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MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

CUSTOMER EXPERIENCE DEPARTMENT

REBUTTAL TESTIMONY

OF

CHARLES TYRONE THOMASON

LIBERTY UTILITIES (Missouri Water) LLC,

d/b/a Liberty

CASE NO. WR-2024-0104

Jefferson City, Missouri
September 2024

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CHARLES TYRONE THOMASON
LIBERTY UTILITIES (Missouri Water) LLC,
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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **CHARLES TYRONE THOMASON**

4 **LIBERTY UTILITIES (Missouri Water) LLC,**

5 **d/b/a Liberty**

6 **CASE NO. WR-2024-0104**

7 Q. Please state your name and business address.

8 A. My name is Charles Tyrone Thomason. My business address is 200 Madison
9 Street, Jefferson City, MO 65102.

10 Q. By whom are you employed and in what capacity?

11 A. I am a Senior Research/Data Analyst in the Customer Experience Department
12 for the Missouri Public Service Commission (“Commission”). My duties as an analyst for the
13 Commission include, but are not limited to, tracking call center statistics for large regulated
14 utilities, researching and managing formal complaints, preparing and reviewing investigative
15 reports at the Commission, and participating in Commission Staff (“Staff”) recommendations.

16 Q. Please describe your educational background and work experience.

17 A. My education and work experience are attached as Schedule CTT-r1.

18 **EXECUTIVE SUMMARY**

19 Q. What is the purpose of your rebuttal testimony?

20 A. The purpose of my testimony is to respond to the direct testimony of
21 Liberty Utilities (Missouri Water), LLC d/b/a Liberty’s (“Liberty Water”) witnesses Lauren
22 Preston and Hayley Sirmon regarding Liberty Water’s Customer First implementation.
23 With regard to Ms. Preston’s testimony, I will address the customer experience for

1 Liberty Water’s customers post-implementation. With regard to Ms. Sirmon’s testimony, I will
2 address specific elements of Customer First that Liberty Water intends to be responsive to
3 customer service concerns that arose in Case No. WO-2022-0253 (“Investigatory Docket”).
4 Finally, I recommend that the Commission order Liberty Water to provide additional reporting
5 to Staff and order monthly meetings between Staff and Liberty Water to discuss Customer First
6 related customer service issues for a period of one year. I also recommend that Liberty Water
7 eliminate the pre-checked box for paperless enrollment for MyAccount users and that
8 Liberty Water compliment the technological components of Customer First with a reevaluation
9 of its customer-facing business processes.

10 **CUSTOMER SERVICE ISSUES- CUSTOMER FIRST IMPLEMENTATION**

11 Q. In support of Liberty Water’s implementation of Customer First, Ms. Preston
12 states on page 4, lines 19-20, of her direct testimony that “A more modern customer information
13 system (“CIS”) and related support systems can provide the kinds of services customers want
14 now and in the future.” Do you have a response to this?

15 A. Yes. Although a modernized CIS *can* provide customers with new and desired
16 services, those new services can also be overshadowed by issues plaguing the most basic and
17 common form of communication between a utility and its customer: the rendition of a bill.
18 Customers expect, and are entitled to, monthly bills that are timely delivered and accurately
19 reflect owed charges. New services that accommodate customer wants will mean nothing to the
20 customer if the trade-off for those services is unreliable billing on an unpredictable schedule.
21 For many of Liberty Water’s customers, as well as customers of Liberty Water’s co-subsidiaries
22 The Empire District Gas Company d/b/a Liberty Utilities (“Empire Gas”) and
23 The Empire District Electric Company d/b/a Liberty (“Empire Electric”), that has been the

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1 reality of the Customer First transition since April 2024. According to Liberty Water's
2 *Report Regarding Customer First Implementation*, customers have been impacted with issues
3 resulting in delayed billing, estimated billing, incorrect billing, and no billing for the past five
4 (5) months.¹ The report is attached to my testimony as Schedule CTT-r2.

5 Q. What is this report and how did it come about?

6 A. On December 28, 2023, Liberty Water filed an *Application for Temporary*
7 *Variances, Request for Waivers, and Motion for Expedited Treatment* ("Application") with the
8 Commission to enable its Customer First transition for its Bolivar service territory in
9 Case Nos. WE-2024-0202 and SE-2024-0203. This application was filed two months after the
10 Customer First implementation of Liberty Water's co-subsiary Liberty Utilities
11 (Midstates Natural Gas) Corp. d/b/a Liberty ("Liberty Midstates"), for which a similar variance
12 application was filed. Specifically, Liberty Water sought temporary billing variances from
13 Commission rules 20 CSR 4240-13.015(1)(C)² and 20 CSR 4240-13.020(6)³ to enact its meter
14 read transition plan, which aimed to gradually modify the schedule for customer meter reads in
15 order to make that schedule compatible with the new CIS. Staff reviewed information provided
16 by Liberty Water in the Application and in Data Request ("DR" or "DRs") responses and
17 recommended that the Commission grant the variances with the same conditions as the
18 Commission granted Liberty Midstates' variance application, with the additional condition that
19 Liberty Water file an update on its Customer First transition 90 days after it occurred.

¹ *Report Regarding Customer First Implementation* filed in WE-2024-0202.

