

Exhibit No.: \_\_\_\_\_  
Issues: Local Public Hearings/Public  
Comments/Customer Service, Customer  
Communications/Tracking Customer  
Complaints, Paperless Billing  
Witness: Antonio D. Penna Jr.  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Liberty Utilities  
(Missouri Water) LLC d/b/a Liberty  
Case No.: WR-2024-0104  
Date Testimony Prepared: October 2024

**Before the Public Service Commission  
of the State of Missouri**

**Surrebuttal Testimony**

**of**

**Antonio D. Penna Jr.**

**on behalf of**

**Liberty Utilities (Missouri Water) LLC d/b/a Liberty**

**October 24, 2024**



TABLE OF CONTENTS  
FOR THE SURREBUTTAL TESTIMONY OF ANTONIO D. PENNA JR.  
LIBERTY UTILITIES (MISSOURI WATER) LLC D/B/A LIBERTY  
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. WR-2024-0104

<b>SUBJECT</b>	<b>PAGE</b>
I. INTRODUCTION.....	1
II. PUBLIC HEARINGS/CUSTOMER COMMENTS/BILLING .....	2
III. CUSTOMER COMMUNICATIONS/ TRACKING CUSTOMER COMPLAINTS .....	12
IV. PAPERLESS BILLING .....	15

SURREBUTTAL TESTIMONY OF ANTONIO D. PENNA JR.  
LIBERTY UTILITIES (MISSOURI WATER) LLC D/B/A LIBERTY  
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. WR-2024-0104

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Antonio D. Penna Jr. My business address is 1100 State Street, Pine Bluff,  
4 Arkansas, 71601-6070.

5 **Q. Are you the same Antonio D. Penna Jr. who has provided direct and rebuttal**  
6 **testimony in this matter on behalf of Liberty Utilities (Missouri Water) LLC d/b/a**  
7 **Liberty (“Liberty” or the “Company”)?**

8 A. Yes.

9 **Q. What is the purpose of your surrebuttal testimony in this proceeding before the**  
10 **Missouri Public Service Commission (“Commission”)?**

11 A. I address certain aspects of the rebuttal testimony of Commission Staff witness Charles  
12 Tyrone Thomason and the rebuttal testimony of Office of the Public Counsel (“OPC”)  
13 witness Angela Schaben. I also respond to some of the public comments that have been  
14 provided in this case.

15 **Q. Please summarize your surrebuttal testimony.**

16 A. Staff and the OPC have raised a series of concerns with respect to billing challenges  
17 associated with the implementation of our new Customer Information System in April  
18 of this year, the impact on our customers, and the Company’s response during this post-  
19 cutover transition period. We have also heard from customers at local public hearings  
20 and in other comments about our billing and customer service, to include the frequency  
21 and the manner in which we communicate with them. We take customer concerns

1 extremely seriously and have taken a number of steps to improve our performance. In  
2 my surrebuttal testimony, I provide details on the actions we have taken, and will  
3 continue to take, to improve customer billing since implementation of the new system  
4 and our commitment to communicate more frequently with our customers.

5 **II. PUBLIC HEARINGS/CUSTOMER COMMENTS/BILLING**

6 **Q. Did you attend the local public hearings that were held by the Commission in this**  
7 **case and have you read the customers' comments submitted to the Commission?**

8 A. Yes. I attended all the in-person hearings on location and participated in the virtual  
9 public hearings as well. I also read the public comments submitted by customers in  
10 these dockets.

11 **Q. What was your reaction to the testimony you heard at those hearings and the**  
12 **public comments that you read?**

13 A. I understand our customers' concerns about our billing challenges after the  
14 implementation of our new Customer Information System and am disappointed that we  
15 have not addressed their concerns quicker and communicated more clearly about the  
16 work we are doing during this post-cutover period to eliminate these transitional issues.

