

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

The Staff)
of the Missouri Public Service Commission,)
)
Complainant,)
)
v.)
)
Liberty Energy (Midstates) Corp.)
d/b/a Liberty Utilities,)
)
Respondent.)

Case No. GC-2015-0218

ANSWER AND RESPONSE TO COMPLAINT

COMES NOW Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty Utilities,” “Company” or “Respondent”), pursuant to the Missouri Public Service Commission’s (“Commission”) *Notice of Contested Case and Order Directing Filing* and Commission Rule 4 CSR 240-2.070(9), and for its Answer and Response To Complaint hereby states:

INTRODUCTION

Liberty Utilities prides itself on delivering responsive and reliable essential services to its customers, and seeks to provide a superior customer experience. The Company offers its customers several convenient payment options and ways to help them easily manage their account. To the extent customers have trouble paying their bills on time, the Company requests that customers let it know right away to discuss possible overdue bill options and the availability of energy assistance programs. In this particular instance, certain customers were delinquent and appropriately scheduled for disconnection of service; however, while the Company believed that all such customers had received the requisite written notifications, such written notifications were not sent due to an internal

clerical error described below. Upon identifying the existence and scope of the error, remedial actions were promptly taken to remedy the error and to restore service to these customers. The Company truly regrets this occurrence, it has fully cooperated with the Commission's Staff in the Staff's informal investigation into this matter, and it has taken steps to ensure that such an error does not occur in the future.

SUMMARY OF FACTS

On Monday, March 2, 2015, after checking the official weather forecasts and determining that the temperatures would be high enough to disconnect customers for non-payment in Jackson, Sikeston, Malden and Caruthersville in the SEMO district and Butler in the West district in accordance with the Cold Weather Rule, the Company released operations to disconnect fifty-five (55) customers for non-payment. All fifty-five (55) customers were delinquent. The Company believed that all fifty-five (55) customers had received the proper notifications through the mail. Additionally, as part of the Company's standard collections process, all fifty-five (55) customers did receive two (2) telephone notices through its automated telephone calling system to notify the customers that they were subject to disconnection for non-payment. The first automated call was made on February 19, 2015, and the second on February 25, 2015. On Monday, March 2, 2015, these fifty-five (55) customers were disconnected. Prior to turning the gas off at the premises, Liberty's service technicians knocked on the door to give the customer an opportunity to tell the service technician that they had paid the delinquent account, or to show a receipt for recent payment.

On Tuesday, March 3, 2015, a customer came into Liberty's office in Jackson to discuss being disconnected for non-payment. He stated that they had not received a disconnect notice. During the meeting with this customer, the Company accessed its CIS system to obtain a copy of the disconnect notice mailed to the customer and discovered

that there was no written disconnection notice in the system. Because Liberty's representatives could not find the disconnect notice in the Company's system, Liberty agreed to reconnect the customer with no reconnect charge or additional deposit.

Later in the day, Liberty was informed that the customer's wife had contacted the Commission's Consumer Services division, to lodge a concern that they had been disconnected for non-payment. The Company responded through a filing in the Commission's Electronic Filing and Information System.

On March 5, 2014, the Company investigated the facts surrounding the 55 customers that were disconnected on Monday, March 2, 2015. It was discovered that none of the customers had received a written disconnect notice prior to disconnection, as the computer file that was sent to its billing vendor (Fiserv) had been rejected because of a typographical error in the long file name.

Thirty-nine (39) customers had been reconnected by March 5, 2014. Company representatives began calling the sixteen (16) customers that had not had service reconnected. The Company also sent service technicians to knock on doors of the disconnected customers to try to find someone at home. As a result of these methods, Liberty was able to reconnect five (5) additional customers. The Company representatives informed these customers that it would connect them with no reconnect charge or deposit payments and that it would give them a payment plan with no initial payment up front. The Company also had two (2) additional customers arrange for reconnection for Friday, March 6, 2015.

On March 6, 2015, Steve Green, the Company's Senior Manager of Quality Assurance notified the Commission's Consumer Service Department that the Company had eleven (11) customers still disconnected, but two (2) customers had scheduled reconnection for Friday, March 6. Of the 9 remaining disconnected customers, four (4)

were reconnected during the week of March 9-13, 2015 with no reconnect charge or deposit payments and the option of a payment plan with no initial payment up front. As of Friday, March 13 the Company had determined, by telephone calls and service technicians visiting the premises, that the remaining five (5) residences were vacant buildings and the Company had received no further requests for connect/reconnect.

The Company regrets that its customers failed to receive written notice prior to disconnection, and it has taken steps to modify its system and processes to ensure that such errors do not occur in the future.

ANSWER

For its Answer, pursuant to Commission Rule 4 CSR 240-2.070(9), the Company states as follows:

1. Respondent admits this Complaint concerns the discontinuance of residential natural gas service without prior written notice. While Respondent Liberty Utilities continues to do business under the fictitious name Liberty Utilities, by its Order Granting Application issued on October 17, 2013 and effective November 1, 2013 in Case No. GN-2014-0090, the Commission granted the application and recognized the name change of Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities to Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities. The remainder of Paragraph 1 includes a legal conclusion to which no response is required.

2. Respondent admits the allegations contained in Paragraph 2 of the Complaint.

3. Noting the above-referenced name change and a new principal office address of 2751 North High Street, Jackson, Missouri 63755, Respondent admits the allegations contained in Paragraph 3 of the Complaint.