² "Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected, or final bills;"

³ "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. If 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."

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1 Although there were similarities with the Liberty Midstates variance application,
2 Liberty Water's plan included office closures and customer service downtimes for which it was
3 unable to provide concrete dates, and Staff wished to be aware of what occurred in the finalized
4 plan. The Commission approved the variance request with Staff's recommended conditions.
5 Liberty Water filed an Interim Update in the WE-2024-0202 docket sixty (60) days after its
6 transition on April 8, 2024 stating that it would file its full report within thirty (30) days beyond
7 the ninety (90) day deadline. It filed its full report on August 6, 2024.

8 Q. Do you have any additional comments to provide regarding the report?

9 A. Yes. First, Liberty Water defines "delayed bill" as an invoice that was sent three
10 (3) or more days after the bill date. Although the count provided in Attachment 2 ostensibly
11 includes the bills that were not sent at all, it does not reliably indicate how many customers did
12 not receive a bill during a given month. The number of Liberty Water customers who did not
13 receive a bill are as follows: 1,319 customers for April 2024, 1,886 for March 2024, 761 for
14 June 2024, and 828 for July 2024. In addition, Liberty Water had to rebill 201 customers in
15 April 2024, 1,188 in May 2024, 809 in June 2024, and 1,011 in July 2024.⁴ 4,661 customers
16 received an estimated bill in June 2024.

17 Second, I wish to provide additional context for the issue Liberty Water identified in its
18 report concerning new customers not receiving customer booklets along with the new customer
19 letter.⁵ Liberty Water's customer booklet includes all of the information that utility companies
20 are required to provide to new customers regarding their rights and responsibilities under

⁴ Liberty Water's response to Staff DR No. 0291.

⁵ Paragraph 15, part b of the *Report Regarding Customer First Implementation* filed in WE-2024-0202.

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1 Commission Rule 20 CSR 4240-13.040(3). The new customer letter does not include
2 this information.⁶

3 Q. Were any of the issues described in the report planned for by Liberty Water?

4 A. In the Application, Liberty Water stated, “Although the meter read transition
5 plan does not specifically contemplate deviations from the requirements of Commission Rules
6 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6), deviations may occur during this
7 transition period, and as such, Liberty [Water] requests temporary variances from these
8 Commission Rules.”⁷ Liberty Water later clarified in discovery that it did not foresee any
9 particular issues, but was allowing for the possibility of vehicle/equipment failures or severe
10 weather.⁸ Neither the plans shared with Staff, nor the particular requested variances, reflect the
11 vast majority of the billing issues detailed in Liberty Water’s report. For these reasons,
12 Staff’s understanding is that most of the issues detailed in the report were not foreseen or
13 accounted for by Liberty Water in advance. This is disappointing because, according to
14 Liberty Water, it employed a “comprehensive testing and readiness evaluation” as part of its
15 Customer First Transformation Plan that “included consideration of data conversion,
16 testing results, training completeness, the staging and readiness of infrastructure, customer
17 communications, and other preparations.” Although it originally intended to implement
18 Customer First in February 2024, Liberty Water pushed the date to April 2024 “to provide a
19 smoother transition to the new system.”⁹ The results of the “smoother transition” call this testing
20 and evaluation process into question. This is a topic I will revisit later in my testimony.

⁶ Liberty Water’s response to Staff DR No. 0295.

⁷ WE-2024-0202, *Application for Temporary Variances, Request for Waivers, and Motion for Expedited Treatment*, pages 4-5.

⁸ Liberty Water’s response to Staff Data Request No. 0004, Case No. WE-2024-0203.

⁹ Liberty Water’s Response to Staff DR No. 0176.

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1 Q. Does Staff believe that the situation is improving?

2 A. As much as the *Report Regarding Customer First Implementation* is a long list
3 of issues stemming from the Customer First transition, it is also a record of Liberty Water's
4 efforts to address those issues. Although July presented additional challenges for Liberty Water,
5 the trend of corrections appears to be generally heading in the right direction, albeit slowly.
6 Staff is cautiously optimistic that this will continue. However, Staff believes it necessary to
7 monitor the situation on an ongoing basis. Therefore, Staff recommends that the Commission
8 order Liberty Water to provide monthly reporting to Staff regarding bill exceptions,¹⁰
9 delayed bills, and no bills. This report should provide a summary of the number and types of
10 billing exceptions and the number of exceptions that were resolved over the course of the prior
11 month. It should also provide a tally of the number of customers who received a delayed bill
12 and, separately, the number of customers who did not receive a bill for the prior month.

13 Staff also recommends that the Commission order Liberty Water to meet with Staff on
14 a monthly basis for the period of twelve (12) months following the conclusion of this case to
15 discuss the Customer First-related customer service issues of all Missouri-based
16 Liberty Utilities Co. ("LUCo") subsidiaries.

17 Q. Does Staff have any further comments on Ms. Preston's characterization of
18 Customer First?

19 A. Yes, briefly. Staff recently became aware that Liberty Water customers who pay
20 their bills online are presented with a pre-checked box enrolling them in paperless billing.
21 Liberty Water responded that the pre-checked box is presented to customers who pay their bill

¹⁰ Bill exceptions are bills that are flagged by the CIS for irregularities (such as abnormal usage or amount due) and set aside for further review.

