

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

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

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

COMES NOW The Empire District Electric Company d/b/a Liberty (“Liberty,” “Empire,” or the “Company”), 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 with regard to the Company’s implementation of Customer First. In support of its requests, Liberty respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. Empire is a Kansas corporation with its principal office located at 602 Joplin Street, Joplin, Missouri, 64801. The Company provides electric service to customers in its Missouri service areas, as certificated by the Commission, as well as in the states of Kansas, Oklahoma, and Arkansas. Empire is an “electrical corporation” and a “public utility,” as those terms are defined by RSMo. §386.020 and, therefore, is subject to the general regulatory jurisdiction of the Commission as provided by law.

2. A certified copy of Empire’s Restated Articles of Incorporation, as amended, was filed in Case No. EF-94-39, and a certificate from the Missouri Secretary of State that Empire, a foreign corporation, is authorized to do business in Missouri was filed with the Commission in Case No. EM-2000-369. This information is current and correct.

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 the Commission.

4. **Customer First Implementation.** On April 8, 2024, Liberty intends to implement a new, modern technology platform referred to as Customer First.

5. 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.

6. **Rule Variances.** The implementation of Customer First for Empire does not specifically contemplate the need for variances from any particular Commission Rules. Deviations may occur during the transition period, however, so out of an abundance of caution Liberty requests temporary variances from Commission Rules 20 CSR 4240-13.015(1)(C)¹ and 20 CSR 4240-13.020(6)² for two months (likely April and May, 2024). A grant of the requested variances will benefit customers and avoid harm to Liberty, as the ability to vary meter reading and billing schedules will allow for the implementation of Customer First.

7. **Approval Conditions.** Empire is part of the Liberty Central Region, as are Liberty Utilities (Midstates Natural Gas) Corp. (“Midstates”), The Empire District Gas Company (“EDG”), and Liberty Utilities (Missouri Water) LLC (“Missouri Water”). On August 25, 2023,

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.”

Midstates filed a similar application regarding its implementation of Customer First (Docket No. GE-2024-0046). The Staff of the Commission, in conjunction with recommending approval of the application, suggested certain conditions regarding waiver of late fees and other matters.

8. The requested variances were granted to Midstates by the Commission's *Order Granting Variances* issued October 4, 2023, conditioned as recommended by Staff. The conditions imposed are as follows:

- a. In its next general rate case, Liberty will provide each tariffed rate class billing determinants (customer usage, number of bill and number of customers) by month, cycle with cycle dates that were utilized for billing purposes, and season to Staff in the following format: raw billing determinants, any and all adjustments separately (for proration, season, or any other reason) that were made to raw billing determinants, and the ending billing determinants. The ending monthly billing determinants should be the billing determinants Liberty utilizes to conduct its revenue requirement analysis in its general rate case.
- b. The Company shall waive [the \$15] fee for failed auto pay withdrawals for a period of 90 days after the transition.
- c. Liberty shall waive late fees for 90 days.
- d. Liberty shall hold customers who autopay their gas bills who incur overdraft fees imposed by financial institutions and over-the-limit fees imposed by credit card companies that they would not have incurred but for Liberty changing when it charges for gas service harmless from those fees.

9. Similar variance applications regarding the implementation of Customer First are pending before the Commission for EDG (Docket No. GE-2024-0201) and Missouri Water (Docket Nos. WE-2024-0202 and SE-2024-0203). In each of those proceedings, Staff recommends approval with the same conditions implemented in the Midstates docket, with one additional condition regarding reporting:

- a. The Company shall file an update in this docket on its Customer First transition ninety (90) days after the transition occurs. That update shall include the following information:
 - i. A detailed description of all technical and customer service issues encountered during the transition, including what the issue was, how the issue occurred, the time period during which the issue persisted, and the resolution if applicable.
 - ii. The number of customers who received a bill for a usage period of less

- than twenty-six (26) or more than thirty-five (35) days for a monthly billed customer, and the reason(s) why this occurred. This should be broken down by month for each month following the transition.
- iii. The number of customers whose bills were delayed following the transition and the reason for the delayed bill. This should be broken down by month for each month following the transition.
 - iv. Start times, end times, and duration of the following outages/closures/downtimes as part of the Customer First transition: the data processing blackout, Liberty's walk-in and drive-thru office closure, the My Account downtime, the IVR downtime, and Kubra unavailability. Any unplanned or unexpected outages/closures/downtimes should be notated as such. The Company should also list all other outages/closures/downtimes that were not included in this list but related to the Customer First transition.

10. In conjunction with approval of the requests herein, Empire agrees with implementation of the same conditions implemented in the Midstates docket plus the additional condition recommended in the EDG and Missouri Water dockets. Further, Liberty will suspend late/non-payment disconnects and will send letters and conduct other outreach efforts to inform customers of changes due to implementation of Customer First.

11. Liberty requests that the Commission act on this Application as quickly as possible, with an order approving the requests effective prior to April 8, 2024.

12. Liberty filed this Application as soon as possible after learning of the possible need for the variances. There will be no negative effect on Liberty'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.

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 pre-filing 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 13th day of February, 2024, 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 Electric Company, 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/ Tim Wilson

Liberty Central Region President, Electric