

**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 )  
Order Granting Billing Variances Related to the ) Case No. EE-2024-0232  
Company’s Implementation of Customer First )

In the Matter of the Application of The Empire )  
District Gas Company d/b/a Liberty for an )  
Order Granting Billing Variances Related to the ) Case No. GE-2024-0201  
Company’s Implementation of its Customer )  
First Program )

In the Matter of the Application of Liberty )  
Utilities (Missouri Water) LLC d/b/a Liberty )  
(MO Water) for an Order Granting Billing ) Case Nos. WE-2024-0202  
Variances Related to the Company’s ) and SE-2024-0203  
Implementation of Customer First )

**REPORT REGARDING  
CUSTOMER FIRST IMPLEMENTATION**

**COME NOW** The Empire District Electric Company (“Empire Electric”), The Empire District Gas Company (“Empire Gas”), and Liberty Utilities (Missouri Water) LLC (“Missouri Water”) (and collectively, “Liberty” or the “Companies”), and submit this Report regarding the Companies’ implementation of Customer First on April 8, 2024. In this regard, Liberty respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. Liberty filed applications for billing practice variances from Commission Rules 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6) to accommodate a re-routing of meter reading and billing cycles needed to implement Customer First.

2. The Commission issued an *Order Granting Variances* in Case No. EE-2024-0232 on March 27, 2024 (Empire Electric). The Commission issued an *Order Granting Variances* in Case No. GE-2024-0201 on February 29, 2024 (Empire Gas). The Commission also issued an *Order Granting Variances* in Case Nos. WE-2024-0202 and SE-2024-0203 on February 29, 2024

(Missouri Water).

3. With each order, the Commission included certain conditions, including waiver of late payment fees for 90 days post-implementation and the directive that Liberty file an update on the Companies' Customer First transition 90 days after the transition occurs. Liberty was directed to include the below information in the report.

- a. 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.
- b. The number of customers who received a bill for a usage period of less than 26 or more than 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.
- c. 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.
- d. 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 [interactive voice response system] 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.

4. Liberty filed an Interim Update on June 7, 2024, to inform the Commission and interested stakeholders on the transition. Liberty stated it would submit a full report within 30 days following 90 days after Customer First implementation to allow time to assess and prepare a report.

5. On April 8, 2024, Customer First was implemented for Empire Electric, Empire Gas, and Missouri Water; this filing contains detailed information on the experience of the Companies and their customers for the first 90-days following implementation.

#### **A. The Customer First Project**

6. Customer First is a large project that has been implemented across all utilities owned by Liberty Utilities Co., including all of Liberty’s utilities that operate in Missouri. The Customer First project consists of the following systems that may themselves have multiple components: Customer First Foundations, Employee Central, Procure to Pay, Network Design and Operations, eCustomer and Advanced Metering Infrastructure (AMI).



## **B. Technical and Customer Service Issues**

7. Hypercare is Liberty's comprehensive post-implementation support program. The Hypercare effort, which typically lasts 60 to 90 days after implementation of the new systems, provides additional operation and technical support for three main purposes:

- a. to identify and update any transactions which were suspended/suppressed during the data and system transition;
- b. to affirm the system is operating as intended and identify any data or processing corrections and enhancements needed; and
- c. to support the employees, customers and other stakeholders who may need help using the system.

8. During Hypercare, there were more than 300 requests for assistance logged. As Liberty prepares to transfer out of Hypercare into a steady-state operation of the new system, only 13 priority issues remain open.

9. Many of the closed items include issues Liberty expected to be part of the Hypercare effort and were anticipated in the project scope. By broad category, these closed items are listed below.

- a. Employee access and data security adjustments were needed to clarify the types of data and transactions certain employees are authorized to access commensurate with their duties.
- b. Rate updates and proration adjustments were needed for certain seasonal rate changes to update changes to pricing and tariff rules which may change while a system is newly installed.
- c. Liberty anticipated the need to process service orders and payments delayed during the data blackout discussed below (see Section E below). Hypercare included additional staffing resources for processing these transactions.
- d. Similarly, Liberty could not update meter inventory data (new purchases, meter data attributes and related service orders) during the blackout period. This data was updated as part of Hypercare.