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1 through MyAccount. This was implemented on April 8, 2024 as a feature of the new CIS in the
2 Customer First transition.¹¹ Customers making a payment through MyAccount must notice the
3 box and then uncheck the box if they do not wish to enroll in paperless billing. Those who enroll
4 in paperless billing through this method receive a confirmation email, and those who enrolled
5 by mistake then must either remember to uncheck the box with their next payment using
6 MyAccount or contact Liberty Water if they wish to return to a paper bill.¹²

7 Ms. Preston characterized Customer First, and the new CIS that is a part of it, as more
8 respondent to customer wants. Liberty Water offered a paperless billing enrollment option prior
9 to the implementation of Customer First, and those who did not enroll presumably determined
10 for themselves that it is not something they want. Automatically opting them into enrollment
11 would therefore be in contradiction with those customers' wants. It is Staff's position that
12 paperless billing should be an opt-in, rather than an opt-out, option. Customers should initiate
13 enrollment in paperless billing after actively deciding for themselves that they want to enroll.

14 Q. Has Staff communicated its concerns with Liberty Water?

15 A. Yes. Staff inquired whether Liberty Water would be willing to remove the
16 pre-checked box, and Liberty Water responded that it would be willing to do so if Staff believed
17 it to be necessary and appropriate.¹³ Staff encourages the removal of the pre-checked box for
18 all LUCo utilities operating in the state of Missouri.

¹¹ Liberty Water's response to Staff DR No. 0292.

¹² Liberty Water's response to Staff DR No. 0285.1.

¹³ Liberty Water's response to Staff DR No. 0285.1.

1 **INVESTIGATORY DOCKET**

2 **Boil Advisories**

3 Q. On page 8, lines 18-21, of Ms. Sirmon's direct testimony, she indicates that
4 Liberty Water intends to use OnSolve to send text messages to customers advising them of boil
5 advisories in response to Staff's recommendation from Case No. WO-2022-0253 Investigatory
6 Docket's *Staff's Report* that "Liberty Water develop and utilize more effective practices for the
7 communication of boil advisories at all systems." Does this address Staff's recommendation?

8 A. Yes, Staff believes that text messages are a more effective method of
9 communicating boil advisories to customers than Liberty Water's prior methods.
10 However, Staff is concerned that the text messages may have limited impact on
11 Liberty Water's customers.

12 Q. Can you elaborate?

13 A. Yes. Currently, out of the 18,890 primary telephone numbers that Liberty Water
14 has on file for its customers, only 1,672 are verified to be mobile telephone numbers. 6,379 of
15 those numbers are verified landline phones, and 10,839 are presumed to be landline phones but
16 some may be mobile phones.¹⁴ In other words, only 8.8% of customers with a phone number
17 on file are currently known to be able to take advantage of this service.

18 Q. Does Liberty Water have a plan to increase the number of customers with mobile
19 phone numbers on file?

20 A. Yes. Liberty Water states that it intends to encourage customers to update their
21 contact information through bill messages, emails, and social media communication so that they

¹⁴ Liberty Water's response to Staff DR No. 0147.1.

1 can receive the boil advisory notifications. It also stated that it intends to continue posting boil
2 advisories on its website.¹⁵

3 Q. Does Staff have any recommendations?

4 A. Not at this time. However, Staff does encourage Liberty Water to monitor the
5 number of customers with mobile phone numbers on file, as well as customer feedback
6 regarding the sufficiency of boil advisory notifications, for future evaluation of the need for
7 additional boil advisory notification measures.

8 **Internal Customer Complaint Tracking**

9 Q. Does Liberty Water provide an update on their progress addressing Staff's
10 recommendations in Case No. WO-2022-0253 regarding customer complaints?

11 A. Yes. On page 6, lines 10-21, of Ms. Sirmon's direct testimony, she provides a
12 status update on Liberty Water's progress addressing Staff's recommendation from
13 Case No. WO-2022-0253 Investigatory Docket's *Staff's Report* that "Liberty maintain a count
14 of the types and number of water/sewer inquiries or complaints it receives through its
15 Call Center." She then discusses Liberty Water's internal complaint/inquiry tracking via
16 wrap-up codes and an ongoing pilot program.

17 Q. Do these measures address Staff's concerns from the investigation docket?

18 A. At the time of filing for this testimony, Staff does not consider this
19 recommendation from the investigation as fully addressed.

20 Q. Why do you believe that the wrap-up codes are not sufficient to address
21 Staff's recommendation?

¹⁵ Liberty Water's response to Staff DR No. 0147.

