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

Rebuttal Testimony

of

Amy M. Walt

on behalf of

The Empire District Electric Company d/b/a Liberty

August 18, 2025



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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2024-0261

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REBUTTAL TESTIMONY OF AMY M. WALT
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1 **I. INTRODUCTION AND BACKGROUND**

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

3 A. My name is Amy M. Walt. My business address is 354 Davis Road, Suite 100,
4 Oakville, Ontario, L62X1.

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

6 A. I serve as the Chief Customer Officer of Algonquin Power & Utilities Corp. (“APUC”),
7 the ultimate parent of The Empire District Electric Company (“Empire” or the
8 “Company”). I joined the Liberty family of companies effective June 30, 2025, and
9 report directly to APUC’s Chief Executive Officer, Rod West. In this role, I am
10 responsible for leading the customer-focused strategy across APUC’s regulated
11 electric, gas and water utilities. My focus is on a seamless, responsive, and equitable
12 customer experience –so that every interaction reflects our commitment to service
13 excellence, transparency, and community engagement. This includes oversight of
14 customer operations at Empire, where we strive to meet the evolving needs of our
15 customers while upholding the principles of regulatory integrity and operational
16 reliability.

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

18 A. I am testifying on behalf of The Empire District Electric Company d/b/a Liberty
19 (“Empire” or “Company”).

20 **Q. Please describe your educational and professional background.**

1 A. I bring over 25 years of leadership experience in the regulated utility industry, with a
2 career focused on customer operations, revenue management, and strategic
3 transformation. I've held senior roles at DTE Energy, Consumers Energy, and Entergy,
4 where I led initiatives that improved customer satisfaction, operational efficiency, and
5 financial performance.

6 I earned a Bachelor's degree in Business Administration with a concentration
7 in Accounting from the University of Michigan in 1994. My career began in June 1992,
8 at Michigan Consolidated Gas Company under DTE Energy, where I advanced through
9 a series of roles in the Controller's organization. These included:

- 10 • **Divisional Controller** (1998), supporting strategic financial planning and
11 performance analysis;
- 12 • **Assets & Financial Controls Administration Manager** (2001),
13 overseeing corporate service financial planning and asset management;
- 14 • **Manager, Budget, Forecast, Reporting** (2003), responsible for financial
15 consolidation and reporting across DTE Energy;
- 16 • **Manager, Enterprise Performance Management** (2005), leading cost-
17 saving initiatives and operational improvements;
- 18 • **Manager and later General Manager, Revenue Management and**
19 **Protection – Strategy** (2007-2008), where I developed collection strategies
20 that reduced arrears and improved customer experience; and
- 21 • **Director, Revenue Management and Protection** (2010), and
22 subsequently Director of Customer Service (2013), where I led customer-
23 facing operations and service delivery.

1 In 2014, I joined Consumers Energy, where I served as Vice President of
2 Operations Support and Executive Director of Customer Operations, overseeing the
3 full billing cycle, customer contact channels, and the launch of the automated metering
4 operations center.

5 In 2021, I joined Entergy, initially as Vice President of the Contact Center, and
6 later as the Vice President of Meter to Cash. In that role, I was responsible for the end-
7 to-end billing process for over three million customers, from meter reads to collections,
8 ensuring timely, accurate billing and a high standard of customer service. This
9 experience has prepared me to lead Liberty through its current transformation –
10 bringing proven strategies, operational discipline, and a deep commitment to delivering
11 exceptional customer experiences.

12 **Q. Under your leadership, did your utilities achieve any notable customer service-**
13 **related outcomes?**

14 Yes, under my leadership, both DTE Energy and Consumers Energy achieved first-
15 quartile performance in JD Power customer satisfaction rankings, reflecting significant
16 improvements in how we served our customers. Likewise, Entergy customer
17 satisfaction also improved with JD Power scores rising above the national average
18 during my tenure.

19 In addition to customer satisfaction, all three utilities achieved first-quartile
20 operational performance in key areas such as meter-to-cash and contact center metrics.
21 These outcomes were the result of disciplined focus on the LEAN operating model,
22 which emphasizes end-to-end process design, enhanced training, and optimized
23 technology configurations to drive efficiency and service excellence. We intend to
24 apply this same performance-driven, customer-focused approach to the Liberty family

1 of regulated utilities, including Empire, to ensure our customers receive the level of
2 service they expect and deserve.

3 **Q. When was your first day with Liberty?**

4 A. My first day with Liberty was June 30, 2025. While I am new to the Company, my
5 appointment as the Chief Customer Officer reflects a deliberate and strategic decision
6 by APUC and Liberty to elevate customer service to the highest level of leadership.
7 The timing of my arrival underscores the seriousness with which we are responding to
8 the challenges associated with the Customer First implementation. To ensure I fully
9 understand the scope and impact of these issues, I attended public hearings, engaged
10 directly with customers, and met with Commission Staff and other stakeholders. These
11 conversations have shaped my early priorities and reaffirmed our commitment to
12 restoring trust and delivering the level of service our customers expect and deserve.

13 **Q. What are your current duties and responsibilities?**

14 A. As Chief Customer Officer, I am responsible for all aspects of the customer experience
15 across Liberty's regulated electric, gas, and water operations. I report directly to our
16 Chief Executive Officer, and my mandate is to set and execute a customer-focused
17 strategy that supports affordability, reliability, and innovation across the enterprise. A
18 key part of my role is leading Liberty's response to the Customer First/SAP
19 implementation challenges. This includes identifying the root causes of the billing and
20 service issues, developing remedial measures, and ensuring those measures are
21 implemented effectively – particularly for our Missouri utilities. In addition, I am
22 leading a strategic enhancement of performance metrics to better reflect the customer
23 experience and align with industry best practices. At previous utilities, this approach
24 helped drive top-quartile performance in customer satisfaction and operational

1 efficiency. We are applying that same framework at Liberty – ensuring metrics are not
2 only benchmarkable, but also focused on the moments that matter most to our
3 customers.