- e. Liberty implemented new software that allows the system to validate sales tax and franchise fee rules with the Missouri Department of Revenue. Liberty anticipated some cleanup of local addresses and geographic records to take full advantage of this new software. This work is more fully described in paragraph 23.
  - f. Liberty made bill print adjustments to include a line item for the recently enacted securitization charge.
  - g. Liberty cleaned up complex mailing addresses to allow for mailing in a manner consistent with U.S. Postal Service bulk mailing rules.
  - h. Liberty reports on revenues and billing to certain cities. It developed new reporting capabilities within Customer First to continue this reporting.
  - i. Liberty reconciled financial balances needed to transfer the customer account records of accounts previously discharged in bankruptcy.
  - j. Liberty developed a new reporting capability in Customer First related to solar net metering customers.
  - k. Liberty developed within Customer First a new interface and data files for the Apogee customer usage education platform.
10. Just prior to Customer First implementation, Empire Electric implemented the securitization tariff approved by the Commission in Case Nos. EO-2024-0040 and EO-2024-0193 which required changes to the payment hierarchy allocation. The configuration did not account for treatment of Low-Income Home Energy Assistance Program (LIHEAP) payments and assistance payments were not applied resulting in some customers erroneously receiving shut off notices. Liberty did not disconnect any customers as a result of this error and a correction was deployed on June 26. LIHEAP payments are now being applied appropriately.
11. On May 16, Liberty issued corrected bills to certain low-income customers of Empire Electric. On May 14 and 15, ledgers associated with the low-income rates were in the process of being updated which prevented the billing of low-income rates to approximately 5,000 customers.

12. In its Interim Update, Liberty described an issue affecting collective accounts. Collective invoicing allows customers who have multiple metered accounts to receive a single bill for a parent account that bundles the individual (child) accounts. Some collective accounts processed in May included April billing. Collective account bills are now largely on cycle and being released to customers on time, except for billing or meter reading investigations that may happen as part of normal monthly processes.

13. After Liberty filed its initial Interim Update and during the Hypercare period, Liberty identified additional issues related to Customer First or AMI operations which caused billing delays or corrections. These are listed in the delayed bills category below.

14. Certain customer payments made in response to direct customer correspondence and notifications, such as a final collection notice, were forwarded to incorrect payment processing lockboxes due to a configuration error. Liberty's lockbox vendor identified this issue and overnight shipped the payments to the correct location for processing. This issue had no effect on monthly billing and the overall impact was kept to a minimum. Liberty closed this issue in July.

15. There are currently 10 priority open items Liberty continues to work. The following descriptions of these issues aggregate the related open items.

- a. The interest rate on customer deposits was not updated appropriately. The Customer First system credits interest to customer deposits monthly rather than annually as was done in the previous system. Liberty corrected the rates on June 21 and is reviewing customer deposit accounts for April through June to determine the amount of credits to customer deposits in that period. The deposit interest adjustment will be posted in August for any impacted customer.
- b. Liberty discovered that new customer booklets were not mailed with the new customer letter. Liberty has identified the customers who did not receive the booklet and is on track to deliver it to those customers by mail or e-mail in August 2024.
- c. The remaining open repair tickets are related to items described more fully below. These include edits to collective billing, an interface adjustment for Itron's AMI data, sales tax data validation, some infrequent instances of late fee presentation on the invoice, and an adjustment to the move in/move out transaction.

### **C. Short or Long Usage Periods**

16. Across Empire Electric, Empire Gas and Missouri Water (the three companies subject to this reporting), Liberty issued more than 828,000 bills during the April through June 2024 period. Of the bills rendered, 21,538 were for periods of less than 26 days and 21,582 were for periods longer than 35 days. **Attachment 1** shows the number of bills for each company for periods of less than 26 days or more than 35 days.

17. Bills for usage periods outside the normal 26 to 35 days were commonly caused by delays in receiving meter reading data, delays in working or closing field service orders that affect billings (particularly during the transaction blackout period), accounts held while consumption calculations were checked or corrected, and ordinary bill changes related to customers moving in or out of a property. The bill cycle re-routing requiring this variance is complete.

18. In April and May, changes to meter reading routes caused some customers to receive bills for periods other than 26 to 35 days. The meter reading re-routing requiring this variance is substantially complete. Liberty continues to refine meter reading schedules for certain accounts carried under the collective billing program to help bring those groups of accounts closer together for billing purposes. This is an ongoing maintenance activity.

19. The collective accounts issue mentioned previously also resulted in bills outside of the 26 to 35 days period, as did the disruptions to AMI operations that are described in more detail in the discussion of delayed bills below. These are both ongoing efforts being managed through the Hypercare and post-go live support teams.