17 **Q. Ms. Schaben states that there have been "numerous billing issues" and "customer**  
18 **problems" associated with this implementation (Schaben Reb., p. 11, 12) and Mr.**  
19 **Thomason suggests that there has been "unreliable billing on an unpredictable**  
20 **schedule" since the Customer First transition (Thomason Reb., pp. 2, 3) and that**  
21 **most of the issues experienced by Liberty "were not foreseen or accounted for by**  
22 **Liberty Water in advance." (Thomason Reb., p. 5.) Is that the case? Do you agree**  
23 **with those assessments?**

1 A. Yes. During the period after we cutover to the new Customer Information System, we  
2 experienced challenges with billing our customers in a timely and accurate manner  
3 beyond what we had anticipated. We anticipated certain issues and sought a variance  
4 from the Commission to accommodate a recalibration of our meter reading and billing  
5 cycles for the two months following the cutover, but the level of billing exceptions that  
6 we experienced exceeded our planned capacity during the summer and early fall of  
7 2024.

8 **Q. Mr. Thomason indicates that “[a]lthough July presented additional challenges for**  
9 **Liberty Water, the trend of corrections appears to be generally heading in the**  
10 **right direction, albeit slowly.” (Thomason Reb., p. 6.) Do you believe that to be**  
11 **the case?**

12 A. Yes, that is generally correct. We have been working to decrease the number of billing  
13 exceptions and will continue to work towards normal course billing.

14 **Q. What efforts has Liberty undertaken to address these post-cutover billing**  
15 **challenges?**

16 A. Since August 2024, Liberty has dedicated significant resources to address billing  
17 exceptions. We have sought assistance with this effort from our system implementer,  
18 IBM. I understand our customers’ frustration during this period of transition to our  
19 new system, and I am confident that customers will see improved billing performance  
20 over time. We have deployed significant resources to address billing issues and will  
21 continue to do so until improved performance is sustained. I am hopeful that over time  
22 we will regain the trust of those customers who were affected.

23 **Q. Staff witness Thomason is concerned that “Customer First appears to have made**  
24 **very few substantial changes to the process of flagging abnormal bills” and that**

1           **“[w]hether or not erroneous bills will be sent to customers ultimately depends on**  
2           **the same billing review process” that resulted in prior incorrect bills and “not on**  
3           **the technological improvements of Customer First.” (Thomason Reb., p. 17.) How**  
4           **do you respond to that concern?**

5       A.     The Customer First system has several billing accuracy controls in place. Customer  
6           First provides additional automation which removes some of the risk of human error.  
7           At each of the three phases of the billing process (meter reading, billing and invoicing),  
8           the system is configured to identify exceptions where a bill deviates from an “expected”  
9           result. Once a billing exception is identified, it is reviewed and actioned or accepted  
10          and forwarded to the next billing phase. The following describes how exceptions are  
11          identified by stage:

- 12                     Meter reading – exceptions based on readings above or below tolerance limits;
- 13
- 14                     Billing (includes monthly consumption, other fixed charges, etc.) – exceptions
- 15                     based on totals and other exceptions; and
- 16
- 17                     Invoicing (includes open billing documents, payments, late fees, etc.) –
- 18                     exceptions based on totals and on other exceptions.
- 19

20          We are currently reviewing these tolerances within the system to determine whether  
21          there are any further refinements to them that would improve our process.

22       **Q.     Mr. Thomason further asserts that “as a result of the Customer First transition**  
23           **regarding new meter sets. Customers seeking to have a new meter set on their**  
24           **property are currently waiting ten to fifteen (10 to 15) days to have a new service**  
25           **line approved and meter installed,” where “[p]rior to Customer First, it could**  
26           **have been done in as little as one (1) day.” (Thomason Reb., pp. 17-18.) Do you**  
27           **agree with that assertion?**

28       A.     Yes.

1 **Q. Is this something that Liberty is working to reverse?**

2 A. It is. The new system provides for better tracking of meter placement information.  
3 However, it also requires more from the Company up front. We have hired new  
4 employees to help us with these tasks; one has started, and we anticipate that the other  
5 new employees will start in early November. As these new employees learn their job  
6 and progress, we are hopeful that the set time will come down. Additionally, the  
7 Company will continue to analyze the meter placement process to determine if other  
8 efficiencies can be gained to improve the time it takes to set meters.

