

Exhibit No.: \_\_\_\_\_  
Issue: Customer First  
Witness: Colin Penny  
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**

**Colin Penny**

**on behalf of**

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

**October 24, 2024**



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

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

2 A. My name is Colin Penny. My business address is 354 Davis Road, Suite 100, Oakville,  
3 Ontario, LJ6 2X1.

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

5 A. I am employed by Liberty Utilities (Canada) Corp. (“Liberty Utilities”) as Chief  
6 Information Officer.

7 **Q. On whose behalf are you testifying in this proceeding?**

8 A. I am testifying on behalf of Liberty Utilities (Missouri Water) LLC d/b/a Liberty  
9 (“Liberty” or the “Company”).

10 **Q. Please describe your professional background.**

11 A. I have worked in Information Technology for the past twenty-eight years in various  
12 capacities. Early in my career I built and delivered technology solutions within the  
13 utilities sector in North America while working for Andersen Consulting (now  
14 Accenture) and Black & Veatch. Prior to joining Liberty Utilities, I worked at Hydro  
15 One where I held multiple roles, including Senior Vice President Technology & Chief  
16 Information Officer. I joined Liberty Utilities in 2019 as Vice President, IT  
17 Transformation, became Executive Vice President, IT and Digital Transformation in  
18 2021, and in March 2024, was appointed Chief Information Officer. I hold a Bachelor’s  
19 Degree, Electrical Engineering from Queen’s University in Canada.

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

1 A. I am adopting the direct testimony of Lauren Preston filed herein on behalf of the  
2 Company, as well as responding to certain aspects of the rebuttal testimony of  
3 Commission Staff (“Staff”) witness Charles Tyrone Thomason. I also address certain  
4 aspects of the rebuttal testimony of Office of the Public Counsel (“OPC”) witness  
5 Angela Schaben with respect to the information technology infrastructure systems  
6 referred to by Ms. Preston as Liberty’s “Customer First” initiative.

7 **Q. OPC witness Schaben and Staff witness Thomason address Liberty’s switch to**  
8 **Customer First. What is Customer First?**

9 A. As was described in the direct testimony of Liberty witness Lauren Preston, Customer  
10 First is a corporate-wide initiative to replace a series of backbone information  
11 technology systems and processes used by subsidiaries of Algonquin Power & Utilities  
12 Corp. (“APUC”) to run its business and manage data. As depicted on the chart below,  
13 there are six separate information technology systems that comprise the “Customer  
14 First” initiative:

1



2 **Q. Did this change only impact Liberty in Missouri?**

3 A. No. This was an enterprise-wide initiative that replaces antiquated and disparate  
4 systems that existed across our business.

5 **Q. Please describe why APUC made the switch to these new systems.**

6 A. Prior to adopting this SAP-based platform of information technology systems, APUC's  
7 subsidiaries relied on a variety of systems that were not compatible and did not allow  
8 for analysis and reconciliation of data and information across the business. In addition,

1 many of the systems did not reflect current technology exposing the Company to undue  
2 risks of disruption and data loss in this currently challenging cybersecurity  
3 environment. By adopting leading technology from top system providers, we believe  
4 that we are future proofing our business as well as creating a platform that will enhance  
5 access to key business information.

6 **Q. In the absence of Customer First, could Liberty’s Missouri subsidiaries have**  
7 **continued indefinitely on their existing systems?**

8 A. No. Missouri Water had key business and accounting systems that were unsupported  
9 at the time of the Customer First implementation. As I stated above, this increases the  
10 risks of data loss, security vulnerabilities, and compatibility concerns.

11 **Q. Was the deployment of Customer First conducted at the same time across all of**  
12 **APUC’s businesses?**

13 A. No. We began adopting the new systems in mid-2020 when we began introducing some  
14 of the six new systems into our business. For example, two of the six systems –  
15 Employee Central (used for employee timekeeping and other Human Resource  
16 functions) and Procure to Pay (our procurement/invoicing system) were adopted across  
17 our enterprise at the same time. The other four systems were phased in over time. For  
18 example, our Network Design and Operations system provides GIS services to our  
19 water utilities was phased in for Missouri Water in the first quarter of 2022. Our  
20 eCustomer system, used for the online “MyAccount” feature that enabled customers to  
21 pay their bills online using a cell phone or tablet and allowed for digital channels for  
22 customer contact and self-service enablement, was implemented for Missouri Water in  
23 the fourth quarter of 2021. Finally, our Customer (CIS), Finance (ERP), and  
24 Operations (EAM) systems were implemented by Missouri Water in April 2024.

