds another layer of state bureaucracy by substituting PSC authority for the current regulatory efforts of the Department of Agriculture, Trade and Consumer Protection. In fact, the bill lessens consumer protections in section 6 of the bill which requires 25 persons or 25% of the occupants of the mobile home park to file a complaint before the PSC will act. Under current law, a single person may complain to DATCP and trigger an investigation or may file a claim in court and also receive double damage and attorney's fees.

Further, the PSC testified in support of this measure in the Senate. They have however, asked the LRB to draft an amendment to provide staffing and to authorize fees. So the mobile home park residents will now be required to pay fees through their rent to support the PSC which will provide them lesser protections than current law.

WMHA is not by its testimony arguing that nothing needs to be done. We merely argue that AB 368 reduces the protections of current law without addressing emerging issues of real importance to mobile home park operators and their residents. Here are some real problems:

1. Residents of mobile home parks have traditionally been treated as second class citizens by municipal utilities. Unlike a residential subdivision with individually metered service, water utilities have treated homeowners in mobile home parks as non-existent families. If a homeowner in a mobile home park pays the same water rates as everyone else and the same property taxes, why shouldn't they get individually metered water service. (We've attached a very recent letter from the Village of Crivitz that notifies the mobile home park of the Village's intent to end individual service.)

The WMHA recommends that the Legislature mandate municipal utilities provide individual meters and readings for taxpayers in mobile home parks. Not only do they not receive water and sewer service, they don't get garbage collection or other services in many parts of the state.

2. Current DATCP rules regarding lease disclosures on the rate or method used for billing purposes should be expanded to provide additional guidance on acceptable rate determinations for the metering of non-municipal water. WMHA has submitted language to DATCP to accomplish this.

In conclusion, the WMHA thanks Rep. Robson for her interest in this topic, but we suggest that a better solution is coming. The WMHA believes that mobile home park residents, buyers, sellers and manufacturers would be better served by a single state agency overseeing the industry.

Currently five agencies directly regulate the industry.

Parks and retailers are licensed by DOA.

Manufacturers are licensed by Commerce.

Lease regulations are housed at DATCP

Retailers are co-licensed by the Department of Financial Institutions

Titling of homes and certain other regulations are housed at DOT.

Adding the PSC for a single issue is counter productive. WMHA is preparing legislation to combine all of the functions above. The agency that handles consumer complaints should also have the power to suspend, limit or revoke a mobile home park owner's license. That is not current law.

In conclusion, we urge the committee not to recommend AB 368 but rather to endorse the concept of rolling manufactured housing regulation into a single agency.

AB 368 v. Current Law

AB 368

Current Law

Complaint Trigger:

Occupants of 25% of the total number of manufactured homes/mobile homes in the park or the occupants of 25 homes whichever is less; the Public Service Commission on its own motion.

Any person; the Department of Agriculture, Trade and Consumer Protection; the Department of Justice after consulting with DATCP or any district attorney. (100.20 & 100.26)

Permanent Improvements:

"An operator may not require an occupant to make, or pay a charge for, any permanent improvement to a mobile home park, or any of its facilities, that is related to the provision of water or sewer service."

"No operator shall:
Require any tenant to make permanent improvements to the mobile home park or any of its facilities, or assess any separate charge therefor." ATCP 125.09(3)

Private Cause of Action:

"Any person suffering pecuniary loss because of a violation of any rule promulgated under sub. (2) or order issued under sub (4)(a) may sue for damages and shall recover twice the amount of any pecuniary loss, together with costs, and notwithstanding s814.04(1), reasonable attorney fees.

"Any person suffering pecuniary loss because of a violation by any other person of any order issued under this section may sue for damages therefor in any court of competent jurisdiction and shall recover twice the amount of the pecuniary loss, together with costs, including a reasonable attorney's fee." 100.20 (5)

Penalties:

"Any person who intentionally violates any rule promulgated ...(under the bill) ...shall be fined not less than \$25 nor more than \$5,000 or imprisoned not more than one year in the county jail or both. Each violation and each day of violation constitutes a separate offense.

