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Electric Company d/b/a Liberty
Case No.: ER-2024-0261
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**Before the Public Service Commission
of the State of Missouri**

Rebuttal Testimony

of

Candice Kelly

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

1 **I. INTRODUCTION**

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

3 A. My name is Candice Kelly. My business address is 602 S. Joplin Avenue, Joplin,
4 Missouri, 64801.

5 **Q. Are you the same Candice Kelly who provided direct testimony in this matter on**
6 **behalf of The Empire District Electric Company d/b/a Liberty (“Liberty” or the**
7 **“Company”)?**

8 A. Yes.

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

10 A. The purpose of my rebuttal testimony is to address certain aspects of the direct
11 testimonies of the Staff of the Commission (“Staff”) and the Office of the Public
12 Counsel (“OPC”) witnesses as they relate to customer service and billing issues.
13 Specifically, I address the testimony of Mr. Charles Tyrone Thomason for Staff and
14 Dr. Geoff Marke on behalf of OPC on certain customer billing and related issues. I
15 also respond to the testimony of Mr. Michael Murray representing Renew Missouri
16 (“Renew”).

17 **II. SAP IMPLEMENTATION ISSUES**

18 **Q. In direct testimony, Commission Staff and OPC discuss various billing issues such**
19 **as collective billing, proration error, bills outside of the Missouri billing window,**
20 **use of estimated reads for TOU billing, and discrepancies between how SAP**

1 **calculates customer budget billing plans. Has the Company taken steps to address**
2 **and resolve many of these issues?**

3 A. Yes. And I would generally add that my staff and I have spent and continue to spend
4 countless hours, day and night, working on these issues in effort to make things better
5 for our customers. As stated in the rebuttal testimony of our new Chief Customer
6 Officer Amy Walt, we acknowledge that with the launch of the new SAP-based
7 Customer First system in April 2024, we faced challenges with issuing timely and
8 accurate bills to customers and did not deliver an acceptable experience for some
9 customers, particularly those with collective and joint accounts. We regret that occurred
10 and have refocused the Company on improving so that our customers receive the
11 experience they deserve.

12 **Q. How did the Company address the proration error?**

13 A. On April 28, 2025, proration logic was mistakenly applied to customer charges in the
14 production environment by our IT vendor, affecting approximately 51,000 invoices and
15 resulting in underbilling. In response, Liberty made the decision not to rebill impacted
16 customers, recognizing that doing so would have created additional confusion for our
17 customers. To prevent recurrence, the vendor's direct access to the production
18 environment was revoked, and Liberty strengthen its change control protocols to ensure
19 that any future system changes are subject to formal review and approval. These
20 actions reflect our commitment to accountability and to protecting our customers from
21 unintended consequences during system transitions.

22 **Q. What has the Company done to minimize bills outside of the 26-35 day billing**
23 **window and collective billing issues?**

1 A. The Company identified that billing metrics were initially being calculated at the child
2 account level rather than the parent (collective) account level, which led to inaccuracies
3 and compliance issues. We updated the SAP query logic to reflect parent accounts,
4 improving data accuracy and timeliness for collective billing arrangements. Bills
5 falling outside the 26-35 day window were often caused by misaligned meter read
6 schedules or routes being read too early or too late. To address this, we reviewed and
7 adjusted the meter read calendar to prevent short billing periods and implemented
8 process controls that alert the metering department when a scheduled read could result
9 in a non-compliance billing window. While these steps improve consistency, we have
10 developed a plan to align AMI meter read cycles across parent and child accounts for
11 collective and joint customers. However, implementing this change will require
12 Commission approval of a waiver request, as the alignment may temporarily result in
13 billing windows outside the standard 26-35 day range and/or other billing rule
14 requirements. We are prepared to work collaboratively with stakeholders to ensure this
15 transition is handled in a way that protects customers and supports long-term billing
16 reliability.