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1 A. It is important to keep in mind Staff’s original rationale for this recommendation.
2 In October 2023, Staff filed *Staff’s Report* in Case No. WO-2022-0253, the culmination of an
3 investigation into numerous operational, financial, and management issues pertaining to
4 Liberty Water’s ability and willingness to provide safe and adequate service. That investigation
5 uncovered, among other findings, a plethora of infrastructure and billing concerns that had a
6 direct impact on customers’ water and sewer service. However, as Staff noted on page 19 of
7 *Staff’s Report*, the number of informal complaints filed with the Commission about these issues
8 was far below what would be expected considering the magnitude of the problems. In addition
9 to recommending that Liberty Water ensure its Customer Service Representatives (“CSRs”)
10 were trained to inform customers of their right to contact the Commission’s Consumer Services
11 Department for unresolved issues, Staff also recommended Liberty Water “maintain a count of
12 the types and number of water/sewer inquiries or complaints it receives through its Call Center
13 **to assist in targeting areas for improvement.**” [Emphasis added.]¹⁶ Staff’s intention was for
14 this count to assist Liberty Water in identifying issues reported from its customer base that need
15 to be addressed. Liberty Water’s wrap-up code process, in structure and in practice, take steps
16 in this direction but are insufficient.

17 Q. Can you elaborate?

18 A. Yes. Structurally, Liberty Water has 15-20 wrap-up codes that a CSR may select
19 for a limited period of time following the end of a customer call. Staff reviewed the wrap-up
20 code results from October 2023-April 19, 2024, during which seventeen (17) wrap-up codes
21 were in use. Staff agrees that many of the wrap-up codes, such as ‘TOU Billing Inquiry,’
22 ‘Energy Assistance Inquiry’ and ‘Kubra Concerns,’ would provide important indicators that

¹⁶ *Staff’s Report*, Case No. WO-2022-0253, page 19.

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1 Liberty Water may need to devote attention and resources to address specific topics. Other wrap
2 up codes are not particularly helpful because they combine two or more topics that may or may
3 not be related to each other. For example, it makes sense thematically to combine service turn
4 on, service turn off and service transfer calls. However, if an issue arose that affected only new
5 service orders, then the wrap-up code 'Turn On/Turn Off/Transfer Service' would be too broad
6 to assist Liberty Water in targeting the issue for further improvement. It is also worth noting
7 that the wrap-up codes are a simple tally. It is not possible for Liberty Water to review the calls
8 that generated the tally in order to determine what precisely the issue was, or determine from
9 where in Liberty Water's service territory the tally originated.¹⁷

10 Furthermore, in practice, the wrap-up codes have been even less effective for the months
11 that Staff reviewed data. In the first six and a half months of wrap-up codes, the first and second
12 most-used codes were 'Other Inquiry' and 'None Selected.' 'Other Inquiry' is a general
13 category that is meant to catch all calls that do not fit the other wrap-up codes. 'None Selected'
14 indicates that the CSR did not select a wrap-up code before their time limit to do so expired.¹⁸
15 Neither of these categories are helpful for targeting areas of improvement, yet for each month
16 between October 2023 and March 2024 (excluding April 2024 as a full month's data was not
17 available at the time) between 60-64% of wrap-up codes were for one of those two categories.¹⁹
18 Staff does not believe that the useful categorization of only a third of calls is an effective tool
19 for targeting areas of improvement.

20 Staff's understanding is that Liberty Water is continuing to work to make improvements
21 to wrap-up codes and training CSRs to choose a code quickly and accurately. However, Staff

¹⁷ Liberty Water's response to Staff DR No. 0146.3.

¹⁸ Liberty Water's response to Staff DR No. 0146.1.

¹⁹ Liberty Water's response to Staff DR No. 0146.

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1 has doubts that these wrap-up codes will suffice to catalogue customer complaints/inquiries for
2 targeted improvement opportunities. Generally speaking, wrap-up codes are better suited to
3 tracking previously identified issues, not monitoring for new issues.

4 Q. On page 6, lines 15-21, of her direct testimony, Ms. Sirmon also mentions a pilot
5 program for tracking customer complaints. Would this program, if enacted, address Staff's
6 concerns from the investigation?

7 A. It would takes steps in that direction. The pilot program, also referred to as the
8 "Complaint Ticket Management program," documents complaints²⁰ received by Liberty Water
9 through various means of customer contact in a manner that should allow for effective progress
10 tracking and trend identification. The program produces reports that retain information such as
11 commodity type, type of complaint, status of complaint, employee assigned to investigate, and
12 resolution. These reports are to be reviewed on a weekly basis by management, but can be
13 reviewed more frequently if necessary.

14 Staff has reviewed the details of the program, and Liberty Water's plans for utilizing
15 the reports that will be produced by the programs, and believes that this should provide
16 Liberty Water with more visibility of internal customer complaints than it has presently.²¹
17 However, the example report Liberty Water provided to Staff appears to have been populated
18 with sample data, which makes it difficult to ascertain what the threshold is for a customer
19 contact to make it on the report as a "complaint." Furthermore, the type of complaint is
20 expressed in the report as a category, rather than a description.²²

²⁰ For purposes of the pilot program, a "complaint" was defined as "a customer contact where the customer states that they would like to file a formal complaint, will be contacting the regulatory commission for their state, or plan to contact the BBB, Attorney General, a lawyer or the media." Liberty Water's response to Staff DR No. 0270.

²¹ Liberty Water's response to Staff DR Nos. 0270 and 0273.

²² Liberty Water's response to Staff DR Nos. 0271.

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1 Q. What is the concern with the complaint threshold?

2 A. Certain issues that customers have may not rise to the level of a complaint,
3 such as inquiries regarding a missing bill, but may indicate a larger issue. Liberty Water would
4 be unable to identify an issue for targeted improvement if that issue never makes it onto
5 the report.