"Any person who...intentionally refuses, neglects or fails to obey any regulation or order ...shall be fined not less than \$25 nor more than \$5,000, or imprisonment in the county jail for not more than one year or both." 100.26(3)

Any person who violates any rule promulgated under ...(the bill)... shall forfeit not less than \$25 nor more than \$5,000. Each violation and each day of violation constitutes a separate offense.

"The department, the Department of Justice, after consulting with the department, or any district attorney may commence action in the name of the state to recover a civil forfeiture of not less than \$100 nor more than \$10,000 for each violation of an order issued under 100.20."

In all submetering complaints five simple questions must be asked:

- 1) Prior to the tenant signing the lease or paying any deposit, did the operator disclose that utilities were not included in the rent? See ATCP 134.04 (3)**
- 2) Is there a written lease and does that lease include the following disclosures:**
 - a. The amount of any charges for providing utility services;
 - b. The specific rate; or
 - c. The method by which the charges are computed.

See ATCP 125.03 (1) (b), & ATCP 134.04 (3)

- 3) If utilities are not included in the rent, are all sewer and water charges:**
 - a. Based on the amount used by the tenant;
 - b. Periodically invoiced in writing -- specifying both the charge and the amount of utility service used;
 - c. Competitive with retail prices charged for the same or equivalent services by public utilities or other local sources.

See ATCP 125.04 (3) (a), (c), & (d).

- 4) If a public utility provides sewer and water metering, is the operator assessing any additional charges? See ATCP 125.04 (3) (d)**
- 5) Did the operator require a separate meter charge or deposit, or require a separate charge for other permanent improvements? See ATCP 125.09 (3)**

REMEDY:

If the operator is violating any of the above provisions, the tenant has a right to contact a knowledgeable plaintiffs attorney in Wisconsin and have a case brought for double damages plus attorney fees. See s. 100.20 (5) Wis. Stats.

Amendment _____

Amend the bill by adding the italic words to section 9.

196.28(1) If the commission believes that any rate or charge is unreasonable or unjustly discriminatory or that any service is inadequate or cannot be obtained or that an investigation of any matter relating to any public utility or to any provision of water or sewer service by an operator, as defined in s 196.498(1)(f), or contractor, as defined in s.196.498(1)(a), should for any reason be made, the commission on its own motion summarily may investigate with or without notice. *A rate or charge shall be deemed to be unreasonable only if it provides for compensation beyond the cost of the actual service provided to the occupants including but not limited to water and sewer service costs paid to other utilities, costs related to maintenance, capital and regulatory compliance.*

AMENDMENT _____

196.85 Payment of commission's expenditures by utilities. (1) If the commission in a proceeding upon its own motion, on complaint, or upon an application to it deems it necessary in order to carry out the duties imposed upon it by law to investigate the books, accounts, practices and activities of, or make appraisals of the property of any public utility, power district or sewerage system or to render any engineering or accounting services to any public utility, power district or sewerage system, the public utility, power district or sewerage system shall pay the expenses attributable to the investigation, including the cost of litigation, appraisal or service. The commission shall mail a bill for the expenses to the public utility, power district or sewerage system either at the conclusion of the investigation, appraisal or services, during its progress. The bill constitutes notice of the assessment and demand of payment. The public utility, power district or sewerage system shall, within 30 days after the mailing of the bill pay to the commission the amount of the special expense for which it is billed. Ninety percent of the payment shall be credited to the appropriation account under s. 20.155(1)(g). The total amount in any one calendar year for which any public utility, power district, mobile home park under 196.26 or 196.28, or sewerage system is liable, by reason of costs incurred by the commission within the calendar year, including charges under s. 184.10(3), may not exceed four-fifths of one percent of its gross operating revenues derived from intrastate operations in the last preceding calendar year. Nothing in this subsection shall prevent the commission from rendering bills in one calendar year for costs incurred within a previous year. For the purpose of calculating the costs of investigations, appraisals and other services under this subsection, 90% of the costs determined shall be costs of the commission and 10% of the costs determined shall be costs of state government operations.