9 **Q. Staff “recommends that the Commission order Liberty Water to meet with Staff**  
10 **on a monthly basis for the period of twelve (12) months following the conclusion**  
11 **of this case to discuss the Customer First-related customer service issues of all**  
12 **Missouri-based Liberty Utilities Co. (“LUCo”) subsidiaries.” (Thomason Reb., p.**  
13 **6). Thomason also recommends on page 6 that we "provide monthly reporting to**  
14 **Staff regarding bill exceptions, delayed bills, and no bill." How does Liberty**  
15 **respond?**

16 A. Missouri Water is agreeable to participating in such meetings, and Missouri Water is  
17 agreeable to providing the requested monthly reporting.

18 **Q. Customers at the local public hearings raised some very specific concerns. Has**  
19 **Liberty taken any other steps in response to those concerns?**

20 A. Yes. My operations staff reached out to several of the customers who attended the  
21 public hearings to address their specific concerns. We also inspected locations that  
22 were discussed in the hearings and conducted specific location tests where applicable.

23 **Q. What are some examples of those actions?**

1 A. The following are examples of such contacts and the actions that we have taken to  
2 resolve specific customer concerns:

- 3 • Several customers shared that their water seemed to have too much chlorine.  
4 Liberty dispatched operators within 7 days to sample and test the water. While  
5 I do not doubt the customers' experience, the test results indicated that the  
6 samples had chlorine levels well within the acceptance range. We will review  
7 the situation and sample more frequently if customers again experience this  
8 situation.  
9
- 10 • A customer shared that there was a needed road repair following a leak repair  
11 at Cedar Hill. One of our operators examined the site and confirmed that all  
12 leak repair work was completed. We have scheduled the concrete contractor to  
13 lay in the final road patch and we have advised the customer of the repair  
14 schedule.  
15
- 16 • A Lakewood Heights customer shared that a hole remains where a valve repair  
17 is under way. Liberty's Operations Manager, Mr. Larsen, drove to the site the  
18 day following the hearing. A hole had been left open to address a valve repair  
19 requiring parts not immediately available. We have secured the area with stakes  
20 and caution tape until the final repairs are completed. The hole will be filled  
21 once the repairs are completed.  
22
- 23 • A Holiday Hills customer spoke of an inadequate road repair. Liberty's  
24 Operations Manager, Mr. Robinson, contacted the customer the day after the  
25 hearing and examined the leak repair site in front of the customer's driveway,  
26 as well as several other repair sites in the Holiday Hills complex. Mr. Robinson  
27 later returned to the repair site, along with a contractor and Liberty's Operations  
28 Manager, Mr. Larsen, to determine an appropriate repair to the street. A quote  
29 has been requested to remove all damaged asphalt, install new road base and  
30 road surface. Based on the timing of the weather and the limited availability of  
31 asphalt contractors as winter approaches, Liberty will likely repair the road with  
32 concrete in order to have repairs in place before winter. We will keep the  
33 customer updated on our plan and timing.  
34

35 These are just a few examples; we continue to do outreach to resolve issues that were  
36 raised at the local public hearings.

37 **Q. Do you have any further examples of this continued customer outreach?**

38 A. Yes. On October 22, 2024, the Company held a Customer Service Open House at its  
39 Bolivar Service Center to provide customers with an in-person opportunity to ask



1 questions about their electric, water and/or wastewater service. The event was attended  
2 by a team of Liberty customer service, billing, meter, and operations personnel.

3 **Q. How were customers notified of this meeting?**

4 A. The Company sent an email to its Bolivar customers that had email addresses on file  
5 and ran a print advertisement both on Wednesday, October 16 and Friday, October 18,  
6 2024, in the *Bolivar Herald Free-Press*. Notice was also posted on the Company's  
7 Facebook page; and Staff and OPC were provided details of the Open House in the  
8 event they wanted to have representatives attend or provide additional notice of the  
9 event.

10 **Q. How would you describe this meeting?**

11 A. I believe it was a success. We had the opportunity to again meet face to face with  
12 customers and 32 of those customers were able to receive direct assistance from our  
13 representatives. Below is a picture of some of those customers interacting with our  
14 representatives.



15

1 **Q. Do you plan to continue these events?**

2 A. Yes. We have already reached out to people in Aurora, Valley Woods, Holiday Hills,  
3 and Pacific, and begun the process to hold meetings in those communities to better get  
4 to know our customers and address any operational questions.