17 **Q. Have there been issues with the Company's demand charge?**

18 A. Yes. The Company identified an error in how minimum demand thresholds (40kW or
19 1,000kW) were applied. These thresholds were mistakenly applied to the energy
20 portion of bills instead of being limited to the demand portion, resulting in overbilling
21 for approximately 1,200 customers, with an average overcharge of \$185 per customer.
22 The billing logic was corrected, and credits were issued at the end of July.

23 Additionally, during meter exchanges, demand readings from multiple meters
24 were mistakenly aggregated rather than using the maximum value for the billing period.

1 This affected a relatively small number of customers, and the Company is in the process
2 of addressing the problem and issuing refunds.

3 **Q. Staff raises concerns around the Company's process to estimate reads and**
4 **another issue was raised regarding the estimation process for TOU rates. How**
5 **does the Company respond to Staff witness Thomason on these issues?**

6 A. Regarding the first concern, the Company is still investigating. Regarding the second
7 concern, the Company's response was fully explained in response to Staff Data Request
8 0112 in the investigation docket (OO-2025-0233). The response is attached hereto as
9 **Rebuttal Schedule – CK-1** related to the estimated interval reads. I have reviewed
10 this response and it is incorporated herein by reference.

11 **Q. Please provide your perspective on the issues raised by Staff and OPC on collective**
12 **and joint billing.**

13 A. In Missouri, we provide electric, natural gas, water and sewer service to customers.
14 Customers may receive one of these services, or more than one in various
15 combinations. These collective and joint services complicate our billing process – we
16 have to coordinate multiple meter reads across different services – primarily water and
17 electric. The use of AMI meters and time of use rates pose added challenges for a
18 billing system.

19 **Q. How does this impact the billing process?**

20 A. As to electric and water (and sometimes sewer), billing hinges on separate meter reads
21 for each service. If the meter reads for the separate services are not harmonized, there
22 immediately is a bill timing issue or resulting estimates. We are taking steps to align
23 the meter read cycles wherever possible to avoid this confusion for joint use bills.

1 **Q. Are there any steps the Company has taken to address collective and joint billing**
2 **issues?**

3 A. Yes. Collective and joint billing is something we offer to customers where a customer
4 has multiple accounts at different locations (collective) and/or multiple
5 commodities/meters at the same location (joint) and we put those services into one bill.
6 That isn't something we have to do by rules or regulation, but we offer that as a courtesy
7 to customers, including residential customers in Missouri.

8 **Q. Does that present unique challenges for you and your team?**

9 A. Yes. Customers with collective and/or joint accounts have experienced the most
10 significant billing issues since our cutover to SAP. These issues result from timing
11 variations in meter reads and related issues. As noted in my testimony and in Ms.
12 Walt's testimony, we are taking steps to resolve the collective and joint billing issues.

13 **Q. How has the Company addressed the issues relating to sales taxes and franchise**
14 **fees?**

15 A. Following the implementation of SAP, the Company experienced issues relating to
16 incorrect sales tax and franchise fee charges on customer bills. Liberty charged incorrect
17 franchise fees and local/state taxes to customers following implementation. In many
18 cases, these errors were only discovered after municipalities reported revenue
19 discrepancies. But, again, for the tax and franchise fee issues that are currently known
20 by the Company it has actioned and resolved them. These issues were addressed through
21 enhanced change control processes and ongoing validation testing, and we issued
22 customer credits to undo the incorrect charges. This was fully explained in response to
23 Staff Data Request 0059 in the investigation docket (OO-2025-0233). The response is
24 attached hereto as **Rebuttal Schedule – CK-2**. I have reviewed this response, and it is

1 incorporated herein by reference. As Staff recognized in their direct testimony, “in the
2 known cases referenced above, Empire has erred towards the customer’s favor in each
3 situation.”¹

4 **Q. Has the Company taken steps to prevent financial impacts to customers from the**
5 **implementation and billing issues?**

6 A. Yes. Specifically, we are not disconnecting any customers for non-payment, we offer
7 payment plans to all customers, and we are not charging interest or late fees on any
8 amounts related to Customer First billing issues. These measures have minimized and
9 continue to minimize any financial impact to customers.