Amendment _____

Amend 196.642 to read:

196.642 Consumer liability for treble damages. (1) In an action to collect the outstanding balance on a customer's account, a court may award a public utility furnishing gas or electricity ~~or an operator, as defined in s. 196.498(1)(f), or contractor, as defined in s. 196.498(1)(a) furnishing water and sewer service~~ 3 times the amount of that portion of the outstanding balance incurred after October 31 and before April 16 if all of the following conditions are met:

JUN - 2 1997

Village of Crivitz

Tel. (715) 854-2030 * P. O. BOX 2747 * CRIVITZ, WISCONSIN 54114

May 19, 1997

Mr. Ronald Middleton
Westwood Meadows, LLC
P.O. Box 66
Bonduel, WI 54107

RE: Master Meter Utility Billing

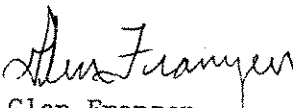
Dear Mr. Middleton:

By virtue of this letter you are hereby notified that effective July 1, 1997, the Crivitz Utilities will begin billing the Westwood Meadows Mobile Home Park for utility service by use of the master meter alone. The utility will no longer acknowledge separate dwelling units within the park for billing purposes.

To aid you in determining individual mobile home usage each quarter, you may wish rent the 3/4" meters which are on the mobile homes currently for \$25.00 per quarter. Or you may wish to purchase the meters at current market cost. If you wish to take advantage of either of these options please contact me immediately. If not, please be aware that the utility will remove the meters on June 30th.

If you should have any questions regarding this notification please feel free to call me at any time at 854-7778.