4. Respondent admits the allegations contained in Paragraph 4 of the Complaint.

5. Respondent admits the allegations contained in Paragraph 5 of the Complaint.

6. Paragraph 6 is a legal conclusion to which no response is required.

7. Paragraph 7 is a legal conclusion to which no response is required.

8. Paragraph 8 is a legal conclusion to which no response is required.

9. Respondent admits that on or about March 2, 2015, it discontinued natural gas service to 55 of its residential customers without providing written notices to those customers of the pending disconnection. Respondent did provide telephonic notice and attempted personal contacts at said premises.

10. With regard to Paragraph 10, Respondent does not have sufficient knowledge or information related to this assertion of fact, and therefore denies the same.

11. Respondent admits the allegations contained in Paragraph 11 to the extent the referenced notices were written notices, as fully explained above.

12. Paragraph 12 is a legal conclusion to which no response is required.

13. Paragraph 13 is a legal conclusion to which no response is required.

14. Respondent admits the allegations contained in Paragraph 14. In further response, Respondent intends to ensure that such an error does not happen in the future, and will explain herein how the error occurred and how it has been addressed, as recommended by Staff in Paragraph 14.

RESPONSE AND EXPLANATION¹

15. What is the current status of customers who were disconnected and have not been reconnected?

Liberty Utilities' response: As of March 18, 2015 five (5) of the fifty-five (55) customers remain disconnected. All of the residences are vacant and the Company has not received any requests for connect/reconnect.

a. Premises A, Caruthersville, vacant when turned off, used 11 CCF in February;

b. Premises B, Sikeston, vacant when turned off, used zero (0) CCF used in January and February;

c. Premises C, Sikeston, vacant when turned off, zero (0) CCF used in February;

d. Premises D, Butler, vacant when turned off, 100 CCF used in February;

e. Premises E, Butler, vacant when turned off, customer recently moved per landlord, used 56 CCF in February.

16. For the customers disconnected and not reconnected, can the company identify how long the customers have been away from the premises?

Liberty Utilities' response:

See response to #15 above. All properties appear to have been vacant one-half to two months prior to disconnect, except for Premises D. This premise was vacant when disconnected but had used 100 CCF in February. Premises E was also vacant when disconnected, but the landlord indicated to the Company that the premises were recently vacated for reasons other than the disconnection of natural gas service.

¹ Staff has informally requested that the Company provide a response to the following questions in this response, and Liberty Utilities appreciates the opportunity to do so.

17. Regarding the vacant premises, were the premises vacant before disconnection, or did the customers vacate the premises because of the disconnection?

Liberty Utilities' Response: Yes, all premises were vacant before the Company disconnected services to the premises. (See responses to #15 and #16 above.)

18. Provide the Company process or procedures for handling customer communications when the Company makes an error in disconnecting customers.

Liberty Utilities' Response: When the Company discovers an error in the process of disconnecting customers, a Company representative calls the telephone number listed on the account. If an answering machine answers, the Company representative will leave a message to contact Liberty. The Company will reconnect service without a down payment and provide the customer the opportunity to make a payment arrangement. When there is no answer initially, the Company representative will make several attempts to contact the customer(s). Next, a Company representative will visit each premise and leave a door card with the same message, to call and get restored with no money down and a payment arrangement.

19. Provide in detail the Company's field procedures when discontinuing service.

Liberty Utilities' response: First, a Company representative will knock on the door and if someone answers, the Company representative will inform them that he/she is there to disconnect the service. The Company representative will ask if they have paid the delinquent bill and if they can produce a receipt. If the customer states that he/she had paid for the delinquent account, but did not have a receipt, the Company representative leaves and gives the office time to find payment. If the customer has not paid, the Company representative disconnects the service and provides a door card with contact information. If the customer is not home, Liberty disconnects the premises, and leaves a door card with contact information.

20. Does the Company attempt to collect in the field any payment due prior to discontinuance of the service? If so, when?

Liberty's response: The Company does not collect payments in the field prior to discontinuance of the service.

WHEREFORE, having fully responded to the Complaint, the Company is available to answer any additional questions or concerns of the Commission or interested parties. Otherwise, the Company believes it has satisfied the concerns raised in the Complaint. Again, the Company sincerely regrets that this incident occurred, but believes the steps it has taken should help to preclude the occurrence of similar circumstances in the future.

Respectfully submitted,

/s/ James M. Fischer

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Attorneys for Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, First Class mail, postage prepaid, this 1st day of April, 2015, to all counsel of record in this matter.

/s/ James M. Fischer

James M. Fischer

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AFFIDAVIT OF CHARLES STEVEN GREEN

STATE OF MISSOURI

COUNTY OF CAPE GIRARDEAU

)
) ss
)

I, Charles Steven Green, Senior Manager of Quality Assurance, having been duly sworn upon my oath, state that I am duly authorized to make this affidavit on behalf of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, and that the matters set forth in the foregoing pleading are true and correct to the best of my information, knowledge and belief.

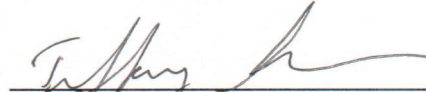


Charles S. Green

Subscribed and sworn before me this 1st day of April, 2015.



TIFFANY SHASSERRE
My Commission Expires
May 6, 2018
Cape Girardeau County
Commission #14613101


Notary Public

My Commission expires on May 6th 2018