6 Q. What is the concern with the complaint categories?

7 A. General categories make it difficult for those reviewing the reports to identify
8 specific issues. The categories in the sample report were 'Other', 'Collections' and
9 'Billing Discrepancy'. The majority of them were 'Other'. None of these categories are
10 sufficient enough to ascertain specific issues for targeted improvement. Arguably, they serve
11 the opposite purpose by burying specific problems using generic labels.

12 Q. With these issues, will the Complaint Ticket Management program assist
13 Liberty Water in targeting areas for improvement?

14 A. It is better than the wrap-up codes, but it is difficult to predict how effective this
15 program will be in targeting areas for improvement. Each complaint has a ticket ID, so those
16 reviewing the reports can review the source complaints in detail to determine whether there are
17 issues that need addressing. This is what distinguishes the program most from the wrap-up
18 codes. However, reviewers must successfully identify trends in the report, such as complaint
19 dates, location, and validity of complaint, that indicate a need for such a review. The report
20 itself will only show Liberty Water areas of potential improvement if 1) issues make it onto the
21 report to begin with, and 2) management review picks up on those non-specific data indicators.

22 Q. How was the Complaint Ticket Management program enabled by
23 Customer First?

1 A. According to Liberty Water, having the same CIS across LUCo’s subsidiaries
2 allowed for the development and roll-out of a system for capturing, analyzing, and resolving
3 customer complaints that could be applied to all subsidiaries. The Complaint Ticket
4 Management pilot program was conducted in the East region of LUCo’s service territory in
5 December 2023 and has since been implemented in the West region as well.²³

6 Q. Does Liberty Water intend to fully implement this tracking system?

7 A. Yes, Liberty Water has indicated that the pilot was successful and it intends to
8 implement it in Missouri on September 30, 2024.²⁴

9 Q. Does Staff have any recommendations for Liberty Water?

10 A. Yes. Staff would encourage Liberty Water to ensure that the Complaint Ticket
11 Management Program is catching all opportunities for improvement, and that the review
12 process is sensitive enough to detect the trends and patterns that would highlight
13 those opportunities.

14 **Billing Accuracy**

15 Q. Does Liberty Water provide an update on their progress addressing Staff’s
16 recommendation in Case No. WO-2022-0253 regarding billing accuracy?

17 A. Yes. According to page 4, line 8, of her direct testimony, Ms. Sirmon believes
18 that the new reporting available due to Liberty Water’s new CIS, along with Liberty Water’s
19 commitment to retaining that data, has addressed Staff’s recommendation from the
20 Investigatory docket that “Liberty develop a method to measure the number of bills with

²³ Liberty Water’s response to Staff DR Nos. 0270 and 0272.

²⁴ Liberty Water’s response to Staff DR No. 0273.

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1 irregularities sent on to Billing Operations for further review. Data should also be maintained
2 on the reasons for the review, results of the review, and any actions or corrections made.”

3 Q. Does this address the concerns Staff had in the investigatory docket?

4 A. In part, yes. Staff has reviewed examples of the Implausible Readings Report
5 and the Business Process Exception Management Report and is satisfied that Liberty Water
6 possesses the means to measure the number of irregular bills that are set aside for further review.
7 According to Liberty Water, records of exceptions and their outcomes will be
8 retained indefinitely.²⁵

9 Q. Why do you say that Staff’s concerns have been addressed only in part?

10 A. Again, it is important to recall how this recommendation came about.
11 Staff provided its analysis of Liberty Water’s bill processing apparatus on pages 17-18 of its
12 *Staff’s Report* in the Investigatory Docket. It also highlighted a particular case with
13 Liberty Water’s Venice on the Lake customers, who reported issues of receiving consecutively
14 estimated bills, exceedingly high bills, and “zero” amount bills in a meeting with Liberty Water
15 and Staff. Staff asked for, and Liberty Water provided, a description of Liberty Water’s billing
16 accuracy practices and concluded that the process as described should have caught many of the
17 errors and estimated bills that customers were seeing.²⁶ However, it was clear that erroneous
18 bills were passing through. Neither Staff nor Liberty Water could measure overall billing
19 accuracy because Liberty Water did not track that data. This is what led Staff to make its
20 recommendation that Liberty Water develop a method to measure its billing accuracy.
21 Until Liberty Water could gain a sense of its overall billing accuracy, it would be difficult to

²⁵ Liberty Water’s response to Staff DR No. 0277.

²⁶ Staff’s Report, Case. No. WO-2022-0253, page 17-18.

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1 determine whether or not there were issues in its billing review process that required
2 further attention.

3 Q. In that case, would the new reporting resolve the billing review issues that Staff
4 found in its investigation?

5 A. No, not by itself. The new reporting described by Ms. Sirmon on page 4,
6 lines 16-23, through page 5, lines 1-7, is similar to the reports described to Staff in the
7 Investigatory Docket. The thresholds for exceptions are set to the same parameters and
8 Liberty Water did not identify any ways in which the Customer First reporting is an
9 improvement over the legacy CIS reporting.²⁷ But the existence of those similar reports was
10 not enough to prevent billing errors from reaching Venice on the Lake customers in 2022.