4 **Q. Have you previously testified before the Missouri Public Service Commission**
5 **(“Commission”) or any other regulatory agency?**

6 A. I have not previously testified before this Commission. But I have filed testimony and
7 appeared before the Michigan Public Service Commission on behalf of DTE Energy,
8 where I addressed matters related to customer operations and affordability. I’ve also
9 testified before legislative committees in Michigan in support of policies aimed at
10 assisting low-income customers. These experiences have prepared me to engage
11 constructively with regulators and stakeholders, and I welcome the opportunity to do
12 so here in Missouri.

13 **II. PURPOSE OF TESTIMONY**

14 **Q. What is the purpose of your rebuttal testimony in this proceeding?**

15 A. The purpose of my rebuttal testimony is to respond to certain aspects of the direct
16 testimonies of the Staff of the Commission (“Staff”) and the Office of the Public
17 Counsel (“OPC”) particularly as they relate to customer service and billing issues. I
18 outline the steps Liberty is taking to improve the customer experience – ensuring that
19 bills are delivered accurately and on time, and that customer interactions reflect our
20 commitment to responsiveness, accountability, and service excellence. I also describe
21 how the Commission can monitor and measure our progress using objective,
22 benchmarkable performance metrics that reflect the true customer experience. In
23 addition, I address and respond to recommendations by Staff and OPC regarding the
24 Customer First program, including assertions that portions of the system are not “used

1 and useful”. My testimony is intended to provide clarity, accountability, and a path
2 forward that prioritizes the needs of our customers.

3 **III. THE CUSTOMER FIRST SAP SYSTEM**

4 **Q. In their direct testimonies, Staff and OPC make various allegations regarding**
5 **Customer First. What is Customer First?**

6 A. Customer First is a corporate-wide transformation initiative designed to improve
7 efficiency, modernize operations, and better position Liberty to meet the current and
8 future needs of our customers and stakeholders. At its core, it consolidates multiple
9 outdated and disconnected information systems into a single, integrated platform built
10 on SAP, a leading enterprise software used by many top-performing utilities around the
11 world. This SAP-based platform supports critical business functions – including
12 billing, customer service, finance and operations – by enabling real-time data sharing,
13 automation, and consistency across departments. The goal of Customer First is to
14 create a more responsive, reliable, and scalable foundation for delivering high-quality
15 service to our customers.

16 **Q. What is an SAP-based platform?**

17 A. An SAP-based platform refers to a software system built on SAP (Systems,
18 Applications, and Products in Data Processing) – a leading enterprise resource planning
19 (“ERP”) solution used by regulated utilities around the world to manage core business
20 operations and customer interactions. For utilities like Empire, SAP provides a
21 centralized and integrated system that supports functions such as billing, finance,
22 human resources, supply chain, and customer service. Key features include:

- 1 • **Centralized data management**, which enables real-time visibility and
- 2 consistency across departments
- 3 • **Automation of routine tasks**, such as billing, invoicing and procurement
- 4 • **Exception handling**, where the system flags anomalies like missing meter
- 5 reads or billing errors – often referred to as “outsorts” or “implausibles”
- 6 • **Scalability and customization**, allowing utilities to tailor the system to
- 7 specific needs, such as collective billing or demand aggregation

8 At Empire, the SAP platform manages meter to cash operations, human resources,

9 finance, supply chain and operations. The focus of my testimony is on the meter to

10 cash operations. This includes billing operations, including meter read to bill

11 processing, exception generation and resolution, and parent-child account logic for

12 collective billing. It also supports performance tracking in areas such as billing

13 accuracy and timeliness, which are critical to delivering reliable service to our

14 customers.

15 **Q. Have you had experience with an SAP utility platform prior to joining Liberty?**

16 A. Yes, I have extensive experience working with the SAP utility billing platforms,

17 particularly in the meter-to-cash lifecycle, while serving in leadership roles at DTE

18 Energy, Entergy and Consumers Energy. That experience has given me a

19 comprehensive understanding of how SAP functions in a regulated utility environment,

20 and how to leverage its capabilities to improve billing accuracy, streamline operations,

21 and enhance the customer experience.

22 **Q. Please describe your involvement with SAP at DTE Energy, Consumers Energy**

23 **and Entergy?**

1 A. At DTE I worked with an earlier version of SAP and played a key role in improving
2 system performance across multiple business areas. Following DTE's upgrade to SAP
3 S/4, I was later called upon – while at Consumers Energy – to assist in identifying and
4 resolving customer process challenges tied to that transition. At Consumers Energy, I
5 was brought in during a period of significant disruption following their AMI/AMR
6 deployment. I led a transformation initiative focused on aligning people and processes,
7 which included redesigning SAP configurations to improve billing accuracy and
8 customer experience. I also helped establish a centralized data environment to support
9 accountability and performance reporting. At Entergy, I was again brought in to address
10 post-deployment challenges following major technology upgrades and AMI
11 implementation. My focus was on enhancing the customer experience by improving
12 SAP system design, refining operational processes, and ensuring that technology
13 supported frontline service delivery. These experiences have equipped me to lead
14 Liberty's response to the challenges associated with Customer First – bringing a proven
15 framework for aligning technology, operations, and customer service to deliver
16 sustainable improvements.

17 **Q. In their direct testimonies, Staff and OPC challenge Empire's recovery of**
18 **Customer First, although Empire witness Penny explained in his direct testimony**
19 **that prior to the implementation of Customer First, APUC's subsidiaries were**
20 **operating with a variety of legacy systems and business processes that were**
21 **outdated, generally obsolete, lacked support and required substantial manual**
22 **work arounds and that these outdated systems exposed utilities and customers to**
23 **substantial operational, business and cybersecurity risks. (Penny Dir., p. 3). Given**
24 **that environment, and in light of Staff's and OPC's allegations, how would you**

1 **describe an SAP-based platform as a possible substitute for the Company's legacy**
2 **system?**

3 A. SAP is a state-of-the-art ERP system that has become the utility industry standard for
4 customer billing, engagement, and operational integration among the regulated utilities.
5 It is specifically designed to support the full meter-to-cash lifecycle, including meter
6 data management, billing, collections, and customer service-functions that are critical
7 to delivering reliable and accurate service. SAP's advanced capabilities include real-
8 time data processing, automated exception handling, and customizable tools for
9 managing complex billing scenarios. It also offers modern user interface and robust
10 performance tracking, which help improve operational efficiency and customer
11 responsiveness. Given the fragmented and outdated nature of the legacy systems
12 previously in use, SAP represents a strategic and necessary upgrade – one that aligns
13 Empire with best-in-class utilities across North America. Its widespread adoption
14 reflects the confidence that leading utilities place in SAP's ability to support large-
15 scale, regulated operations while improving service delivery and reducing risk.

