

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

In the Matter of the Application of The Empire)
District Gas Company d/b/a Liberty Utilities or)
Liberty for an Order Granting Billing Variances) Case No. _____
Related to the Company’s Implementation of its)
Customer First Program)

**APPLICATION FOR TEMPORARY VARIANCES, REQUEST FOR
WAIVERS, AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW The Empire District Gas Company d/b/a Liberty (“EDG” or “Liberty”), pursuant to 20 CSR 4240-2.060, 20 CSR 4240-2.205, 20 CSR 4240- 4.017(1), and 20 CSR 4240-13.065, and submits this Application for Temporary Variances, Request for Waivers, and Motion for Expedited Treatment and respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. EDG is a corporation organized and existing under the laws of the state of Kansas and provides natural gas utility service throughout a number of Missouri counties, with its principal office located at 602 S. Joplin Ave, Missouri, 64802.
2. EDG is a “gas corporation” and “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.
3. A certified copy of EDG’s Certificate of Authority to do business as a foreign corporation evidencing EDG’s authority to conduct business in Missouri was submitted in Case No. GO-2006-0205 and is incorporated herein by this reference. The information on such Certificate is currently applicable and correct.
4. EDG 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.

5. EDG has no annual report or assessment fees overdue to this Commission.

6. **Customer First Implementation.** In February 2024, EDG 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.

7. 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. EDG is part of the Liberty Central Region, as is Liberty Utilities (Midstates Natural Gas) Corp. (“Midstates”). On August 25, 2023, Midstates filed a similar application regarding its implementation of Customer First. The Staff of the Commission, in conjunction with recommending approval of the application, suggested certain conditions regarding waiver of late fees and other matters.

9. The requested variances were granted to Midstates by the Commission’s *Order Granting Variances* issued October 4, 2023, conditioned as recommended by Staff. EDG agrees with implementation of the same conditions in conjunction with approval of its application herein.

10. **Customer Watch to SAP.** Within the current system used by EDG (Customer Watch), EDG obtains most of the customer meter readings toward the end of the month and then bills the customers in the following month over eight billing cycles. 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.

11. EDG’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 November 22 might not be billed until December 11 under the current schedule. With the improvements available in the new system, EDG can reorganize the meter reading throughout the month so usage will be closer to the billing date. This will be an improvement for customers, as usage closer to the actual dates of billing helps customers to better recognize the potential impacts to their usage, such as warmer or cooler weather.

12. **Meter Read Transition Plan.** To enact the process change in a way that best serves EDG’s customers, Liberty formulated a meter read transition plan. To implement this plan, EDG requests temporary variances from Commission Rules 20 CSR 4240-13.015(1)(C)¹ and 20 CSR 4240-13.020(6).² A grant of the requested variances will benefit customers and avoid harm to EDG, as the meter read 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 meter read practices during the month of February 2024, and there will be temporary changes in meter read practices potentially necessitating the need for rule variances for the months of February and March 2024.

14. There will be no negative effect on EDG’s customers or the general public if the Commission acts by the requested date. Further, Liberty does not anticipate this matter being a contested case, and a hearing is not required for the Commission to grant the requested variances.

¹ 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.”

² 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.”

15. As noted, EDG is requesting meter read practice variances to accommodate a recalibration of meter reading needed to implement Liberty's new customer information and billing system, scheduled to go live February 12, 2024. Liberty recognizes that any change to the normal approximately 30-day time interval between bills, although potentially required, is not ideal. As such, Liberty created a meter read schedule to minimize discomfort our customers may experience because of the changes and to address feedback previously received from the Staff of the Commission and the Office of the Public Counsel in conjunction with the prior request by Midstates.

16. In conjunction with its meter read 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) waive any late fees for customers who need more time to pay and grant more time to any customer who requests a later date; (b) suspend any collection activities for all customers during this transition; and (c) send letters and conduct other outreach efforts to inform customers regarding changes due to this system transition, including changes to their billing. Additionally, 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.

17. EDG's meter read transition plan involves two technical steps: (1) a data processing blackout period expected to last February 5-12, 2024, while EDG converts from the old billing system to the new one; and (2) recalibration of the meter read dates when EDG initiates bills in the new system. Any 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. This transition will line the meter read dates with the billing dates, with the goal of staying within the 26-35 day read window.

18. Although the meter read transition plan does not specifically contemplate deviations from the requirements of Commission Rules 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6), deviations may occur during this transition period, and as such, Liberty requests temporary variances from these Commission Rules.

WHEREFORE, Liberty respectfully requests, for good cause shown, that the Commission grant this Application for Temporary Variances, Request for Waivers, and Motion for Expedited Treatment, waiving the prefiling notice requirement of 20 CSR 4240-4.017(1), granting the requested temporary billing variances from 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6), waiving the newspaper requirement of 20 CSR 4240-13.065(2), and issuing its order on an expedited basis.

Respectfully submitted,

/s/ Diana C. Carter
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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 28th day of December, 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 The Empire District Gas Company 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.

/s/ Mike Beatty

Liberty Central Region President, Gas Operations