11 Q. Is it known why those customers were receiving incorrect bills?

12 A. According to Liberty Water, it investigated further by pulling a random
13 sampling of High/Low reports and High Charge reports (it did not review specific accounts).
14 It found that all accounts on the reports had been reviewed by a billing representative.
15 Liberty Water could only offer a hypothesis that the billing representatives may have assumed
16 the readings were correct based on prior usage, which would have allowed the erroneous bills
17 to pass through to Venice on the Lake customers.²⁸

18 It remains uncertain whether the root cause of the Venice on the Lake situation was a
19 failure of the old CIS to flag the incorrect bills, or a failure of the review process that allowed
20 those flagged bills to pass through to customers. Staff agrees with Liberty Water that the latter
21 situation is more likely. What this means, however, is that unless Liberty Water also takes steps

²⁷ Liberty Water's response to Staff DR No. 0276.

²⁸ Liberty Water's response to Staff DR No. 0275. It should be noted that Liberty Water also stated its plans to improve meter reading accuracy for Venice on the Lake customers by having the meters read by a Liberty meter reader, and eventually installing AMR/AMI meters.

1 to ensure the exception review process is airtight, the introduction of a new CIS is unlikely,
2 by itself, to prevent a recurrence of the Venice on the Lake situation elsewhere.

3 **CUSTOMERS FIRST**

4 Q. On page 2, lines 18-20, of Ms. Preston's direct testimony, she states:
5 "[Customer First] consists of a series of improvements to business processes and computer
6 systems to better enable APUC and its subsidiaries to put our customers first in how we deliver
7 services." Does Staff have a response to this?

8 A. Yes. Staff would disagree with the implication that Customer First is inherently
9 an improvement to all of Liberty Water's business processes for its customers. Staff would
10 consider monitoring the nature of customer contacts and ensuring billing accuracy to be
11 important components to business processes. And yet, as I laid out earlier in my testimony,
12 the wrap-up codes are largely ineffective and Customer First appears to have made very few
13 substantial changes to the process of flagging abnormal bills. Effective wrap-up codes require
14 both useful categories and mindful CSRs to properly code calls into those categories.
15 Whether or not erroneous bills will be sent to customers ultimately depends on the same billing
16 review process that allowed Venice on the Lake customers to be billed incorrectly, not on the
17 technological improvements of Customer First. Staff would therefore push back on the idea that
18 Customer First alone is capable of improving customer service-related business processes.

19 Another example can be found on page 12 of Liberty Water's *Report Regarding*
20 *Customer First Implementation*, which details an issue that has arisen for Missouri-based LUCo
21 companies as a result of the Customer First transition regarding new meter sets.
22 Customers seeking to have a new meter set on their property are currently waiting ten to fifteen
23 (10 to 15) days to have a new service line approved and meter installed. Prior to Customer First,

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1 it could have been done in as little as one (1) day. According to Liberty Water, this is because
2 the new system gathers additional information that requires the engagement of several different
3 departments in order to fully implement the meter set. The benefits include better outage maps
4 and customer information, but the unexpected result was a significant increase in the amount
5 of time it takes because of the coordination between departments.²⁹

6 Q. Are you saying Customer First has introduced new deficiencies in
7 Liberty Water's customer service?

8 A. No, it is more accurate to state that technology was only part of the problem.
9 Respectfully, questionable managerial decisions and oversights have caused many adverse
10 customer impacts that could have been avoided, or at least mitigated.

11 Q. Do you have any examples?

12 A. Yes. Earlier in my testimony I described some of the customer service issues
13 that have arisen as a result of the Customer First transition. Staff requested a meeting with
14 LUCo on August 14, 2024 to discuss the large increase in informal complaints that the
15 Commission had received related to those issues.³⁰ Staff was told by LUCo that many of the
16 issues stem from new systems having to work together for the first time. Rather than take an
17 extended, piecemeal approach to modernizing its systems, LUCo made the decision to change
18 everything at once in order to save customers money. I cannot speak to the cost savings
19 involved, but I will note that this decision came with risks of severe business process disruption
20 that should have been foreseeable. Either LUCo did not see those risks, even in its testing and

²⁹ LUCo's solution to this issue is to hire three (3) full time employees who are solely responsible for new meter sets in order to speed up the process. Put another way, this improved business process will require customers to pay for the salaries of three new employees to attempt to make it as efficient as the old process.

³⁰ The Commission's Consumer Service Department received 28 inquiries and informal complaints (excluding duplicates) regarding Liberty Water between April 1, 2024 and September 13, 2024. During the same time period last year, there were two (2) informal complaints and no inquiries.

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1 evaluation phase, or it chose to proceed anyway. The consequences have been borne by
2 Liberty Water's customers.

3 Staff was also disappointed to learn during the meeting that Liberty Water had not
4 reached out to affected customers who had not been receiving bills for several months to inform
5 them of the issue, their rights regarding the payment period under Commission rules, or the
6 suspension of late fees and disconnects. Doing so would have gone a long way towards
7 alleviating customer concerns in the post-transition period, and yet this suggestion had to come
8 from Staff during the meeting.