16 **Q. Are implementation challenges similar to the current experiences of the Company**
17 **and its customers unusual?**

18 A. No, they are not. Implementation challenges are common across the utility industry,
19 especially when transitioning from fragmented legacy systems to a modern, integrated
20 ERP platform like SAP. These transitions require change management, data migration,
21 and process redesign, and even well-planned deployments often encounter unexpected
22 complexities. While SAP is a proven and widely adopted system, the journey to full
23 optimization is rarely without hurdles. Based on my experience leading similar
24 transformations at other utilities, I can say that Liberty's experience is not unique – but

1 it is serious, and it demands focused leadership and sustained effort. Although I am
2 new to Liberty, my early observations suggest that the Company's implementation
3 timeline was overly ambitious, which contributed to some of the challenges we're now
4 addressing. That said, there are areas where the implementation has gone well, and
5 others where we are actively working to improve. I am confident that, with the right
6 focus and discipline, Liberty will resolve these issues and deliver top-tier customer
7 service. We are already taking concrete steps to stabilize and improve the system-
8 refining SAP configurations, deploying daily performance metrics, aligning billing
9 cycles, and embedding LEAN management principles to drive sustainable, customer -
10 focused outcomes. These actions reflect a deliberate and structured approach to
11 transformation, informed by my experience leading similar recoveries at other utilities.

12 **Q. Is Customer First the right system for the Company?**

13 A. Absolutely. SAP represents a strategic investment in the Company's future and it
14 reflects our commitment to delivering high-quality, reliable service to Missouri
15 customers. While I recognize that the implementation challenges have been disruptive
16 and unacceptable, they are being addressed with urgency and accountability. The long-
17 term benefits of this platform – including improved billing accuracy, faster issue
18 resolution, and enhanced customer engagement – will serve Empire customers well.

19 **IV. THE STATUS OF EMPIRE'S CUSTOMER SERVICE AND BILLING**

20 **Q. Although you are relatively new to the Company, have you taken any steps to**
21 **familiarize yourself with the status of customer service and billing issues?**

22 A. Yes. Since joining Liberty, I have made it a priority to understand the scope of the
23 customer service and billing challenges. I've spent extensive time with our Customer
24 Service, Information Technology, and Regulatory teams to assess the operational

1 landscape. I also attended local public hearings to hear directly from customers and
2 understand their experiences firsthand. In addition, I've met with Commission Staff
3 and other stakeholders to gain a deeper understanding of the impacts and concerns.
4 I've reviewed customer complaints submitted to both the Commission and OPC, and I
5 have developed a clear and comprehensive view of the issues that must be addressed.
6 I am fully committed to leading the necessary changes to restore trust and deliver the
7 level of service our customers expect and deserve.

8 **Q. Staff witness Busch describes the general customer sentiment at the public**
9 **townhalls as revealing “anger and confusion” as to the lack of consistent billing;**
10 **lack of communication as to billing issues and what to do; lack of understanding**
11 **as to the issue, how to fix it and how much time it would take; as well as, the need**
12 **for accountability from Liberty as to the prolonged period the billing issues have**
13 **existed. (Busch Dir., p. 6). Is that similar to your reaction?**

14 A. Yes, I share that reaction entirely. The frustration and confusion expressed by
15 customers is both valid and a compelling reflection of the challenges we must address.
16 Liberty's decision to create the Chief Customer Officer role and to have it report
17 directly to the CEO – is a clear acknowledgment of the seriousness of these issues. My
18 appointment reflects a strategic shift in how we prioritize customer service and
19 accountability. The previous operating framework did not adequately support the level
20 of responsiveness, transparency, or reliability that our customers deserve. That
21 structure contributed to delays, confusion, and a lack of clear ownership over the
22 customer experience. We are committed to changing that – owning the problem,
23 rebuilding trust, and delivering accurate, timely billing and service that reflects our
24 values and customers' expectations.

1 **Q. What are your goals for Customer First billing moving forward?**

2 A. My primary goal is to restore customer trust by achieving consistent billing accuracy
3 and timeliness. At its core, this means ensuring that every customer receives a bill that
4 is correct, timely, and easy to understand. While we've made meaningful progress, the
5 current approach is not yet efficient or sustainable. To move forward, we are deploying
6 a robust set of daily performance metrics that will allow us to proactively identify and
7 resolve issues before they reach our customers. We are also conducting a full review
8 of our end-to-end processes and updating system configurations and integrations to
9 address root causes – not just symptoms. The challenges our customers have
10 experienced stem from misalignment across people, processes, and technology.
11 Sustainable improvement requires coordinated action across all three. That's the
12 framework we're applying, and it's the foundation for delivering the level of service
13 our customers expect and deserve.

14 **Q. Is this something that will happen overnight?**

15 A. No, it will not. While we are already seeing progress, meaningful and lasting
16 improvement will take time. My goal is to provide transparency throughout this
17 journey – sharing where we're focusing our efforts, what we're learning, and how we're
18 improving. We recognize that trust has been eroded, and rebuilding it requires more
19 than words – requires consistent, measurable performance over time. We understand
20 that customers need to see sustained improvement before they can rely on us again.
21 That's why we are committed to a disciplined, data-driven approach that delivers
22 results and restores confidence in our service.