Thank you,


Glen Franzen
Operator

SPRING BROOK VILLAGE
U.S. ENERGY - WPL - BELoit COMPARISON SHEET

BILLING	# DAYS	U.S. ENERGY # GALLONS	# CCF'S	TENANT # BILLED WTR	WPL # CHRGD WTR	TENANT \$ BILLED SWR	BELoit \$ CHRGD SWR
12/2/89 - 1/2/90	31	485,800	662.83	8876.85	855.10	1,479.98	1,854.36
1/2/90 - 1/31/90	28	675,500	909.81	914.34	852.80	1,965.08	2,238.40
1/31 - 2/28	28	526,700	704.14	717.18	936.10	1,555.53	2,238.40
2/28 - 3/30	30	543,800	737.51	740.27	789.60	1,808.42	2,238.40
3/30 - 4/30	31	578,400	773.26	753.62	798.10	1,838.95	2,238.40
4/30 - 5/31	31	518,500	693.18	694.39	790.10	1,517.49	0.00
5/31 - 7/1	31	555,400	742.51	738.91	906.10	1,809.16	4,476.80
7/1 - 7/31	30	516,600	680.64	704.10	955.59	1,535.45	0.00
7/31 - 8/31	31	505,700	676.07	686.51	883.51	1,813.28	5,393.84
8/31 - 10/1	31	591,300	791.31	801.71	871.04	2,100.67	0.00
10/1 - 11/1	31	498,900	665.78	674.42	653.22	1,785.50	5,393.84
11/1 - 12/1	30	487,000	664.44	677.42	655.26	1,792.70	0.00
12/1/90 - 1/1/91	31	522,200	699.13	700.27	614.28	1,852.39	5,334.28
1/1/91 - 2/1/91	31	508,900	677.87	690.84	617.10	2,183.30	3,261.84
2/1 - 3/2	29	505,000	676.13	688.33	642.88	2,188.32	3,261.84
3/2 - 4/1	30	480,100	615.11	538.78	499.47	1,988.63	2,481.54
4/1 - 5/1	30	493,600	659.89	574.09	552.79	2,113.45	2,880.98
5/1 - 6/31	30	448,600	598.73	521.74	627.15	1,924.94	3,261.84
6/31 - 7/1	31	448,000	603.74	588.69	631.72	2,085.20	3,261.84
7/1 - 7/31	30	448,800	601.07	552.93	620.71	2,349.40	3,496.92
7/31 - 8/31	31	464,800	621.12	540.37	624.17	2,133.38	3,496.92
8/31 - 10/1	31	448,400	599.47	521.44	636.64	2,085.62	3,496.92
10/1 - 11/1	31	450,800	602.67	526.10	680.31	2,077.15	3,496.92
11/1 - 11/30	29	477,800	638.77	585.71	677.49	2,191.07	3,496.92
11/30/90 - 12/31/90	31	472,100	631.15	548.04	603.10	2,172.71	3,496.92
12/31/91 - 1/31/92	31	488,900	628.87	545.34	533.01	2,157.38	3,496.92
1/31 - 2/28	28	452,200	604.55	525.88	781.10	2,079.45	3,496.92
2/28 - 3/31	31	550,700	738.23	640.50	158.60	2,519.79	3,496.92
3/31 - 4/30	30	590,200	789.04	689.88	9,870.03	2,628.61	3,496.92
4/30 - 6/1	31	574,900	768.58	664.88	4,489.23	2,617.10	3,496.92
6/1 - 6/30	29	579,900	775.27	674.23	1,085.56	2,641.57	3,496.92
6/30 - 7/31	31	581,500	777.41	684.67	1,213.27	2,614.21	3,496.92
7/31 - 8/31	31	561,400	750.63	648.19	950.54	2,642.09	3,496.92
8/31 - 10/1	31	438,800	586.76	610.45	865.30	2,409.19	3,496.92
10/1 - 10/27	26	570,200	762.30	663.16	848.91	2,589.93	3,496.92
10/27 - 11/30	34	484,800	607.75	528.73	814.42	2,109.51	3,496.92
11/30/92 - 12/30/92	30	555,800	743.05	645.69	874.48	2,537.68	3,496.92
12/30/92 - 1/31/93	32	485,800	649.47	565.63	882.90	2,240.32	3,496.92
1/31 - 3/1	29	559,100	747.46	630.28	891.45	2,552.23	3,496.92
3/1 - 4/2	32	541,200	723.53	629.41	902.25	2,379.63	3,496.92
4/2 - 5/3	31	520,600	695.98	602.35	902.25	2,379.63	3,496.92
5/3 - 6/2	30	428,700	570.45	498.27	945.90	1,875.93	3,496.92
6/2 - 6/30	28	750,000	1,002.67	872.28	885.15	3,387.08	3,496.92
6/30 - 8/1	32	483,800	646.79	658.37	938.60	2,221.29	3,496.92
8/1 - 9/1	31	584,500	781.42	679.73	634.50	2,673.00	3,496.92
9/1 - 10/1	30	600,400	802.67	698.23	607.05	2,737.96	3,496.92
10/1 - 11/1	31	506,200	680.75	582.24	676.00	2,342.03	3,496.92
11/1 - 12/1	32	674,100	767.51	667.65	618.50	3,648.00	3,060.68
12/1 - 12/30	27	477,800	638.77	549.63	712.00	3,386.11	3,667.48
12/30 - 1/31/94	32	888,300	1,187.57	1,028.62	1,195.00	3,535.55	3,496.92
1/31 - 3/1	29	582,500	778.74	677.43	963.50	3,508.28	3,496.92
3/1 - 4/1	31	499,100	667.25	535.88	673.00	3,218.75	3,496.92
4/1 - 5/1	30	555,900	743.18	640.24	627.00	3,600.98	3,496.92
5/1 - 6/1	31	467,800	625.13	636.13	685.00	3,395.85	3,496.92
6/1 - 7/1	30	546,200	730.21	739.42	612.00	3,448.05	3,496.92
7/1 - 8/1	31	489,100	653.88	679.46	600.50	3,398.87	3,496.92
8/1 - 9/2	34	488,100	625.90	656.43	626.50	3,588.45	3,496.92
9/2 - 9/30	28	431,600	577.01	602.21	613.00	3,439.58	3,496.92
9/30 - 10/31	31	450,100	601.74	635.32	578.00	3,427.07	3,496.92
10/31 - 11/30	30	438,300	585.96	609.69	641.00	3,488.54	3,496.92
11/30 - 12/29	29	402,100	537.57	564.65	648.00	3,358.75	3,496.92
12/29 - 2/1/95	33	630,800	843.32	656.10	621.50	3,621.11	3,496.92
2/1 - 3/3	32	399,700	534.36	571.91	630.50	3,628.24	3,496.92
3/3 - 4/1	28	458,700	610.58	634.82	699.50	3,641.52	3,496.92
4/1 - 5/1	30	352,000	470.59	510.84	807.50	3,447.84	3,496.92
5/1 - 6/6	36	679,300	908.18	916.07	808.00	4,242.47	2,985.24
6/6 - 7/6	30	509,800	681.28	698.70	641.00	3,567.18	3,201.72
7/6 - 8/5	29	465,400	622.19	645.53	665.00	3,389.37	3,293.56
8/5 - 9/5	30	426,600	576.32	604.10	602.00	3,597.81	2,845.88
9/5 - 10/5	30	508,900	681.88	698.07	608.00	3,671.58	2,972.12
10/5 - 11/6	29	572,100	764.84	768.82	613.00	3,324.50	3,018.04
11/6 - 12/6	30	528,300	703.61	709.83	581.50	3,450.34	2,811.40
12/6 - 1/4/96	28	532,100	711.38	717.07	625.00	3,527.59	3,086.76
1/4/96 - 2/8/96	30	705,900	943.72	853.11	653.00	3,486.33	3,280.44
2/8 - 3/6	28	470,700	628.28	648.06	637.50	3,671.49	3,178.76
3/6 - 4/8	32	651,700	871.26	881.53	610.50	3,711.37	3,001.64
4/8 - 5/6	30	492,900	658.96	678.83	655.50	3,309.77	3,296.84
5/6 - 6/6	30	578,800	771.12	785.01	638.00	3,195.73	3,182.04
6/6 - 7/8	32	550,600	736.10	759.14	597.50	2,943.82	2,916.36
7/8 - 8/6	30	488,400	652.84	676.18	664.50	3,466.12	3,355.88
8/6 - 9/6	30	522,800	698.93	720.58	600.50	3,036.32	2,936.04
9/6 - 10/7	31	545,700	729.55	748.56	678.00	3,489.44	3,444.44
10/7 - 11/6	29	439,800	587.70	622.30	711.00	3,684.87	3,660.92
11/6 - 12/6	30	465,200	621.93	652.90	851.00	4,591.09	4,579.32
12/6 - 1/8/97	30	477,700	638.64	671.05	856.00	3,302.78	3,300.12
1/8/97 - 2/7/97	31	686,500	889.71	892.23	673.50	4,594.54	3,414.92
2/7 - 3/7	28	417,000	557.49	580.30	605.00	2,979.80	2,965.56
3/7 - 4/4	27	402,600	538.24	572.47	695.50	3,605.84	3,559.24