5 **Q. Are there more global efforts underway that should improve responsiveness to**  
6 **customers?**

7 A. Yes. We have replaced contractors with Company employees to operate our water and  
8 wastewater systems on the east side of the state. I believe this will significantly reduce  
9 our reliance on contractors, whose quality standards and customer focus haven't been  
10 consistent with our expectations. In addition to having our own employees locally  
11 present on the east side of the state, we will meet with customers more frequently to  
12 receive ongoing feedback on our service, water quality and affordability. We value our  
13 customers' opinions and will do a better job soliciting their feedback and addressing it.

14 **Q. Staff witness Thomason states that "Liberty Water struggles at times to make**  
15 **decisions that fully take customer experience into account. This is manifested**  
16 **particularly in its response to crises but also applies to putting effective processes**  
17 **in place to prevent crises from occurring to begin with." (Thomason Reb., p. 19.)**

18 **How do you respond to this criticism?**

19 A. We have a renewed focus on Customer Care at the Company. I am participating in  
20 meetings on a daily basis focused solely on resolving billing performance issues. I  
21 have made changes to improve operations and service and to provide a positive  
22 customer experience. For example, we have made a number of staffing changes,  
23 including adding oversight to our operations, as well as adding an Operations Manager,  
24 three Operators and a Water Quality Manager. We have recently adopted a Complaints

1 management solution described further below that will bring better focus when  
2 customers do raise concerns. I believe that we have taken important strides forward  
3 and I remain committed to maintaining this focus for our Missouri Water customers.

4 **Q. Mr. Thomason states that “Liberty Water had not reached out to affected**  
5 **customers who had not been receiving bills for several months to inform them of**  
6 **the issue, their rights regarding the payment period under Commission rules, or**  
7 **the suspension of late fees and disconnects.” (Thomason Reb., p. 19.) Is that**  
8 **accurate?**

9 A. Yes.

10 **Q. Has Liberty taken steps to notify these customers?**

11 A. Yes. Liberty has mailed letters to customers notifying them of the issue and that we  
12 will provide additional time to pay the bills, as well as the suspension of late fees and  
13 disconnects.

14 **Q. OPC witness Schaben alleges that in response to customer service allegations the**  
15 **Commission can “provide customers relief through an offset in revenues related**  
16 **to the Company’s provision of poor customer service.” (Schaben Reb., p. 11.) Do**  
17 **you believe the Commission can or should take such a step?**

18 A. I am not an attorney and will leave the question of “can” to those that are. However, if  
19 the Commission can take that step, it would not be advisable.

20 **Q. Why not?**

21 A. In order to address the issues that have been raised, Liberty needs sufficient funds to  
22 operate and move forward with adding the personnel needed to provide this service. If  
23 Ms. Schaben is suggesting that Liberty receive a rate increase that is something less  
24 than the Commission would otherwise believe is Liberty’s cost of providing utility

1 service, that would create a situation where the Company would be required to address  
2 service deficiencies with inadequate resources. That is not in the best interests of  
3 customers or the Company. Moreover, in our recent Technical Conference, the Staff  
4 shared a list of actions and projects they believe will be beneficial to the customer.  
5 Those tasks and projects will require sufficient funds to be accomplished.

6 **Q. OPC witness Schaben also proposes that the Commission “not implement a rate**  
7 **increase all at once, and to phase a rate increase in over time to allow customers**  
8 **to better adjust to the changes it will require them to make.” (Schaben Reb., p. 7.)**  
9 **Is that something that the Commission can do?**

10 A. Again, I am not an attorney and will leave the question of “can” to those that are.

11 **Q. There were also comments related to the amount of Liberty’s proposed increase**  
12 **both as to the overall increase and as to the Bolivar increase in particular.**  
13 **(Schaben Reb., pp. 5-6.) First, is Liberty concerned as to the amount of the overall**  
14 **increase?**

15 A. Yes. Liberty is very sensitive to the rate increase. However, as I stated in my direct  
16 testimony (p. 7), Liberty has not increased its rates since December 8, 2018, and the  
17 systems acquired from The Empire District Electric Company have not had a rate  
18 increase since November 23, 2012. Liberty has not proposed a rate increase for systems  
19 acquired since 2018 and many of these systems may not have had rates that properly  
20 reflected their costs. As a result of the investments Liberty has made in the systems  
21 and particularly for those systems where the existing rates were clearly not designed to  
22 recover costs to operate (such as Bolivar), the proposed rate increases are necessary to  
23 cover the cost of service and to provide an opportunity for the Company to earn a return  
24 on our investment.