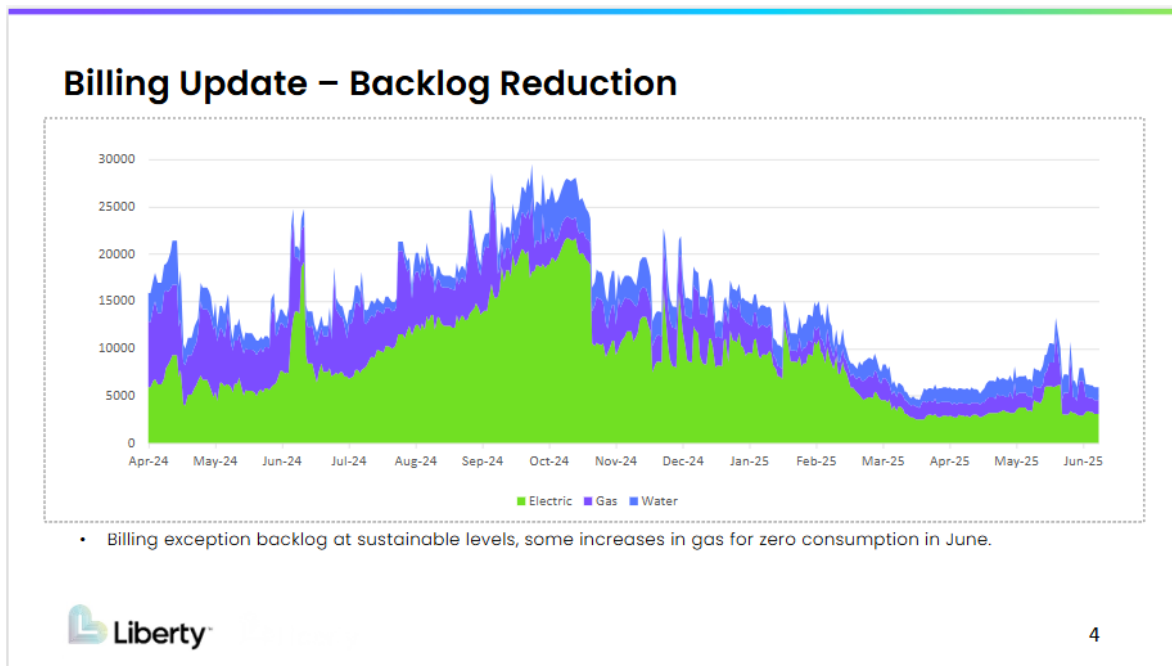
23 **Q. What is the Company's plan to address the billing and customer service issues and**
24 **what further actions will it take?**

1 A. Liberty is taking a comprehensive approach to resolving customer concerns by focusing
2 on three critical dimensions: people, processes, and technology. Our goal is to ensure
3 full compliance with Commission requirements while delivering a customer experience
4 that is accurate, timely, and responsive. We are enhancing our voice-of-the-customer
5 capabilities by collecting feedback after every interaction – through post-call surveys
6 and randomized outreach – to ensure our actions are guided by what matters most to
7 our customers. Their pain points will shape our priorities. To drive accountability and
8 transparency, we are deploying a robust set of daily performance metrics and
9 establishing a disciplined cadence of reviews to proactively identify and resolve issues.
10 We are optimizing system configurations to flag billing anomalies before they reach
11 the customer, and we are redesigning end-to-end processes to improve data flow and
12 billing accuracy. We are benchmarking our performance against best-in-class utilities
13 and building a network for rapid learning and adaptation. We are in the process of
14 engaging SAP directly to enhance system configuration and integration, and we are
15 actively working to engage a third-party industry expert to provide independent insights
16 and performance standards. Finally, we are embedding LEAN management principles
17 across our operations to drive continuous improvement and align our metrics with
18 customer outcomes. Liberty is listening – to customers, the Commission, Staff, OPC,
19 and other stakeholders – and using that feedback to guide a transformation that is both
20 meaningful and measurable.

21 **Q. Please describe the current state of customer billing for Empire.**

22 A. The current focus has been on improving the efficiency and effectiveness of our billing
23 operations by refining system configurations and reducing non-value-added
24 exceptions. Previously, the system was configured to hold back bills for manual review

under a wide range of conditions – such as when a bill fell outside the standard billing window. In many cases, these bills were accurate and simply reflected routine events like move-ins or move-outs. However, the volume of exceptions overwhelmed our billing agents, causing delays and preventing timely bill delivery to customers. To address this, we've taken deliberate steps to eliminate unnecessary exceptions and ensure that the system flags only those issues that truly require manual intervention. This has allowed our billing team to stay current in their reviews and focus on resolving actual anomalies. As a result, billing exceptions have been reduced significantly. While this progress is encouraging, we recognize that further refinement is needed to ensure the system consistently identifies the right exceptions – those that truly mitigate customer risk. We remain focused on optimizing the platform to support timely, accurate billing and better overall customer experience.



1 **Q. What is the significance of billing exceptions?**

2 A. Billing Exceptions are an important internal metric that helps us assess system
3 efficiency and allocate staffing resources. However, they do not fully reflect the
4 customer experience. That's why Liberty is evolving its performance measurement
5 framework to focus on metrics that are benchmarkable and directly tied to customer
6 outcomes. We are actively refining key metrics – including Billing Accuracy, Billing
7 Timeliness, Meter Read Success, Delayed Bills, Average Speed to Answer, and
8 Customer Experience – to ensure they align with industry standards and provide
9 meaningful insight into how well we are serving our customers. Scorecards and trend
10 charts are being developed to provide daily and weekly visibility into these metrics,
11 supported by Pareto analysis (based on the principle that 80% of outcomes stem from
12 20% of causes). This will allow us to focus on problem-solving efforts on the most
13 impactful issues. These metrics will guide a comprehensive end-to-end process review,
14 enabling us to identify root causes and implement sustainable solutions. Depending on
15 the nature of the issue, we will deploy targeted process changes, enhanced training, and
16 system improvements – all with the goal of advancing customer-centricity across the
17 organization. I also want to emphasize that we are updating how our metrics are
18 calculated to reflect industry-standard definitions. For example, meter read success
19 will be based on whether the read was actually used for billing, not just whether the
20 meter order was completed. Similarly, billing accuracy will be tied to prevalence of
21 estimated bills. While these changes may initially reflect lower performance, they will
22 provide a more honest and actionable view of our service delivery – and ultimately help
23 us improve it.