### **D. Delayed Bills**

20. As part of the transition to a new system, Liberty anticipated there would be some instances of delayed bills. Some were intentional, such as the re-routing of meter reading cycles. Others were anticipated for other reasons such as data conversion corrections, meter service order adjustments, and bills held for investigation and review, etc. To reduce any financial hardship to customers during this transition, Liberty suspended all late fees and collections actions. Liberty has granted liberal payment extensions when requested by customers to allow time for any disruption in the normal bill cycle to be absorbed. Liberty began sending collections notices in June so customers who receive energy assistance benefits would be able to use collection notices in their applications for benefits, but otherwise Liberty has not resumed field shut off activity. Liberty has dedicated staff to assist customers and quickly resolve late bills or service issues.

21. Of the more than 828,000 bills issued in April, May and June, less than 215,000 were delayed for various reasons. Attachment 2 shows the number of delayed bills for each company.

22. Because of the transaction blackout period and meter reading re-routing effort, bills that were due to be sent the first week of April 2024 were instead sent the week of April 8.

23. Some bills were delayed because of the need for data repair or correction. The majority of these were due to sales tax and franchise fee investigations. The new system uses a third-party software, Onesource, to validate sales tax rates based on customer location with the Missouri Department of Revenue. This validation identified instances where Liberty needed to validate the precise location of a customer's property because the tax rate could change based on a property being within or outside a city boundary. This affected approximately 13,000 customers. Liberty is billing all impacted customers, has fewer than 8,000 left to validate, and expects to have this data corrected by mid-August 2024.



24. In April, Liberty discovered approximately 2,500 service addresses that did not convert correctly from Customer Watch (Liberty's prior customer billing system) to SAP. The service addresses were corrected during Hypercare and customers received their first bill following the implementation of Customer First later than usual but are now on a normal cycle.

25. On May 10, there were approximately 1,200 meter-reading exceptions for Cycles 4 and 5 related to a storm and power outages. The AMI network meters were not able to transmit a midnight register reading used for the monthly bill. In May, the configuration was updated to allow a one-day look back and a one-day look forward. The exceptions were resolved, and the customers have received their bills.

26. On May 14, approximately 1,500 water meters in Bolivar did not have actual readings. After investigation, it was determined that customers with electric, water and sewer accounts did not have the correct configuration set up in the meter read order therefore it was not available for the reader to read. As a result, Liberty estimated usage and billed in the beginning of June. The configuration was corrected, and the meters were available in the handheld to be read the following month.

27. On May 23, approximately 2,300 customers did not receive a bill in April because meter reading orders were not created in SAP. This was due to a data configuration error in converting the accounts which needed to be active to ask the AMI system for the needed meter reading. Most were AMI meters, so Liberty was able to obtain consumption data from the AMI system. In early June, meter reading orders were created for actual April readings and customers received a separate April and May bill. However, it was also discovered that a small number (less than 50) of long bills (greater than a 35-day service period) were inadvertently sent to customers who had to be rebilled in June.

28. On June 4, Liberty discovered billing for Time Choice Plus customers of Empire Electric was not properly prorated due to an error in programming how the fuel charge should prorate. The proration issue affected approximately 80 accounts and was resolved on June 5.

29. On June 5, a billing exception was discovered affecting approximately 600 customers that blocked correct AMI meter readings from posting and allowing bills to calculate. The issue was resolved on June 7.

30. On June 18, approximately 3,000 AMI meters were not communicating with the AMI system due to a technical issue. While not an SAP-specific issue, the delay impaired Liberty's ability to send timely bills. The issue was resolved on June 24.

31. The disruption of AMI communication by storms in June lead to delayed bills for approximately 9,000 customers on time of use rates. Liberty's AMI equipment normally gathers a consumption measure every 15 minutes which is used to apportion the customer's total monthly consumption according to the time of use parameters. When the communication system is disrupted, there can be a delay in receiving the 15-minute interval readings. Following such a disruption, Liberty must create an additional data correction transaction to estimate or gather the missing data. To reduce delayed billing, on June 27, Liberty released bills with up to a 20 kWh difference between the register reads and the sum of the interval consumption measurements, while Itron and the Company made adjustments to the communications network. Itron continues to perform a systematic interrogation of the meters to fill in missing interval data and remove any corresponding estimates that the system had previously calculated. All bills with missing data assumed the usage on the lower time of use rates so that customers would not be overbilled. This rework delayed releasing the affected bills by approximately one week. Liberty is engaged with Itron to assure all data is collected and customers' accounts reflect correct usage.

32. On July 2 and July 9, there was a file transfer error that caused the files sent to the Liberty's third-party bill printer (Kubra) to be delayed later than the day intended. This affected approximately 23,000 bills. The bills were reprinted with revised payment due dates. Liberty has put in place a process for handling such issues to assure bills are mailed as expected.