10 **III. RESPONSE TO STAFF’S SPECIFIC CONCERNS**

11 **Q. Please summarize your understanding of Mr. Thomason’s concerns with**
12 **Liberty’s timely billing.**

13 A. Mr. Thomason alleges that Liberty is not billing its customers in a timely manner, and
14 that such variance in timing is in violation of 20 CSR 4240-13.020(6) and the
15 Company’s tariff, which state, “A utility may bill its customers on a cyclical basis if
16 the individual customer receives each billing on or about the same day of each billing
17 period.” Staff alleges that the variance granted to Liberty in Case No. EE-2024-0232 is
18 no longer applicable, as they were granted for two months between April and May
19 2024. He references statements obtained through multiple data requests (DRs) in
20 Commission Case No. OO-2025-0233 in which statements were issued less than 26
21 days apart or more than 35 days apart.

22 **Q. How does Liberty respond?**

¹ Case No. ER-2024-0261, Direct Testimony of Charles Tyrone Thomason, p. 66.

1 A. As I noted above, the Company has taken steps to resolve and minimize bills outside
2 of the 26-35 billing window. As noted by Ms. Walt in her testimony, the Company
3 also is suggesting performance metrics to allow the Commission to oversee the
4 Company's commitment to issuing timely bills.

5 **Q. When a customer goes more than one month without receiving a bill, and receives**
6 **multiple bills at once, have Liberty's Customer Service Representatives been**
7 **trained to offer a payment agreement of at least twice the length of the billing gap?**

8 A. Yes, the Company's customer service representatives are trained to offer long-term
9 payment agreements in compliance with 20 CSR 4240-13.025(1)(C).

10 **Q. What does Mr. Thomason recommend regarding the timeliness of bills?**

11 A. Mr. Thomason recommends, "Empire should work to determine why bills are being
12 issued outside of the 26-35 day billing period required by Commission rule, and work
13 to reduce that number to 0 or the industry standard."²

14 **Q. Is Liberty committed to this work?**

15 A. Yes. Every day, dozens of Liberty employees are committed to increasing the
16 timeliness of the Company's billing process.

17 **Q. Please summarize Mr. Thomason's position on estimated bills and rebills.**

18 A. Mr. Thomason states, "Although estimated bills and rebills are allowed for by
19 Commission rules and Empire's tariff, such instances should not be commonplace."³
20 He also states, "Empire's billing issues have created an environment where customers
21 are scrutinizing their bills more closely than usual. Customers have doubts that the

² Ibid. p. 72, lines 14-16.

³ Ibid. p. 24, lines 20-21.

1 same system that has prompted so many issues is now billing them the correct
2 amount⁴.”

3 **Q. Does Liberty share the same feelings?**

4 A. Unequivocally. As Liberty has stated in numerous instances in town halls and Local
5 Public Hearings for this case, Liberty is not happy with many aspects of its customer
6 service throughout the last year, chief among them estimated bills and rebills. Every
7 day, the Company is making strides to reduce these instances and return its level of
8 service to the high standard Liberty sets for itself.

9 **Q. What does Mr. Thomason recommend the Company do going forward regarding**
10 **the number of estimated bills and rebills?**

11 A. Mr. Thomason recommends, “Empire should work to reduce the number of estimated
12 bills and rebills to pre-Customer First transition levels⁵.”

13 **Q. Does the Company have the same goal?**

14 A. Absolutely. Again, as I noted above, the Company has taken and is taking steps to
15 reduce estimated bills, and the number of estimated bills also could be used as a
16 performance metric governing the Company’s billings going forward.

17 **Q. Is the Company working to achieve this goal?**

18 A. All day, every day.

19 **Q. Please summarize Mr. Thomason’s concern with multiple bills printing,**
20 **particularly for collective accounts.**

21 A. Mr. Thomason is concerned about the collective billing misprint, which caused some
22 customers to receive multiple bills between March 31 and April 9, and resulted in

⁴ Ibid. p. 25, lines 6-8.