1 **Q. Since the rollout of these systems across the business, was there sharing of lessons**  
2 **learned across those companies in APUC's business that cutover to systems earlier**  
3 **than Missouri Water?**

4 A. Yes, after each cutover we considered lessons learned across the program and  
5 implemented them into the next release, supporting a continuous learning environment.  
6 This ensured that we took advantage of any improvements we could make to the  
7 employee and customer experience. Lessons learned included areas such as early  
8 training for Customer Service Representatives and participating in training in earlier  
9 implementations. We also were able to provide day in the life demonstrations to all  
10 Missouri Water field employees based on experiences at other Liberty utilities with the  
11 new Customer First systems. Also, any system improvements identified by companies  
12 using the systems were applied to the benefit of Missouri Water customers.

13 **Q. Are you familiar with the testimony of OPC witness Schaben (Schaben Reb., p.**  
14 **11, 12) and Staff witness Thomason (Thomason Reb., pp. 2-7) who are critical of**  
15 **the Company's implementation of these new systems?**

16 A. Yes. I have reviewed their testimony and understand their concerns as to our  
17 customers' experience with respect to billing and meter set issues. With any technology  
18 conversion of this size, which reflects the complete replacement of all the utility's  
19 backbone information technology systems, there will be post-conversion challenges as  
20 employees learn to use the new systems and adapt to new processes and it may be  
21 necessary to have further modifications to the system to address post-cutover concerns.  
22 We are very mindful that our customers have been affected in this post-cutover period  
23 and we are working hard to minimize the impact on them. Liberty witness Penna's  
24 surrebuttal testimony describes in more detail the steps the Company has taken to

1 address these issues and return to billing performance levels representative of historic  
2 periods.

3 **Q. Were any parts of the implementation process unique to the Missouri companies?**

4 A. Yes. Liberty Utilities (Missouri Water) LLC (“Missouri Water”) was included in the  
5 Customer First Release 4.2, with The Empire District Electric Company and The  
6 Empire District Gas Company, which were all transitioned from the same legacy  
7 systems. With the completion of each prior release, the transition team evaluated what  
8 went well, where there were opportunities for improvement and what lessons should  
9 be applied to future releases. However, the companies included in Release 4.2,  
10 including Missouri Water, were all transitioned to Customer First from the same legacy  
11 systems (e.g., Customer Watch), which were not utilized by the other Liberty  
12 companies. While previous lessons learned were applied to Release 4.2, some of the  
13 specific and technical issues experienced in prior releases may not have been applicable  
14 to Missouri Water and the other companies that used different legacy systems.

15 **Q. OPC witness Schaben recommends that “the Commission disallow at least half of  
16 the cost of Customer First, with the caveat that if the Company is able to correct  
17 these issues before its next rate case, the Company can begin to recover all of the  
18 investment at that time.” Schaben Reb., p. 12. As of the date of this testimony,  
19 what is the status of the Customer First implementation?**

20 A. As I described earlier in my testimony, many of the information technology systems  
21 that comprise the Customer First program have been in service and used to the benefit  
22 of Missouri Water customers since as early as 2021. Ms. Schaben’s recommendation  
23 – that the Commission either deny entirely or delay cost recovery of the Customer First  
24 initiative – is a severe position given that all six systems are in service to customers

1 and used every day to provide utility service. While the Company recognizes the  
2 challenges the new system transition has had on our customers and is working  
3 diligently to address, I do not believe that the position being proposed by OPC would  
4 be the right result as it would be an extreme penalty to address a system transition issue  
5 that is anticipated to be relatively limited in scope and time.

6 **Q. What long term benefits for customers do you believe will result from the**  
7 **Customer First implementation?**

8 A. These new systems will serve our customers for many years to come and will allow the  
9 Company to have real time access to much more detailed information about our  
10 business. For example, we can now access information about vendors across the  
11 entirety of our business which should provide opportunities for bulk purchasing that  
12 accrue benefits to smaller utilities like Missouri Water. Customers have access to online  
13 accounts, accessible either by computers as well as smart phones, that allow them to  
14 pay their bills and check the status of their account and usage at any time. Customers  
15 are now able to choose how they receive notifications from Missouri Water regarding  
16 billing and service orders and can select from multiple automatic payment options.  
17 Customers will also benefit from reduced operations costs through avoided software  
18 and maintenance costs of legacy systems. In addition, the new Asset Management  
19 systems are improving asset visibility and performance, improving employee safety;  
20 and improving tracking of maintenance activities for water distribution assets,  
21 improving reliability.

22 **Q. Does this conclude your surrebuttal testimony?**

23 A. Yes.



**VERIFICATION**

I, Colin Penny, 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/ Colin Penny