9 Q. Has Liberty Water had similar lapses in customer service before?

10 A. Unfortunately, yes. Certain aspects are reminiscent of Staff's findings in the
11 Investigatory Docket. To quote: "Staff found it striking that Liberty made few efforts to reduce
12 the impact for customers who had been routinely losing water service prior to Staff
13 involvement. No bottled water was provided. No bill credits were offered until suggested by
14 Staff. Based on conversations with Staff, customers did not feel their situation was receiving
15 adequate attention or urgency from the Company."³¹

16 It is difficult for Staff to ascertain the precise issues at play, but the common theme
17 appears to be that Liberty Water struggles at times to make decisions that fully take customer
18 experience into account. This is manifested particularly in its response to crises but also applies
19 to putting effective processes in place to prevent crises from occurring to begin with. These are
20 not technological problems, and will not be resolved solely by transitioning to new operating
21 systems. However, they do need to be addressed. Having the foresight to limit the number of

³¹ Staff's Report, Case. No. WO-2022-0253, page 22.

1 issues that customers experience, and mitigate the impact of issues that do occur, is an important
2 component to putting customers first in customer service. Captive ratepayers deserve that effort.

3 Q. Does Staff have any recommendations for this issue?

4 A. Staff strongly encourages Liberty Water to accompany its Customer First
5 transition with a modification of its approach to customer service to be more proactive.
6 This would include stricter evaluation of new processes (and current processes that haven't
7 failed yet) to prevent issues from occurring before they arise. There should also be continuous
8 evaluation of the customer experience so as to understand how things may look from the
9 customer perspective, then acting with that perspective firmly in mind. Staff is concerned that,
10 absent these improvements, customer service issues will never disappear entirely.

11 **SUMMARY OF RECOMMENDATIONS**

12 Q. Please summarize your recommendations in this case.

13 A. My recommendations for this case are as follows:

14 1) The Commission order Liberty Water to provide monthly reporting to Staff
15 regarding bill exceptions, delayed bills, and no bills. This report should provide a
16 summary of the number and types of billing exceptions and the number of exceptions
17 that were resolved over the course of the prior month. It should also provide a tally of
18 the number of customers who received a delayed bill and, separately, the number of
19 customers who did not receive a bill for the prior month.

20 2) The Commission order Liberty Water to meet with Staff on a monthly basis
21 for the period of twelve (12) months following the conclusion of this case to discuss the
22 Customer First related customer service issues of all Missouri-based LUCo subsidiaries,
23 or less if Staff and Liberty Water agree that no further meetings are necessary and file

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1 notice of such agreement in EFIS. In addition to discussions germane to progress, at
2 these monthly meetings Liberty shall present the following metrics:

- 3 a. The number of delayed bills for the prior month.
- 4 b. The number of no bills for the prior month.
- 5 c. The number of estimated bills for the prior month.
- 6 d. The number of re-bills for the prior month.
- 7 e. The number and nature of complaints received by its Call Center for the
8 prior month.
- 9 f. Call center metrics, such as staffing and call volume, for the prior month.

10 3) The removal of the pre-checked box for paperless enrollment for all LUCo
11 utilities operating in the state of Missouri for customers attempting to make an
12 online payment.

13 4) That Liberty Water accompany its Customer First transition with a
14 modification to its approach to customer service to be more proactive. This would
15 include stricter evaluation of new processes (and current processes that haven't failed
16 yet) to prevent issues from occurring before they arise, and continuous evaluation of the
17 customer experience to understand how things may look from the customer perspective
18 and acting with that perspective firmly in mind.

19 Q. Does this conclude your rebuttal testimony?

20 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Request of Liberty Utilities)
(Missouri Water) LLC d/b/a Liberty for) Case No. WR-2024-0104
Authority to Implement a General Rate)
Increase for Water and Wastewater Service)
Provided in its Missouri Service Areas)

AFFIDAVIT OF CHARLES TYRONE THOMASON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

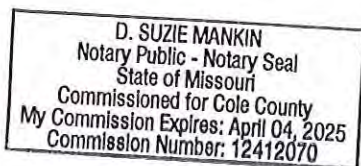
COMES NOW CHARLES TYRONE THOMASON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Charles Tyrone Thomason*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Charles Tyrone Thomason
CHARLES TYRONE THOMASON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23rd day of September 2024.



D. Suzie Mankin
Notary Public

Charles “Tyrone” Thomason

Present Position:

I am a Senior Research/Data Analyst in the Customer Experience Department of the Financial and Business Analysis Division of the Missouri Public Service Commission. I have been employed by the Missouri Public Service Commission since December 2021.

Educational Background and Work Experience:

I earned a Bachelor of Arts degree in History and Psychology from The University of Alabama in Tuscaloosa, Alabama in 2014, during which I took coursework on statistics and quantitative research. I earned a Master of Arts degree in History from The University of Alabama in 2019.

I was previously employed for six months as an Adult Education Instructor teaching Social Studies and Language Arts at Cornerstones Career Learning Center in Huron, South Dakota. Prior to that, I was a pre-calculus tutor for Shelton State Community College in Tuscaloosa, Alabama for 2 years and a Graduate Teaching Assistant and Instructor for one year at The University of Alabama.