⁵ Ibid. p. 72, lines 20-21.

1 roughly 72,000 additional bills being inadvertently mailed. He states Staff is not fully
2 confident that Liberty fully understands the magnitude of the error. He says the analysis
3 is still ongoing and Staff may have more comment in subsequent rounds of testimony.

4 **Q. Did the issue Mr. Thomason is describing occur?**

5 A. Yes.

6 **Q. Did Liberty inform Staff of the issue?**

7 A. Yes. Liberty was transparent to the best of its knowledge about this issue, throughout
8 the process of getting the billing corrected, and subsequently in the discovery process
9 of Case No. OO-2025-0233.

10 **Q. Did Staff have specific recommendations regarding this issue, as expressed in Mr.**
11 **Thomason's direct testimony?**

12 A. No.

13 **Q. Please state your understanding of Staff's concern with Liberty's Preferred**
14 **Payment Date Plan, as expressed in Mr. Thomason's testimony.**

15 A. Mr. Thomason highlights issues that arose at SAP conversion, wherein customers who
16 had a preferred due date in the legacy system were not able to automatically retain this
17 upon conversion. He says because SAP requires a cyclical connection between read
18 date, billing date, and due date, this is no longer allowed in Liberty's system, except
19 for customers who had preferred billing dates in the legacy system and express a desire
20 to keep it. This has caused some customers to have due dates that are closer or farther
21 from billing date than what is allowable by CSR.

22 **Q. Is Liberty doing its best to accommodate the due-date preferences of its customers**
23 **while maintaining compliance?**

24 A. Yes.

1 **Q. Did Staff have specific recommendations regarding this issue, as expressed in Mr.**
2 **Thomason’s testimony?**

3 A. No.

4 **Q. Please describe Mr. Thomason’s concern with the way Liberty calculates its**
5 **Budget Billing Plan (“BBP”), formerly known as the Average Payment Plan**
6 **(“APP”).**

7 A. Mr. Thomason voices concern that neither Liberty’s active APP tariff, nor its proposed
8 tariff, as filed in this case, cites a calculation that is in line with how SAP calculates
9 BBP. He cites that SAP divides total bills for the year by 370 days, and multiplies that
10 by 30 to determine the monthly bill.⁶

11 **Q. Did Staff have specific recommendations regarding this issue, as expressed in Mr.**
12 **Thomason’s testimony?**

13 A. Yes. Staff recommends that Liberty’s tariff be revised to reflect SAP’s calculation
14 methodology for BPP.⁷

15 **Q. Does Liberty disagree with Mr. Thomason’s assessment?**

16 A. Liberty agrees that its tariff needs to be updated and revised.

17 **Q. Did Liberty miss the opportunity to send new customer letters and/or booklets to**
18 **5,736 customers?**

19 A. Yes, new customer booklets were not mailed from April 8, 2024, to June 28, 2024.
20 Prior to the system conversion, new customer booklets were mailed by the customer
21 service team. Unfortunately, there was a miscommunication and customer service
22 thought this process was automated during the conversion, therefore customer service

⁶ Ibid. pp. 33-34.

⁷ Ibid. p. 72, lines 12-13.

1 stopped manually mailing the booklets on April 8, 2024. The automated process was
2 not completed until June 28, 2024.

3 Approximately 5,736 Missouri electric customers were affected. Customer
4 service was provided a list of affected customers and began manually sending the new
5 customer booklets in October 2024 to customers on the list. Customers with email
6 addresses on file were sent an email on August 29, 2024.

7 **Q. Mr. Thomason alleges that the benefits of Liberty’s rollout of Advanced Metering**
8 **Infrastructure (“AMI”) have been “diluted or outright negated” by the issues with**
9 **Customer First implementation. Does Liberty agree?**

10 A. No, it does not. The benefits of AMI have delivered on Liberty’s promise to make
11 service simpler and more economical for a vast majority of Liberty’s customers.
12 Compatibility issues with SAP have made some elements of billing more difficult for
13 a small percentage of Liberty’s customers, and the Company has worked very hard to
14 correct most of those issues. AMI is still overwhelmingly a net-positive investment to
15 and for Liberty’s customers in Missouri. For further discussion on the used and
16 usefulness of the Company’s AMI meters please see the rebuttal testimony of Jeffrey
17 Westfall.