1 **Q. What has the Company done to reduce billing exceptions?**

2 A. Billing exceptions are primarily an internal operational issue, but they have a direct
3 impact on our ability to deliver timely and accurate bills to customers. Reducing these
4 exceptions is essential to freeing up resources and allowing our teams to focus on
5 solving the root causes of customer-facing issues. Prior to my arrival, the Company
6 implemented several measures to reduce exception volumes, including adjustments to
7 system tolerance thresholds in November and December 2024 and again in January
8 2025. The billing engine was also tuned using historical customer consumption and
9 billing patterns to prevent unnecessary exceptions. These efforts helped to alleviate the
10 workload on our billing team and allowed for more targeted problem solving. Since
11 joining Liberty, my focus has been on building upon those efforts by ensuring that
12 exception management is aligned with broader strategy of customer-centric process
13 improvement. We are continuing to refine system logic and performance metrics to
14 ensure that exceptions reflect true anomalies – those that require intervention to protect
15 the customer experience – and not routine billing scenarios. This approach supports
16 our goal of delivering sustainable, reliable service across all customer touchpoints.

17 **Q. Are there situations related to the nature of Liberty’s service in Missouri that**
18 **complicates the billing situation?**

19 A. Yes. Liberty’s Missouri operations are uniquely complex in that we provide electric,
20 natural gas, water and sewer services – often in various combinations to the same
21 customer. To my knowledge, no other Missouri utility bills for more than two of these
22 services, which makes our billing structure significantly more intricate.

23 While AMI meters and Time-of-Use (“TOU”) rates were already in place under
24 Empire’s legacy system, this was the first instance within Liberty’s broader Customer

1 First rollout where these features had to be integrated into the SAP platform. The need
2 to manage interval data and advanced rate structures added substantial complexity to
3 the system design.

4 Joint billing for multiple services – especially when combined with AMI and
5 TOU – has contributed to the billing challenges we are currently working to resolve.
6 These factors collectively represent a unique operational landscape that requires
7 tailored solutions to ensure accurate and timely billing.

8 **Q. Do you have a simple example of how joint billing for multiple services**
9 **complicates the billing process?**

10 A. Yes. A common example involves customers who receive both electric and water
11 services and sometimes sewer – each which requires a separate meter read. If the meter
12 reads for these services are not synchronized, it can lead to timing mismatches in the
13 billing cycle. This may result in estimated usage for one or more services, which we
14 strive to avoid due to the potential for customer confusion and inaccurate charges. To
15 address this, we are actively working to align meter read cycles wherever possible.
16 Synchronizing reads helps ensure that joint bills reflect actual usage across all services,
17 improving billing accuracy and enhancing the customer experience.

18 **Q. Are there any steps the Company has taken to address collective billing issues?**

19 A. Yes. Collective billing is a customer-focused offering designed for individuals or
20 entities with multiple accounts at different locations who prefer a consolidated
21 summary bill for convenience. While this feature has traditionally been used by
22 commercial customers with multiple installations, Liberty has extended collective
23 billing to residential customers in Missouri as part of our commitment to enhancing
24 customer satisfaction. This approach simplifies account management for customers

1 with multiple service locations or meters, but also introduces additional complexity in
2 ensuring accurate aggregation, timely billing, and consistent data across all accounts.
3 We continue to refine our processes and systems to support this offering effectively.

4 **Q. Does that have unique challenges?**

5 A. Yes. Customers with collective and joint accounts have experienced some of the most
6 significant billing issues since our transition to SAP. These challenges are primarily
7 due to timing variations in meter reads across multiple child accounts, which can lead
8 to delays and inconsistencies in consolidated billing. Since joining the Company, I
9 have recommended a solution that aligns all child accounts to the parent account's
10 meter read schedule. This alignment will eliminate timing discrepancies and help
11 ensure timely, accurate billing for collective and joint accounts. We are currently
12 building this solution with the goal of gradually rolling it out over our 21 bill periods.
13 This phased approach is being taken out of an abundance of caution to ensure a smooth
14 transition and an improved experience for affected customers. In parallel, we are
15 designing targeted customer communications to proactively inform and guide these
16 customers through the upcoming improvements.

17 **Q. Will Empire be able to correct this situation unilaterally?**

18 A. No. This is an area where resolving the issue – specifically, aligning billing cycles for
19 customers with multiple installations – will require assistance from the Commission.
20 To synchronize child accounts with the parent account's billing cycle, one-time
21 adjustments will be necessary that could place certain accounts temporarily outside of
22 the standard billing window. Implementing this correction will require Commission
23 approval in the form of waivers or variances to ensure compliance with existing billing
24 regulations. We look forward to working with stakeholders to pursue these regulatory

1 accommodations, which are essential to delivering a more consistent and customer
2 friendly billing experience.

3 **Q. Are there other issues that may require the Company to seek waivers or**
4 **authorizations from the Commission relating to rules or tariff provisions?**

5 A. Yes. While the Company is actively working to resolve known billing issues, we
6 cannot guarantee that additional challenges will not arise. In such cases, resolving the
7 issue may require assistance from the Commission, including waivers or authorizations
8 to address specific rule or tariff provisions. We remain committed to transparency and
9 collaboration with the Commission, Staff and OPC to ensure that any necessary
10 adjustments are made in a manner that supports regulatory compliance and enhances
11 the customer experience.

12 **V. IMPLEMENTATION AND BENEFITS OF THE LEAN MODEL**

13 **Q. In light of Staff's and OPC's critiques of Liberty's implementations of Customer**
14 **First and the lack of focus on customer service, are you making any other**
15 **management changes to improve customer service for customers in Missouri and**
16 **other states that will help resolve the issues raised by Staff and OPC?**

17 A. Yes, I am implementing the LEAN operating model for all of our regulated utilities.
18 This is a proven framework I have successfully used with previous utilities to drive
19 measurable improvements in customer service and operational efficiency. The LEAN
20 model emphasizes continuous improvement, customer-centric processes, and cross-
21 functional collaboration. Its implementation directly addresses the concerns raised by
22 Staff and OPC regarding Liberty's focus on customer service and outcomes. By
23 embedding LEAN principles into our daily operations, we aim to enhance

1 responsiveness, reduce errors, and deliver a more consistent and positive experience
2 for our customers in Missouri and beyond.