1 **Q. Has Liberty taken any actions subsequent to its filing to reduce its requested rate**  
2 **increase?**

3 A. Yes. After reviewing the parties' direct testimony, the Company decided that reduction  
4 of its cost of common equity recommendation to 10.0% was appropriate in an effort to  
5 reduce issues in the case and to lessen the overall rate increase impact on its customers.  
6 (Cochrane Reb., p. 2.)

7 **Q. OPC witness Schaben suggests that the Bolivar residents were "misled" during**  
8 **the sale process of the Bolivar water and sewer systems to Liberty and suggests**  
9 **that "[t]o the extent there is evidence produced in this case during the evidentiary**  
10 **hearing of customers being misled, the Commission should hold those rates to**  
11 **levels that are closer to what was promised by Liberty and city officials." (Schaben**  
12 **Reb., pp. 12-13.) Were you employed by Liberty at the time it negotiated with**  
13 **Bolivar and then purchased the Bolivar water and sewer systems?**

14 A. Yes, but my duties were with Liberty's Arkansas water systems. I was not working  
15 with the Missouri water or wastewater systems.

16 **Q. Have you had a chance to research what Ms. Schaben has referenced in regard to**  
17 **rate information?**

18 A. Yes.

19 **Q. What have you found?**

20 A. Attached as Surrebuttal Schedule ADP-1 is a copy of an article from the Bolivar  
21 Herald-Free Press that was published shortly before the local election concerning the  
22 Liberty purchase. As you can see, the focus was on the Bolivar sewer system.  
23 "Compliance with Environmental Protection Agency water quality standards and  
24 wasteload allocation set for Bolivar's Town Branch and Piper Creek [had] been a

1 struggle for the city . . . .” In addition to the article, attached as **Surrebuttal Schedule**  
2 **ADP-2** is a presentation provided by Liberty that specifically stated “Our capital  
3 spending the first five years is approximately \$6 million and addresses the sanitary  
4 sewer overflow and raw sewer into the stream issue.” If Bolivar kept the systems, they  
5 were expecting continued increases for both water and sewer. However, because of the  
6 focus on Bolivar’s wastewater issues, any estimates as to rate increases at that time  
7 were directly related to the needed investments to address the wastewater system.

8 **Q. What was Liberty’s initial proposal as to Bolivar sewer rates in these dockets?**

9 A. Liberty proposed a reduction in Bolivar’s sewer rates in direct testimony. In rebuttal  
10 testimony, Liberty witness O’Neill stated on page 7, “...that the Company and Staff  
11 are generally in agreement as to the best rate design methodology for both water and  
12 sewer customer.” The final rate design for Bolivar sewer rates will be predicated on  
13 the final revenue requirement model which could result in a slight increase or decrease  
14 in Bolivar’s sewer rates.

15 **III. CUSTOMER COMMUNICATIONS/ TRACKING CUSTOMER**  
16 **COMPLAINTS**

17 **Q. In regard to boil advisories, Staff witness Thomason indicates that text messages**  
18 **are an effective method of communicating boil advisories to customers and**  
19 **encourages “Liberty Water to monitor the number of customers with mobile**  
20 **phone numbers on file, as well as customer feedback regarding the sufficiency of**  
21 **boil advisory notifications, for future evaluation of the need for additional boil**  
22 **advisory notification measures.” (Thomason Reb., pp. 8-9.) Is Liberty currently**  
23 **taking steps to increase the number of customers for whom it is able to provide**  
24 **alerts through text messages?**

1 A. Yes. The Company is taking steps to encourage customers to update their contact  
2 information in their Company account. For example, the Company has communicated  
3 this through the customer email newsletter. We also plan to encourage customers to  
4 update their contact information in an upcoming bill insert as well. In addition, the  
5 Company has the ability to send prerecorded messages to land lines and cellular phones  
6 as well as sending text messages and email messages to customers with email addresses  
7 on file.

