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

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In the Matter of the Application of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty for an Order Granting Billing Variances Related to the Company's Implementation of its Customer First Program

Case No.

## <u>APPLICATION FOR VARIANCE, REOUEST FOR WAIVER,</u> <u>AND MOTION FOR EXPEDITED TREATMENT</u>

**COMES NOW** Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty, pursuant to 20 CSR 4240-2.060, 20 CSR 4240-2.205, and 20 CSR 4240-4.017(1), and submits this Application for Variance, Request for Waiver, and Motion for Expedited Treatment and respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. Liberty Utilities (Midstates Natural Gas) Corp. ("Liberty" or the "Applicant") is a corporation organized and existing under the laws of the state of Missouri and provides natural gas utility service throughout a number of Missouri counties. The Applicant is a "gas corporation" and a "public utility" as those terms are defined in RSMo. §386.020 and as such is subject to the jurisdiction of the Commission as provided by law.

2. A copy of Applicant's Certificate of Corporate Good Standing issued by the Missouri Secretary of State's Office addressing Applicant's corporate status was filed with the Commission in Case No. GM-2012-0037 and is incorporated herein by reference.

3. Liberty has no pending or final unsatisfied judgements or decisions against it from any state of federal agency or court that involve customer service or rates and that have occurred within the three years immediately preceding this filing. Liberty has no annual report or assessment fees overdue to this Commission.

4. In October of this year, the Applicant will be implementing a new, modern

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technology platform referred to as Customer First. As a comprehensive project, Customer First serves to install an enterprise-wide solution to replace and improve legacy computer systems, transforming how Liberty does business and manages data. The Customer First program includes technology investments, system upgrades, infrastructure improvements, and changes to business processes related to customer information, finance and accounting, network operations, procurement, accounts payable, employee time, and payroll services.

5. Within the current system used by the Applicant (Cogsdale), Liberty obtains most of the customer meter readings toward the end of the month and then bills the customers in the following month over 19 billing cycles.

6. The new system (SAP), being implemented as part of Customer First, does not utilize this type of billing. Instead, the meter readings need to be received by the scheduled bill date or the system will estimate them.

7. To enact this process change in a way that best serves Liberty's customers, Liberty has formulated a billing transition plan. To implement this plan, the Applicant requires temporary variances from Commission Rules 20 CSR 4240-13.015(1)(C)<sup>1</sup> and 20 CSR 4240-13.020(6).<sup>2</sup>

8. Liberty just learned of this necessary process change and, as such, this Application is being filed as soon as it could have been. A grant of the requested variances will benefit customers and avoid harm to the Applicant, as the billing transition plan will minimize the impact on customers and make the best use of Liberty's resources.

<sup>&</sup>lt;sup>1</sup> Commission Rule 20 CSR 4240-13.015(1)(C) provides that billing shall be based on a "usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer."

<sup>&</sup>lt;sup>2</sup> Commission Rule 20 CSR 4240-13.020(6) provides that a utility may bill its customers on a cyclical basis "if the individual customer receives each billing on or about the same day of each billing period." The Rule further provides that "(i)f a utility changes a meter reading route or schedule which results in a change of nine (9) days or more of a billing cycle, notice shall be given to the affected customer at least fifteen (15) days prior to the date the customer receives a bill based on the new cycle."

9. Liberty requests that the Commission act on this Application as quickly as possible, as there will be a temporary change in billing practices as early as September 18, 2023. There will be no negative effect on the Applicant's customers or the general public if the Commission acts by the requested date. Further, Liberty does not anticipate that this matter will be a contested case, and a hearing is not required in order for the Commission to grant a variance from its rules.

10. As part of the change from the Cogsdale system to SAP, the customer billing cycles will change, with the dates on which customers receive bills permanently changing. Under Liberty's transition plan, customers will be billed for their August reads by September 18. For some customers, this will result in them not receiving their bill within 9 days of when they previously did during each prior billing period.<sup>3</sup> Due to the timing of this process change, Liberty requests a variance to relieve the Applicant of the obligation to provide notice to affected customers as specified in 20 CSR 4240-13.020(6). Liberty is, however, engaging in a customer outreach program to inform customers of the changes involved with the Customer First implementation.

11. The next meter reads will take place in September and October. With this step in the transition plan, some customers will receive a bill in October based on a usage period of less than 26 days. All billing cycles will then have meters read in November. For customers where a reading was not obtained in October , they will receive a bill based on a usage period of more than 35 days. For these two periods, a variance from Commission Rule 20 CSR 4240-13.015(1)(C) is required.

12. Liberty did not file a 60-day notice pursuant to Commission Rule 20 CSR 4240-4.017(1) and requests a waiver of this requirement. Rule 4.017(1)(D) provides that a waiver may

<sup>&</sup>lt;sup>3</sup> All customers will continue to have at least 21 days to pay.

be granted for good cause. Good cause exists in this case. Liberty declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 4.017(1)(D)) within the prior 150 days regarding any substantive issue likely to be in this case. Additionally, due to the time constraints involved, Liberty was unable to comply with this rule.

**WHEREFORE**, Liberty respectfully requests, for good cause shown, that the Commission waive the notice requirement of 20 CSR 4240-4.017(1), grant the requested temporary billing variances from 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6), and issue its order on an expedited basis.

Respectfully submitted,

<u>/s/ Diana C. Carter</u> Diana C. Carter MBE #50527 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty 428 E. Capitol Ave., Suite 303 Jefferson City, Missouri 65101 Joplin Office Phone: (417) 626-5976 Cell Phone: (573) 289-1961 E-Mail: Diana.Carter@LibertyUtilities.com

## **CERTIFICATE OF SERVICE**

I hereby certify that the above document was filed in EFIS on this 25<sup>th</sup> day of August, 2023, and sent by electronic transmission to the Staff of the Commission and the Office of the Public Counsel.

/s/ Diana C. Carter

## **VERIFICATION**

On behalf of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty, and pursuant to Commission Rules, the undersigned, upon his oath and under penalty of perjury, hereby states that the above filing is true and correct to the best of his information, knowledge, and belief.

<u>/s/ Mike Beatty</u> Liberty Central Region President, Gas Operations