3 **Q. What is the LEAN operating model?**

4 A. The LEAN approach to customer service is a structured methodology aimed at
5 maximizing customer value and minimizing waste. LEAN principles were originally
6 developed in manufacturing (notably the Toyota production system) and have been
7 adapted to service industries to improve efficiency, reduce waste, and enhance
8 customer satisfaction. LEAN thinking is a way of working that focuses on providing
9 value to customers while cutting out any waste.

10 In practice, this means doing more with less – fewer defects, less rework, less
11 backlogs, and faster delivery – so utility service is provided more efficiently and costs
12 go down. Boiled down, LEAN is about making problems visible using real time data
13 and using standard problem solving techniques to evaluate the full end to end process,
14 focusing on root cause solutions to drive a sustainable outcome. We employed the
15 LEAN management approach at DTE Energy, Consumers Energy and Entergy and we
16 successfully elevated them to top quartile performing companies in operation and
17 customer satisfaction metrics. For regulated utilities, this translates to understanding
18 the voice of our customers in all our processes, reducing wait times and handoffs,
19 empowering frontline staff to resolve issues quickly and on the spot and using data to
20 streamline processes and anticipate customer needs.

21 **Q. Are you applying LEAN methodology for Liberty's regulated utilities?**

22 A. Yes, we are actively applying the LEAN methodology across Liberty's regulated
23 operations, focusing on the full meter-to-cash. This includes streamlining processes

1 from meter reading through billing, payment, and collections to improve efficiency and
2 customer outcomes.

3 I like to say LEAN thinking follows four key steps:

- 4 • **Cadence** – Establishing regular meeting rhythms (daily, weekly,
5 monthly) to escalate and resolve issues quickly. This ensures
6 continuous improvements is embedded in our operations.
- 7 • **Visual Management** – Using dashboards and scorecards to monitor
8 performance in real time, making issues visible and actionable.
- 9 • **Problem Solving** – Engaging cross-functional teams in structured
10 problem-solving to identify root causes and implement sustainable
11 solutions.
- 12 • **Standardization** – Aligning billing and related processes are embedded
13 in training materials and process designs across all utilities to ensure
14 consistent service delivery and reduce variability.

15 Additionally, we are leveraging customer satisfaction surveys through
16 platforms like Qualtrics to gather real-time feedback. This helps us better understand
17 customer needs and proactively improve service delivery.

18 **Q. How will customer service benefit from those four steps?**

19 A. The LEAN operating model will significantly enhance customer service by driving
20 faster problem resolution, improving transparency, and aligning teams around real-time
21 performance data. Here's how each step contributes:

- 22 • **Cadence** – Regular daily, weekly, and monthly meetings ensure that
23 customer service teams stay aligned with key performance metrics.

1 This rhythm promotes accountability and enables quick escalation and
2 resolution of issues, fostering a culture of continuous improvements.

- 3 • **Visual Management** – Dashboards and scorecards provide real-time
4 visibility into customer service performance. This transparency helps
5 teams monitor progress, identify gaps, and ensure the Company is
6 delivering on customer expectations.

- 7 • **Problem Solving** – Structured, cross-functional problem-solving
8 focuses on identifying and addressing root causes rather than just
9 symptoms. This leads to sustainable solutions that prevent recurring
10 issues and improve the overall customer experience.

- 11 • **Standardization** – By standardizing billing and related processes
12 across all utilities, we reduce variability and ensure consistent service
13 delivery. Targeting system fixes and structured training help frontline
14 staff resolve issues more effectively and efficiently.

15 Additionally, we're using customer satisfaction surveys through platforms like
16 Qualtrics to capture real-time feedback, allowing us to continuously refine our
17 processes based on the voice of the customer.

18 **Q. Does this require any focus in terms of the structure of the organization?**

19 A. Yes. We're fostering a servant leadership culture that emphasizes employee
20 engagement in problem-solving and accountability. We will establish an independent
21 data and strategy team and cross-functional teams focused on root cause analysis and
22 end-to-end process ownership. Frontline staff will feel empowered to resolve issues,
23 and real-time feedback tools like Qualtrics will be used to ensure solutions truly benefit
24 customers and stakeholders.

1 **Q. Are trust and transparency components of LEAN methodology?**

2 A. Yes, LEAN is based on the notion that trust is earned through transparency. Full
3 transparency is achieved by providing customers and regulators with all information as
4 things occur, including what is working and what is not; and telling our customers,
5 regulators and stakeholders what we know when we know it--even if it isn't good news.
6 Through enhanced cadence of meetings, focus on data driven customer service metrics
7 and cross-functional problem solving, we can improve the timeliness of our
8 communication to our customers and stakeholders when things are working and when
9 they are not – along with identifying the true root cause of any problems and what it
10 takes to fix them. Nothing more, nothing less.

11 **Q. How is, or will, this translate to improvement for Liberty customers?**

12 A. At Entergy, we implemented this model to address significant post-AMI billing
13 challenges and inefficiencies caused by fragmented processes and third-party
14 outsourcing. Through LEAN at Liberty, we will establish a cadence of daily, weekly,
15 and monthly huddles across all leadership levels to identify barriers, track performance,
16 and escalate issues for resolution. We will introduce cross-functional scorecards to
17 visualize success and drive accountability across silos based on data and customer
18 service metrics. Most importantly, we will employ a culture of servant leadership and
19 transparency, empowering frontline employees to solve problems and sustain
20 improvements.

21 We have heard the concerns of our customers and stakeholders in Missouri
22 surrounding customer service and billing and we intend to make customer service the
23 central component of our operations across the Liberty enterprise, including Missouri.
24 This is not a one-time initiative but a cultural shift toward continuous improvement and

1 customer centricity embedded in daily work. This model ensures that performance
2 issues are addressed proactively and that employees at all levels are engaged in
3 delivering better outcomes and Missouri customers stand to benefit directly from this
4 transformation.