TOTALS:	45,737,300	61,148.12	\$58,435.57	\$75,003.66	\$246,742.34	\$284,786.48
TOTAL 1989	485,800	662.83	\$675.85	\$855.10	\$1,479.98	\$1,854.36
TOTAL 1990	6,530,100	8,730.08	\$8,803.14	\$8,082.50	\$20,774.62	\$28,552.36
TOTAL 1991	5,866,500	7,575.53	\$6,828.16	\$7,313.58	\$25,483.07	\$39,371.40
TOTAL 1992	6,379,200	8,528.34	\$7,478.60	\$22,063.45	\$29,446.49	\$41,983.04
TOTAL 1993	6,513,200	8,707.49	\$7,562.47	\$9,598.55	\$22,038.45	\$41,697.36
TOTAL 1994	6,218,900	8,314.04	\$7,905.26	\$8,383.00	\$41,381.70	\$41,963.04
TOTAL 1995	8,060,500	8,102.27	\$8,321.86	\$7,890.50	\$43,096.63	\$8,312.40
TOTAL 1996	6,389,000	8,540.11	\$7,972.23	\$7,953.00	\$41,878.23	\$40,122.80
TOTAL 1997	1,485,100	1,985.43	\$2,054.00	\$1,874.00	\$11,180.28	\$9,939.72

AR 737 HKI	61,148.12	\$58,435.57	\$75,003.66	\$246,742.34	\$284,786.48
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Spring Brook Village, Beloit

WPL Billed Park 75,003 for water

Park Billed Residents \$58,435

Beloit Billed Park 284,786

Park Billed Residents \$246,742

58,435 water 75,003 SWR 246,742 284,786 TOTAL P.01

TO: Judith Robinson

FAX #: 608-266-7038

FROM: Audra Dalu

2601 E. COLLEY #61

BELOIT WI 53511

(608) 368-0579

Re: Bill 368

3 pages including cover sheet.