Case Participation:

<u>Company Name</u>	<u>Case Number</u>	<u>Case Type / Type of Testimony</u>	<u>Utility Type</u>
Spire Missouri Inc.	GO-2022-0022	Investigatory Docket- Staff Report	Gas
Missouri American Water Company	WA-2022-0229	Certificate of Convenience and Necessity – Staff Recommendation	Water
Union Electric Company, d/b/a Ameren Missouri	EC-2022-0291	Formal Complaint- Staff Report	Electric
Missouri American Water Company	WA-2022-0293	Certificate of Convenience and Necessity – Staff Recommendation	Water
Missouri American Water Company	WR-2022-0303	Rate Case- Direct Testimony	Water
Missouri American Water Company	WA-2022-0361	Certificate of Convenience and Necessity – Staff Recommendation	Water
Raytown Water Company	WC-2023-0166	Formal Complaint- Staff Report	Water
Office of the Public Counsel	AX-2023-0175	Rulemaking Docket- Live Testimony	All
Evergy Missouri West Inc.	EC-2023-0248	Formal Complaint- Staff Report	Electric
Charles A. Harter	AX-2023-0287	Rulemaking Docket- Staff Report	All
Spire Missouri Inc.	GC-2023-0333	Formal Complaint- Staff Report	Gas
Evergy Missouri West Inc.	EC-2023-0433	Formal Complaint- Staff Report	Electric
Confluence Rivers	WA-2023-0398	Certificate of Convenience and Necessity– Staff Recommendation	Water
Liberty Utilities (Midstates Natural Gas)	GE-2024-0046	Variance Request- Staff Recommendation	Gas

cont'd Case Participation
 Charles "Tyrone" Thomason

<u>Company Name</u>	<u>Case Number</u>	<u>Case Type / Type of Testimony</u>	<u>Utility Type</u>
Confluence Rivers	SA-2024-0129	Certificate of Convenience and Necessity – Staff Recommendation	Sewer
Spire Missouri Inc.	GC-2024-0113	Formal Complaint- Staff Report	Gas
Empire District Gas Company	GE-2024-0201	Variance Request- Staff Recommendation	Gas
Liberty Utilities (Missouri Water) LLC	WE-2024-0202	Variance Request- Staff Recommendation	Water
Liberty Utilities (Missouri Water) LLC	SE-2024-0203	Variance Request- Staff Recommendation	Sewer
Empire District Electric Company	EE-2024-0261	Variance Request- Staff Recommendation	Electric
Evergy Missouri Metro Inc.	EC-2024-0289	Formal Complaint- Staff Report	Electric
Spire Missouri Inc.	GC-2024-0290	Formal Complaint- Staff Report	Gas
Liberty Utilities (Midstates Natural Gas)	GR-2024-0106	Rate Case- Direct Testimony	Gas

**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,
/s/ Jermaine Grubbs
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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 6th 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

ATTACHMENT 1

**The Empire District Electric Company, The Empire District Gas Company and Liberty Utilities
(Missouri Water) LLC d/b/a Liberty or Liberty Utilities
Case Nos. EE-2021-0232, GE-2024-0201, WE-2024-0202 and SE-2024-0203
April-June 2024**

Bill Usage Periods

Line No.	Utility/ Period	Days in Usage Period			Total
		<26	26-35	>35	
1	The Empire District Electric Company				
2	April	5,621	188,264	6,022	199,907
3	May	5,481	201,940	5,573	212,994
4	June	<u>5,471</u>	<u>214,513</u>	<u>758</u>	<u>220,742</u>
5	Total	16,573	604,717	12,353	633,643
6	The Empire District Gas Company				
7	April	774	44,128	35	44,937
8	May	968	43,980	158	45,106
9	June	<u>949</u>	<u>46,320</u>	<u>123</u>	<u>47,392</u>
10	Total	2,691	134,428	316	137,435
11	Liberty Utilities (Missouri Water) LLC				
12	April	267	8,436	436	9,139
13	May	1,255	14,469	2,619	18,343
14	June	<u>752</u>	<u>23,068</u>	<u>5,858</u>	<u>29,678</u>
15	Total	2,274	45,973	8,913	57,160

ATTACHMENT 2

**The Empire District Electric Company, The Empire District Gas Company and
Liberty Utilities (Missouri Water) LLC d/b/a Liberty or Liberty Utilities
Case Nos. EE-2021-0232, GE-2024-0201, WE-2024-0202 and SE-2024-0203
April-June 2024**

Delayed Bills

Line No.	Utility/ Period	Delayed	Not Delayed	Total
1	The Empire District Electric Company			
2	April	40,235	159,672	199,907
3	May	51,564	161,430	212,994
4	June	<u>61,778</u>	<u>158,964</u>	<u>220,742</u>
5	Total	153,577	480,066	633,643
6	The Empire District Gas Company			
7	April	8,563	36,374	44,937
8	May	5,267	39,839	45,106
9	June	<u>6,917</u>	<u>40,475</u>	<u>47,392</u>
10	Total	20,747	116,688	137,435
11	Liberty Utilities (Missouri Water) LLC			
12	April	7,835	1,304	9,139
13	May	12,913	5,430	18,343
14	June	<u>19,682</u>	<u>9,996</u>	<u>29,678</u>
15	Total	40,430	16,730	57,160