5 **Q. Are there individual projects for improvement using LEAN that are planned, or**
6 **even underway, today?**

7 A. We have already begun our daily and weekly cadence focusing on safety, quality, cost,
8 delivery and morale every day. We have been meeting daily to develop our metrics that
9 will deliver benchmarkable standards and a strong foundation to focus on
10 improvements based on the voice of our customers.

11 **Q. What improvements should the Commission see soon?**

12 A. The Commission should expect to see more robust metrics that are founded in
13 benchmarkable definitions and our focus on getting to root cause to resolve the largest
14 pain points for our customers across our key performance indicators.

15 **Q. What improvements should the Commission expect to see over a longer period?**

16 A. Our focus will be on improving customer satisfaction across Liberty. We will have a
17 customer mind-set founded in the voice of our customer. We will have metrics across
18 the organization focused on the moments that matter to our customers and processes
19 designed around serving our customers.

20 **Q. How do you plan to assess customer reactions to Liberty's efforts?**

21 A. We plan to continue to use the Qualtrics surveys as a point of measurement. But we
22 also recognize the need for more immediate customer feedback. Accordingly, we plan
23 to enhance our surveys by utilizing end of call surveys. Essentially, we will survey
24 customers after they have called with questions or seeking assistance to immediately

1 see their reaction to the discussion. Being able to gauge the immediate reaction of
2 customers will be one method of quickly assessing whether we are making progress.
3 These customer end of call surveys will allow the Company to focus on what our
4 customers want and take steps to address those issues on an immediate and ongoing
5 basis. The questions will focus on did we resolve your issue, were we easy to do
6 business with, and were you satisfied with your experience. These components of
7 Customer Experience across all moments that matter will lead us to improved customer
8 satisfaction overall.

9 **Q. Has the Company taken steps to prevent financial harm to customers from the**
10 **implementation and billing issues?**

11 A. Yes, we have taken steps to insulate customers from financial harm resulting from the
12 transition and we continue to do so. This is one reason why the Commission should
13 reject the direct testimony recommendations of Staff and OPC regarding the
14 Company's implementation of Customer First. Liberty has not terminated service for
15 any customers for non-payment, has offered payment plans to all customers, and is not
16 charging interest or late fees on any unpaid amounts related to Customer First billing
17 issues. These measures have minimized and continue to minimize any financial harm
18 to customers.

19 **Q. What lessons has Liberty learned from the SAP implementation in Missouri?**

20 A. Liberty has learned that technology alone is not a solution – it's a tool that must be
21 effectively owned and operated by the business. Customer service leadership must take
22 ownership of the SAP system, with IT in a supporting role, to drive efficient and
23 effective operations. Success requires a focus on end-to-end process improvement and
24 solving issues at the root cause to sustain performance. We also acknowledge that

1 earlier statements suggesting SAP issues could be resolved within 2-3 months were
2 inaccurate. That timeline underestimated the complexity of the challenges and the
3 depth of analysis and corrective actions required.

4 **VI. RESPONSE TO STAFF'S AND OPC'S POSITIONS ON CUSTOMER FIRST**
5 **COST RECOVERY**

6 **Q. Please summarize Staff's position regarding Customer First and the customer**
7 **billing issues.**

8 A. Staff recommends significant disallowances to Empire's revenue requirement due to
9 persistent billing and customer service issues stemming from the implementation of the
10 Customer First system. Staff concludes that Empire's Customer First system is not
11 fully used and useful, and its implementation has led to unprecedented customer service
12 failures and regulatory non-compliance. Staff's recommended disallowances and
13 reforms aim to hold Empire accountable and restore regulatory compliance and
14 customer trust. Staff also criticizes Liberty for lack of transparency and misleading
15 communications to customers.

16 Among other things, Staff recommends a 100 basis point reduction in Return
17 on Equity ("ROE") due to Empire's alleged failure to provide safe and adequate service.
18 Staff cites Customer First as the root cause of widespread billing failures, impacting
19 customer trust and regulatory compliance. Staff also highlights the Commission
20 investigation (Case No. OO-2025-0233) into Liberty's billing practices and contends
21 that Liberty has regressed in customer service since Case No. ER-2019-0374.

22 Specifically, Staff recommends disallowing \$60 million of Customer First
23 investment from rate base, adjusting Customer First O&M and incentive expenses
24 downward, resulting in a \$12,072,658 total annual reduction of the revenue

1 requirement. Staff lists a variety of Customer First problems, including (i) untimely
2 bills (thousands of delayed or missing bills monthly), increased amount of estimated
3 bills and rebills, billing outside of the Missouri 26–35 day window, improper Time of
4 Use rate estimation in violation of Commission rules and the Company’s tariff, and
5 incorrect billing charges (late fees, franchise fees, and taxes). Commission Staff also
6 references the increased number of customer complaints. Staff asserts that those
7 complaints reveal widespread customer confusion, frustration, and financial hardship.

8 **Q. Please summarize OPC’s position regarding Customer First and the customer**
9 **billing issues.**

10 A. OPC delivers a sweeping critique of Liberty’s management, financial practices, and
11 customer service, calling for significant cost disallowances and regulatory scrutiny.
12 OPC recommends excluding all of Customer First – not just the Customer Billing
13 system – from rate base (\$145M) resulting in a disallowance of \$23.7 million in
14 revenue requirement tied to the platform, citing widespread billing failures and
15 customer harm. OPC cites customer hardship in Liberty’s service territory including
16 low-income and elderly residents and cites public comments detailing severe financial
17 strain and customer dissatisfaction. OPC cites J.D. Power’s customer satisfaction
18 survey results with parallels to other poorly performing utilities facing regulatory
19 action. In turn, OPC makes a series of punitive recommendations ranging from
20 disallowing costs for meters, customer service representatives, meter readers, and
21 excessive postage, suspending and refunding late fees, imposing a 25-basis point ROE
22 reduction, requiring independent third-party audits and considering denial of any rate
23 increase and exploration of new ownership.