RICH SCHLEYHAHN

P03

To: Judith Koluson;

I am writing to you about the Assembly Bill 368. I would like to support this bill 100%. I have lived in a mobile home park for 2 years, and have had nothing but problem with U.S. Energy who is our water company. If your payment is late, they come and leave a note with 24 hours ^{NOTICE} to leave cash or a money order on your door for pickup. When you call them to tell them you already mailed it, and that it should have been there already, they still make you leave money on the door. If they pick up your money & receive your check in the mail, they cash the check and keep double payment. I pay my bill every month in full, and the second it is late they cut it off. I can not afford to pay twice.

0

RICH SCHLEYHANN

P02

also, if your water is shut off they charge the following:

- \$ 10. - Collection fee
- \$ 15. - Shut off fee
- \$ 15. - Turn on fee.

my bill is usually around \$ 40.00 a month so if this happens it costs another \$ 40.00, and they end up getting my check in the mail the same day.

They also charge us sewer charge for every lit of water we use. If I wash my car, I get a sewer charge if the water does not go down the sewer. Same if I water my grass.

Thank You very much for your support. If you have any questions, please feel free to contact me at 608-368-0579

Thanks Again, Audra E. Dale

JUN 03

June 2, 1997

Dear Judy Robson,

I am writing you this letter to support you on AB 368 on the regulation of water & sewer service in mobile home parks. We will be out of state during the hearing.

When we live there is a lot of people on Federal Income and young people getting started out and can't afford to pay higher rates. We have been here for many years and until this year they never charged for water & sewer and still said the monthly rate besides.

I hope you can get this Bill passed.

Sincerely,

James & Mary Huffman
6219 Hwy 51 S. Lot 40 GARRET
JANESVILLE, WIS 53546



State of Wisconsin
Tommy G. Thompson, Governor

Department of Agriculture, Trade and Consumer Protection

Alan T. Tracy, Secretary

2811 Agriculture Drive
Madison, Wisconsin 53704-6777

PO Box 8911
Madison, WI 53708-8911

Memorandum

DATE: June 4, 1997
TO: Representative Marc Duff - Environment Committee
FROM: David Ghilardi, Assistant Legal Counsel
RE: Assembly Bill 368

The Department of Agriculture, Trade and Consumer Protection supports Assembly Bill 368 and offers the following comments:

- There has been a growing trend in the mobile home park industry for the park owner to purchase water and sewer services for the park and then charge the tenants for their purchase of the services. Also, park owners have been using independent metering and billing companies to administer the provision of the water and sewer services to their tenants.
- In recent years, mobile home park tenants have increasingly complained about the water and sewer rates and other practices of mobile home park owners relating to this service. Many of these complaints cannot be remedied by current laws and rules governing mobile home parks.
- The PSC currently regulates rates and practices related to water and sewer services provided to most Wisconsin property owners and tenants.
- There is no rate regulation authority related to water and sewer services provided to mobile home park tenants by the park owners.
- Assembly Bill 368 extends the PSC water and sewer regulation authority to include water and sewer services provided to mobile home park tenants by park owners.
- Assembly Bill 368 has no effect on current laws and DATCP rules regulating mobile home parks.
- We believe that, by extending the rate regulation authority of the PSC to cover water and sewer services provided by mobile home park owners, we are effectively using the PSC's long-standing expert knowledge in this area to provide needed relief to mobile home park tenants.



Public Service Commission of Wisconsin

Cheryl L. Parrino, Chairman
Daniel J. Eastman, Commissioner
Joseph P. Mettner, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

1997 Assembly Bill 368

Testimony of Public Service Commission
presented before the Assembly Committee on Environment

-by-

Joyce A. Narveson, Administrator
Division of Water, Compliance and Consumer Affairs
June 4, 1997

The Commission appears for informational purposes. We have appreciated Senator Weeden's early involvement of our agency in the preparation of this bill. It is our understanding that the bill grants to the Public Service Commission (PSC) regulatory authority over the provision of water or sewer service to occupants of a mobile home park. The PSC would be required to promulgate rules that establish standards for water and sewer service, including metering, billing, deposits, deferred payment arrangements, refusing or discontinuing service and resolving disputes about service. The rules also must ensure that charges for water and sewer service are reasonable and that the service is reasonably adequate. The PSC becomes involved in dispute resolution on complaint by either 25 percent of the mobile homes in a mobile home park or 25 mobile homes, whichever is less. The bill **does not** make the providers of water and sewer in mobile home parks utilities. In summary, we believe the bill provides residents of mobile home parks basic consumer protection regarding water and sewer service.