8 **Q. Mr. Thomason further discusses Staff's earlier recommendation as to maintaining**  
9 **a count of the types and number of water/sewer inquiries and complaints.**  
10 **(Thomason Reb., pp. 9-14.) What is Liberty doing to address this issue?**

11 A. Company witness Sirmon explained in her direct testimony (p. 6) the Company's use  
12 of wrap-up codes for tracking water/sewer inquiries and described a pilot program  
13 underway in the East Region of the organization, that is tracking customer complaints  
14 in the new customer information system. That process has now been rolled out across  
15 the business as of September 2024 and thus is now in place.

16 **Q. Mr. Thomason criticizes the use of wrap-up codes for the purpose of tracking**  
17 **inquiries. (Thomason Reb., pp. 9-12.) How do you respond to that criticism?**

18 A. Mr. Thomason is correct that some human interaction is still necessary to this process.  
19 Wrap-up codes are used to indicate the nature of an interaction. We emphasize in our  
20 training of CSRs that they must select the wrap-up code based on what the call driver  
21 was for that customer interaction, rather than the end result. For instance, if a customer  
22 calls regarding a high bill and before the call is over the CSR sets up a payment  
23 arrangement, the CSR should still code the call as a high bill complaint. This is

1 something we will continue to review and monitor CSRs actions so that we can retrain  
2 CSRs when necessary.

3 **Q. What is the new process that you mentioned previously for tracking complaints?**

4 A. At the end of September of this year, Liberty completed the rollout of a pilot program  
5 called Complaint Ticket Management. This program was designed to help Liberty  
6 track the number of “complaints” we have. A complaint is created when the customer  
7 expressly requests to file a “complaint” or makes the claim that they will be contacting  
8 one of the following:

- 9 • DPU, PUC, DOE, PSC;
- 10 • BBB;
- 11 • Attorney General;
- 12 • Lawyer; and/or
- 13 • Media.

14 **Q. Staff witness Thomason does suggest that the pilot program mentioned above will**  
15 **take steps toward satisfying the tracking of customer complaints. (Thomason**  
16 **Reb., p. 12.) Do you agree that the Complaint Ticket Management will be an**  
17 **improvement?**

18 A. Yes. As stated by Mr. Thomason (Reb., p. 14), the pilot program was successful, and  
19 I believe it will be successful for Liberty Water as well.

20 **Q. Mr. Thomason concludes this section by encouraging “Liberty Water to ensure**  
21 **that the Complaint Ticket Management Program is catching all opportunities for**  
22 **improvement, and that the review process is sensitive enough to detect the trends**  
23 **and patterns that would highlight those opportunities.” (Thomason Reb., p. 14.)**  
24 **Is that process under way?**



1 A. Yes. We will continue to monitor the Complaint Ticket Management program to ensure  
2 it provides useful data and is improving service.

3 **IV. PAPERLESS BILLING**

4 **Q. Staff witness Thomason indicates that as a feature of the Customer First**  
5 **implementation, Liberty Water customers who pay their bills online are presented**  
6 **with a pre-checked box enrolling them in paperless billing and that those**  
7 **customers must then uncheck the box if they do not wish to enroll in paperless**  
8 **billing. (Thomason Reb., pp. 6-7.) Is that true?**

9 A. Yes.

10 **Q. Staff encourages the removal of the pre-checked box for all utilities owned by**  
11 **Liberty Utilities Co. and operating in the state of Missouri. (Thomason Reb., p.**  
12 **7.) How does Liberty respond?**

13 A. While the only utility that is the subject of this case is Missouri Water, we will make a  
14 change to remove the box currently in MyAccount that was prechecked when the  
15 customer made a payment. The customer will continue to have the option to enroll in  
16 paperless billing by checking the box themselves when initially signing up for  
17 MyAccount.

18 **Q. Does this conclude your surrebuttal testimony at this time?**

19 A. Yes.

**VERIFICATION**

I, Antonio D. Penna Jr., under penalty of perjury, on this 24th day of October, 2024,  
declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Antonio D. Penna Jr.