1 **Q. What is Empire’s response to these concerns and recommendations raised by**
2 **Staff and OPC regarding adoption and implementation of Customer First?**

3 A. The Company acknowledges that immediately after launching its new SAP-based
4 Customer First system in April 2024, we faced challenges with issuing timely and
5 accurate bills to all customers and did not deliver an acceptable experience for all of
6 our customers, particularly those with collective and joint accounts. Liberty has been
7 humbled by this and the resulting impact on our customers. We regret that some of our
8 customers had this experience and have refocused the Company on improving so that
9 our customers receive the experience they deserve. We are committed to continuing to
10 make the necessary changes, and I am confident that I can lead our team to successful
11 results. Although Staff and OPC are focused on the technology of Customer First, SAP
12 is a state-of-the-art system utilized by many top performing companies across the
13 world. The challenges we have experienced fall across people, processes and
14 technology. We have failed to recognize how interrelated the processes are with an
15 integrated system, with one error flowing through all systems. Our ability to deliver a
16 sustainable level of acceptable performance will be founded in our ability to drive
17 change across our people and processes and utilize the technology to ensure the
18 efficiency and effectiveness of those people and processes. I have accomplished
19 exactly these improvements at three other utilities and am confident that we will do the
20 same here at Liberty.

21 **Q. Is the Customer First system fully used and useful in providing service to Empire’s**
22 **customers?**

23 A. Yes. The Customer First system is fully integrated and serves as the primary platform
24 for Finance, Human Resources, Operations, and Customer Service. While billing

1 challenges remain, they stem from end-to-end process issues, training gaps, and system
2 configurations – not the system itself. We’re actively addressing these areas and have
3 seen meaningful progress. Continued focus on root cause solutions across people,
4 processes, and technology is essential to restoring customer trust. I’m committed to
5 transparency and collaboration with the Commission, Staff, and OPC to ensure we meet
6 and exceed expectations. For additional discussion about used and useful please refer
7 to the rebuttal testimony of Timothy Wilson.

8 **Q. If the Commission wants to remediate the issues associated with Customer First**
9 **in this docket, has the Company outlined an alternative proposal to Staff and**
10 **OPC?**

11 A. Yes, as further explained in the rebuttal testimony of John J. Reed and Charlotte T.
12 Emery, the Company recommends a constructive framework that balances regulatory
13 oversight with continued investment in customer service enhancements. This
14 framework would allow the Company to earn its equity return only after meeting
15 Commission-approved performance metrics.

16 **Q. What customer service metrics does Liberty suggest to validate performance?**

17 A. Liberty proposes a combination of operational and customer satisfaction metrics to be
18 used to assess our performance that can be benchmarked across the utility industry.

- 19 • **Billing Accuracy Rate**: Percentage of bills issued utilizing an actual read
- 20 • **Billing Timeliness**: Percentage of bills issued within the expected billing
21 month.
- 22 • **Call Center Responsiveness**: Average speed of answer .
- 23 • **Customer Experience Index**: Based on post-interaction surveys and
24 benchmarks asking about ease, satisfaction and first call resolution.

1 These metrics will be among the metrics that will be shared to improved transparency
2 and collaboration with the Commission. These metrics can become the foundation of
3 tracking progress to Liberty performing at an acceptable level for our customers that
4 warrants a return on investment.

5 **Q. Do you believe that the recommendations from Commission Staff and OPC**
6 **relating to exclusion of Customer First from rate base and other revenue**
7 **adjustment are commensurate with the impact on customers?**

8 A. No. Liberty fully acknowledges the billing issues and their impact on customers, and
9 we take responsibility. We've provided long-term payment arrangements, waived late
10 fees and deposits, paused disconnects since go-live, and offered in-person support at
11 town halls hosted by both Liberty and Staff to help customers navigate these
12 challenges. While we respect the intent behind Staff and OPC's recommendations, the
13 proposed roughly \$30M-\$32M annual revenue reductions do not reflect the actual
14 financial impact on customers. We remain committed to improving service, being
15 transparent, working passionately to restore trust. However, we believe the scale of the
16 proposed adjustments could impair Liberty's ability to fulfill its obligation to reliably
17 serve our customers and communities – something we all share a commitment to
18 protect and strengthen.

19 **VII. COMMISSION OVERSIGHT OF CUSTOMER SERVICE AND BILLING**

20 **Q. Given the breadth of customer service issues with the Customer First rollout, how**
21 **can the Commission be assured that the Company will improve its customer**
22 **service and billings?**

23 A. The best way to ensure progress is through clear, measurable customer billing metrics.
24 By tracking performance at defined intervals against benchmarkable standards, we can

1 demonstrate accountability and improvement. This approach allows us to focus on
2 what matters most – restoring trust and delivering dependable service to our customers.

3 **VIII. CONCLUSION**

4 **Q. Do you have any closing comments?**

5 A. Thank you for the opportunity to share this testimony. I joined Liberty with a clear
6 mission: to improve customer service across our regulated utilities. With deep
7 experience in SAP systems and AMI implementations, I understand the complexities
8 and know how to drive meaningful change across people, processes and technology.
9 We recognize the serious challenges with the Customer First rollout in Missouri and
10 take full responsibility for the impact it has had on some of our customers. In an effort
11 to mitigate any financial harm to customers we've paused disconnects, waived
12 erroneous fees, and provided direct support to those affected. Our focus now is on root
13 cause solutions and sustainable improvements. Customer First is a powerful platform,
14 and once fully optimized, it will support better service and future growth. If the
15 Commission determines remedial action is needed, we respectfully recommend
16 deferring the equity return on the investment until customer service metrics align with
17 standards approved by the Commission. This approach balances accountability with
18 our obligation to service customers and support our communities. I'm committed to
19 transparency and collaboration as we move forward – and to earning back the trust of
20 our customer, regulators and other stakeholders.

21 **Q. Does this conclude your rebuttal testimony at this time?**

22 A. Yes.

VERIFICATION

I, Amy M. Walt, under penalty of perjury, on this 18th day of August, 2025, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Amy M. Walt