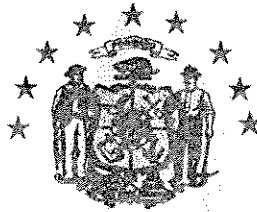
We do, however, have two administrative concerns that could complicate our agency's ability to readily implement the provisions of this bill. Our first concern is that the bill has no provision to allow the Commission to recover the cost of this regulation from the benefiting mobile home park industry. This is not typical of Commission regulation of other non-utility services such as municipal sewer service where the cost of investigating complaints is assessed back to the municipal owner of the sewer system. Interest in mechanisms that ensure the cost causer is also the cost payer is becoming increasingly important as utility industries move into a more competitive environment. Lacking the opportunity to assess the cost of regulation of mobile home parks to the benefiting parties will result in an inequitable recovery of these costs from others not benefiting from the regulation. Because we are a program revenue agency, this will serve to further exasperate the assessment concerns of those already under Commission regulation.

Our second concern is related and recognizes the need for a staff position to handle the workload that would result from the bill. The fiscal estimate our agency prepared for this bill furnishes the support for one FTE. There are in excess of 1,000 mobile home parks in Wisconsin. This compares to only 570 municipal water and sewer utilities. We anticipate that the combined

1997 Assembly Bill 368

workload of service complaints and rate issues will equate to one FTE. While the Commission has the expertise and processes to deal with the provisions of this bill, the agency is not staffed to absorb this additional workload without negative impact to this proposal or other existing programs within the agency.

Commission staff has provided Senator Weeden with a draft bill amendment that addresses these two issues. It is my understanding that Senator Weeden is pursuing an amendment to SB 147 which would address the Commission's administrative concerns. I request that the authors of AB 368 consider a similar amendment.



JUDITH B. ROBSON

STATE REPRESENTATIVE • WISCONSIN LEGISLATURE

DATE: June 4, 1997
TO: Assembly Committee on Environment
FROM: Representative Judy Robson
RE: Assembly Bill 368

Thank you Chairman Duff for your prompt scheduling of this hearing on Assembly Bill 368.

I have introduced this bill on behalf of constituents who have pointed out the need to improve the regulation of water and sewer services in mobile home parks.

Currently, mobile home parks are regulated by the Department of Agriculture, Trade & Consumer Protection. There are minimal requirements for utility services.

I have several mobile home parks in my district where the water and sewer services are provided entirely through the park owner's facilities.

There have been many complaints about service billings. Residents are not able to determine whether the charges are fair or equitable. U.S. Energy, which services water for one park, is based in Atlanta, Georgia. The residents have little ability to appeal arbitrary decisions made by the company.

I believe the mobile home residents should have the same rights and recourse for review of the service charges and the same protection for service standards that are provided to other residents who do not live in mobile home parks.

Many of these residents are on fixed or low incomes and they do not have the flexibility to move or make other arrangements. They are feeling trapped, and they have to comply with the rules.

This bill transfers the regulatory authority from the Department of Agriculture, Trade and Consumer Protection to the Public Service Commission. The PSC will promulgate rules that establish standards for water or sewer service that is provided to mobile home park residents by the operator of the park or a contractor.

The new rules must ensure:

- that any charge for water or sewer service is reasonable and not unjustly discriminatory,
- that the service is reasonably adequate and
- that any practice relating to providing the service is just and reasonable.

The PSC will be able to investigate and hold a hearing about water or sewer service if a complaint is filed by 25% of the total number of mobile homes in the park or by 25 mobile home residents, whichever is less.

The PSC will be able to issue orders or bring an action in court to enforce the rules.

This oversight and regulation by the PSC is needed. I have copies of two letters from residents of the two mobile home parks that can be distributed to committee members.

Your favorable consideration of Assembly Bill 368 will give mobile home residents the rights and protection they need and deserve.

Thank you.