33. Beginning on July 26, Liberty observed a slow down in the file processing to create printable invoices. This problem affected all of the Liberty companies using SAP. The slow down was traced to an interface with the Onesource sales tax validation application. As a result of the slow down, Liberty was not able to print each day's scheduled invoices in full beginning July 25 until August 2. Until a technical repair was implemented, Liberty was able to adjust bill print volumes to release approximately half of the usual daily volume of bills. A technical solution was implemented on August 2 and all of the pending invoices were prepared for delivery to the bill print provider, except for any invoices that would normally be withheld for exception processing. At peak the number of invoices affected by the delay for the companies covered in this update was 29,858. All of the invoices were printed on August 5 and all invoices reflected an extended payment due date commensurate with the mailed date.

34. As of August 5, 2024, and since the implementation of Customer First, Liberty has 4,674 bills being held from the reporting period: 282 bills for April, 826 for May and 3,566 for June. Most of these require detailed data investigation or field inspections to correct which we anticipate being in August 2024. Liberty will contact affected customers via mail to alert them of the investigation and allowances for extended payment periods after the bills are released.

#### **E. Outages, Closures or Downtimes**

35. Certain systems were blacked out for data entry as early as March 27, ending with the launch of Customer First on April 8. Some additional closures or downtimes followed to allow full implementation.

36. Liberty sought to minimize effects on customer payment and service requests during the transition from the legacy system, Customer Watch, to Customer First from March 29 to April 7. Except for a four-hour period on April 3, Customer Watch remained available for customer service representatives to view customer information and track service orders. However, no payments were entered into Customer Watch after March 29. Payments received were processed on April 8. In the interim, Liberty continued to receive payments at walk-in and drive-through and collector locations, providing customers with handwritten receipts.

37. Since the conversion, Liberty has experienced a delay in the ability to serve builders, developers and property owners with new meter sets and electrical connections in the time they prefer. Previously we could issue an order to set a meter in as little as 1 day. The new system requires more upfront data to be collected before a meter can be installed than the legacy systems required which provides additional benefits like more accurate maps for outage management and better customer information. This has resulted in an increase in (10-15) days longer to have a new service line approved and meter installed, resulting in complaints to the Commission. Liberty is adding staff to help reduce the backlog of meter set requests and is reorganizing system processes between multiple departments to streamline the process. This will help reduce the backlog and bring this process in line with reasonable customer expectations.

38. On March 27, customer service representatives stopped entering the completion of turn-off orders in Customer Watch and stopped entering completion of turn-on orders on April 2. However, these orders continued to be completed in the field and order completions were entered

into Customer First beginning April 8. This was a purposeful action to isolate any partially completed computer record work which might have difficulty in the conversion while Liberty caught up on the blackout period transaction processing without depriving customers of their utilities.

39. Liberty's My Account portal had limited accessibility from March 29 until April 8 during which time the new version of the My Account portal was launched (April 8). Generally, payments or changes could not be made from March 29 to April 5. The My Account mobile application was unavailable from April 6 through April 15 as a result of this transition.

40. Liberty's IVR was available throughout the transition, although there were periods of limited function. As noted below, customers could not make payments through the IVR while Kubra, Liberty's third-party payment processor, was unavailable. Outage reporting through IVR was unavailable on two occasions: (1) April 3, from approximately 11:25 a.m. to 3:25 pm; and (2) April 6 beginning at approximately 10:00 a.m. through April 7 at approximately 5:00 p.m. Customers with outage reports were transferred to customer service representatives during these periods.

41. Kubra was unavailable March 29 through April 8, during the transition blackout period. Customers were not able to pay online or by phone and were not able to transfer to the interactive voice response system to make a payment. Customers were able to make payments by other means including walk-in centers or mail.

42. As previously communicated to customers, Liberty's walk-in offices in Bolivar, Branson, Joplin, Neosho and Ozark were closed to walk-in and drive-through traffic from April 8 through April 19 to temporarily reassign staff who normally provide in-person service to answer customer phone calls. During the closure, Liberty continued to collect payments left at the walk-

in office drop boxes. Due to staffing constraints, the Bolivar office remained closed until May 18, 2024, while Liberty hired and trained a Customer Service Representative.

**WHEREFORE**, Liberty respectfully submits this Report regarding the Company's implementation of Customer First on April 8, 2024. No action on the part of the Commission is requested at this time.

Respectfully submitted,  
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**CERTIFICATE OF SERVICE**

I hereby certify that the above document was filed in EFIS on this 6<sup>th</sup> day of August, 2024, and sent by electronic transmission to the Staff of the Commission and the Office of the Public Counsel.

/s/ Jermaine Grubbs