

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

In the Matter of the Application of Liberty	)	
Utilities (Midstates Natural Gas) Corp. d/b/a	)	
Liberty for an Order Granting Billing Variances	)	Case No. GE-2024-0046
Related to the Company’s Implementation of its	)	
Customer First Program	)	

**AMENDED APPLICATION FOR VARIANCE, REQUEST FOR WAIVER,  
AND MOTION FOR EXPEDITED TREATMENT**

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

1. Following submission of the original Application herein, Liberty discussed the variance requests with the Staff of the Commission (“Staff”) and the Office of the Public Counsel (“OPC”) and determined that the provision of additional information would facilitate the processing of Liberty’s requests. Additionally, Liberty reconsidered its variance requests and made a slight adjustment to its plans.

2. This Amended Application replaces the original Application in total, with the exception of the Request for Waiver portion regarding waiver of the 60-day pre-filing notice requirement of 20 CSR 4240-4.017.

3. Regarding changes from the original Application to this Amended Application, Liberty directs the Commission and the parties to paragraphs 10 and 14-19.

4. 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.

5. 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.

6. Liberty has no pending or final unsatisfied judgements or decisions against it from any state or 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.

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

8. 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.

9. 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.

10. As background, the Applicant's existing system calculates all gas consumption through the end of the month and spreads the delivery of customer bills throughout the following month. For example, a meter reading obtained on July 31 might not be billed until August 17 under the current schedule. With the improvements available in the new system, Liberty can reorganize the meter reading throughout the month and render a bill closer in time to the actual meter reading date. This will be an improvement for customers, as billing closer to the actual dates of usage helps customers to better recognize the potential impacts to their usage, such as warmer or cooler weather.

11. To enact the process change in a way that best serves Liberty's customers, Liberty formulated a billing transition plan. To implement this plan, and as detailed below, 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>

12. Liberty learned of the necessary process change immediately prior to the filing of the initial Application and, as such, the Application and the Amended Application are being filed as soon as they 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.

13. Liberty requests that the Commission act on this Application as quickly as possible. There will be a change in billing practices during the month of September, 2023, and there will be

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<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>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."

temporary changes in billing practices necessitating the need for rule variances for the months of October and November, 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.

14. As noted, the Applicant is requesting billing practice variances to accommodate a recalibration of meter reading and billing cycles needed to implement Liberty's new customer information and billing system, scheduled to go live October 9, 2023. Liberty recognizes that a change in billing dates and any change to the normal approximately 30-day time interval between bills, although required, is not ideal. As such, Liberty created a billing schedule to minimize discomfort our customers may experience because of the changes and to address feedback received from the Staff of the Commission and the Office of the Public Counsel.

15. In conjunction with its billing transition plan, and to lessen any discomfort or financial burden that could be caused by the process changes, Liberty will take the following steps:

- a. Liberty will waive any late fees for customers who need more time to pay. The initial plan is to waive late fees for 60 days, and Liberty will grant more time to any customer who requests a later date.
- b. Liberty will suspend any collection activities for all customers during this transition.
- c. If a customer wishes to enroll in budget billing, Liberty will calibrate the budget billing installment amount based on the usual 12-month usage history.
- d. Liberty's communications team will send letters and conduct other outreach efforts to inform customers regarding changes due to this system transition, including changes to their billing.

16. The timing of the billing changes – during a period when seasonal gas consumption is typically lower – also helps to reduce financial impact and any potential customer discomfort.

17. Liberty’s billing transition plan involves two technical steps: (1) a data processing blackout period expected to last between September 30 to October 9, 2023, while the Applicant converts from the old billing system to the new one; and (2) recalibration of the billing date when the Applicant initiates bills in the new system.

18. The changes customers will experience are outlined below. Bills rendered outside the usual bill period will have the appropriate charge proration steps so the net total cost to the customer will be the same – just delivered in a different frequency.

- a. September: customers receive a normal approximate 30-day bill for August usage (with no billing variance needed).
- b. October: some customers receive one bill and others will receive two bills.
  - i. One normal usage bill: customers in Jackson, Piedmont, and Sikeston, Missouri, service areas receive one bill (billed October 10) reflecting the normal September billing cycle. The date they receive this bill may be sooner or later than typical, potentially by more than nine days. Customers will continue to have at least 21 days (more if they receive the bill earlier than typical) before the bill is due.
  - ii. Two bills: customers in Butler, Canton, Hannibal, Malden, Caruthersville, and Kirksville, Missouri, service areas receive one bill (billed October 10) reflecting the normal September billing cycle. The date they receive this bill may be sooner or later than typical, but they will continue to have at least 21 days before the bill is due (more if they receive the bill earlier than typical). They also receive a second bill in October (billed between October 18 – 24) reflecting partial October

usage and a prorated customer charge. Again, they will have at least 21 days before the bill is due. This second bill will reflect their new meter reading/billing cycle going forward.

- c. November: some customers will receive one longer usage bill, and some customers will receive one normal usage bill.
  - i. One longer usage bill: customers in Jackson, Piedmont, and Sikeston, Missouri, service areas receive a bill reflecting usage since the final September meter read through November 6-7. This bill will reflect 41 days of usage and a prorated customer charge (billed November 8-9). The customers will have at least 21 days before the bill is due. This bill will reflect their new meter reading/billing cycle going forward.
  - ii. One normal usage bill: customers in Butler, Canton, Hannibal, Malden, Caruthersville, and Kirksville, Missouri, service areas receive a normal bill (approximately 30 days of usage). This billing date (billed between November 17-27) reflects the customers' new meter reading/billing cycles established in October. They will have at least 21 days before the bill is due.
- d. December: customers receive a normal approximately 30-day bill on their new meter reading/billing cycle (which was established in either October or November) (with no billing variance needed).

19. For October and November, 2023, the billing actions outlined above require variances from Commission Rules 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6).

**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,

/s/ Diana C. Carter

Diana C. Carter MBE #50527

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### **CERTIFICATE OF SERVICE**

I hereby certify that the above document was filed in EFIS on this 5<sup>th</sup> day of September, 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 Amended Application is true and correct to the best of his information, knowledge, and belief.

/s/ Mike Beatty

Liberty Central Region President, Gas Operations