18 **IV. RESPONSE TO OPC**

19 **Q. Does the Company dispute Dr. Marke’s claim that there have been a long and**
20 **diverse list of billing problems since Liberty launched its SAP platform?**

21 A. No. Liberty has encountered a wide variety of issues since the launch of SAP. While
22 the platform is still not running as smoothly as the standard Liberty sets for itself, we
23 have addressed these issues as noted above and are continuing to improve the billing
24 system and process both from a people and system standpoint.

1 **Q. Do you believe that the customers who gave testimonials at the town halls**
2 **represent Liberty’s entire customer base?**

3 A. No. While Liberty cares for, and has made great efforts to help every person who spoke
4 at the town halls, those comments do not reflect our service to the vast majority of our
5 customers. We are as disheartened as OPC to hear the severity and diversity of the
6 claims and allegations voiced in the testimonials at the town halls. But that does not
7 justify the severity of penalties that OPC suggests.

8 **Q. Has Liberty responded to those customers and made efforts to resolve their**
9 **issues?**

10 A. Yes, and we have done that across the board. Nearly all of them have been contacted,
11 and many of their issues have been resolved to satisfaction. Liberty approached these
12 verbal attestations with the same level of depth and formality as its Informal
13 Commission Complaints.

14 **Q. Does the Company believe it should suspend late fees until Customer First “is**
15 **operating correctly,” as asserted by Dr. Marke in his direct testimony?**⁸

16 A. We will continue to waive late fees, avoid disconnections, and offer payment plans
17 until we can demonstrate to the Commission that our billing issues have been resolved
18 and we can show demonstratable customer metrics to the Commission, as referenced
19 in the rebuttal testimonies of Liberty witnesses Ms. Walt, Mr. Reed, and Ms. Emery.

20 **Q. Does the Company believe it should refund all late fees charged since SAP**
21 **launched, as advocated by Dr. Marke?**⁹

22 A. The Company already refunds any late fees found to be erroneously charged.

⁸ Ibid. p. 56, line 15.

⁹ Ibid. p. 56, lines 12-18.

1 **Q. Please restate Dr. Marke’s position on the company’s disconnection policy.**

2 A. Dr. Marke believes that, “the Company is not in a position to start disconnections
3 yet.”¹⁰

4 **Q. Does the Company dispute this?**

5 A. No. The Company agrees it is not ready to resume disconnection for non-payment and
6 collection activity at this time, and until our billing issues have been resolved and we
7 can show demonstratable customer metrics to the Commission.

8 **Q. Dr. Marke suggests that the Company “notify its customers that they will not be
9 disconnecting customers until their billing practices are solved.”¹¹ What is the
10 Company’s position on this.**

11 A. The Company appreciates the intent behind this recommendation and shares the
12 concern for protecting customers, particularly those affected by billing inconsistencies.
13 While not opposed to issuing such a notice, the Company believes it is important to
14 carefully consider the language to avoid inadvertently encouraging non-payment or
15 creating the impression that disconnections are permanently suspended. The Company
16 is open to collaborating with OPC to craft messaging that is both compassionate and
17 clear, ensuring it supports vulnerable customers without unintentionally increasing
18 arrearages. As part of its current practice, the Company already informs customers –
19 especially those experiencing billing issues-that they are not at immediate risk of
20 disconnection when they contact customer service.

21 **Q. Lastly, Dr. Marke states he is advocating with the Missouri Department of Social
22 Services to decouple shut-off notices from LIHEAP awards, so that customers**

¹⁰ Ibid. p. 57, line 12.

¹¹ Ibid. p. 57, lines 7-10.

1 **might be able to receive energy assistance without having to endure the anxiety of**
2 **a shut-off notice. What is Liberty’s position on this advocacy?**

3 A. Liberty would support, and has historically supported, Dr. Marke’s endeavor to
4 decouple shut-off notices as a mandatory feature of receiving energy assistance.

5 **V. RESPONSE TO RENEW MISSOURI**

6 **Q. Which portions of Renew witness Michael Murray’s testimony do you wish to**
7 **address?**

8 A. I would like to address Mr. Murray’s recommendation that Liberty implement Green
9 Button Connect My Data (“GBC”) and Mr. Murray’s opinion that adoption/addition of
10 GBC would be a worthwhile \$201,000 increase of Liberty’s revenue requirement.

11 **Q. Please state your understanding of Renew’s position regarding GBC.**

12 A. Mr. Murray recommends that Liberty add \$201,000 to its revenue requirement to
13 implement GBC, split evenly between implementation of GBC and a study regarding
14 participation in a regional data hub.¹²

15 **Q. Is Liberty’s current delivery of AMI data Green Button Compliant?**

16 A. Yes.

17 **Q. How so?**

18 A. As detailed in my direct testimony, Liberty implemented an explicitly Green Button-
19 compliant version of its online My Account platform in April 2024.

20 **Q. Is it compliant with Liberty’s commitment in the Stipulation in Commission Case**
21 **No. ER-2021-0312?**

¹² Case No. ER-2024-0261, Direct Testimony of Michael Murray, p. 19, lines 8-11.

1 A. Yes. Liberty provided customers with the ability to view and download their AMI
2 usage data in August 2021, achieving compliance ahead of its stated goal of March 31,
3 2023.

4 **Q. Is Liberty convinced that the benefits of GBC—as described in Mr. Murray’s**
5 **testimony—would justify the \$201,000 price tag?**

6 A. Not fully.

7 **Q. Does Liberty have concerns that the \$201,000 price tag—particularly for GBC**
8 **implementation—may also be underestimated?**

9 A. Yes.

10 **Q. Why?**

11 A. First, many of the utilities listed¹³ in Mr. Murray’s testimony are significantly larger
12 (between seven and forty times) in scope and customer count to Liberty. While Mr.
13 Murray, to his credit, did make efforts to shrink the costs commensurate to a utility of
14 Liberty’s size, Liberty has concerns it may be unrealistic to project that these costs
15 would shrink to this degree. Liberty has concerns that, at some point, the up-front or
16 annual costs would hit a “floor” and shrink no further. Wherever this point may be,
17 Liberty is concerned it would be greater than \$201,000.

18 **Q. Does Liberty have concerns with Renew’s request regarding the regional data**
19 **hub?**

20 A. Yes. Liberty would need to investigate further if the “ends justify the means” regarding
21 the centralized “data hub.”¹⁴ Liberty, like many companies in all industries, puts a

¹³ Ibid. pp 13-14.

¹⁴ Ibid. p. 27.

1 significant amount of care and consideration into the handling of its customer data,
2 weighing the benefits versus the risks.

3 **Q. Does Liberty have any additional concerns with Renew's request?**

4 A. Transparently, yes. As detailed in portions of the testimonies of a majority of the
5 witnesses in this case, Liberty has encountered issues with its SAP implementation.
6 Liberty believes it is successfully working through this implementation, as detailed in
7 the testimonies of several Liberty witnesses. While it continues to navigate the
8 complexities of successfully implementing SAP, Liberty would be wise to carefully
9 consider whether now would be a good time to launch *another* new customer interface.

10 **Q. At first consideration, do you believe investing in GBC would be a wise choice for**
11 **Liberty at this time?**

12 A. No. For both the cost and complexity concerns listed above, as well as the privacy
13 concerns, Liberty has significant doubts that this would be a wise investment of time
14 and money for its customer base.

15 **VI. CONCLUSION**

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

17 A. Yes.

VERIFICATION

I, Candice Kelly, 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/ Candice Kelly