

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates for) **File No. ER-2024-0261**
Electric Service Provided to Customers In)
its Missouri Service Area)

STAFF’S INITIAL REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and respectfully states as follows:

1. On February 14, 2026, The Empire District Electric Company d/b/a Liberty (“Empire” or “the Company”) filed its *Response to Commission Order- First Metrics Filing* (“January Metrics”).

2. On March 9, 2026, in its *Order Directing Staff Recommendation*, the Missouri Public Service Commission (“Commission”) directed Staff to file the report referenced in Paragraph 4 of the Supplemental Stipulation regarding customer service and billing metrics, or a request for an extension of time, no later than April 24, 2026.

3. While Staff is not required to submit its report until April 24, 2026, for the Commission’s information and consideration, Staff submits this *Initial Report* covering only information for the month of January 2026.

4. Staff requested and reviewed raw data for bills issued by Empire from January 1, 2026, through January 31, 2026. In reviewing the data, Staff recognized that the term “deviation,” within the Supplemental Stipulation, could be read to concern quantity deviations alone. Staff concluded, however, that this reading is too narrow given other

language in the Supplemental Stipulation and the regulation-based nature of the metrics.

Staff therefore determined that compliance turns on the conduct underlying the deviations, not merely their number. Applying this understanding, Staff identified two instances of noncompliance that should not be considered a permissible deviation.

In deciding whether an instance of noncompliance may still qualify as a permissible deviation, the Commission should consider whether the instance falls within one of three categories:

- 1) It represents an exception that is allowed for in Commission rules and/or reflected in the language of the metrics.
- 2) The bill was printed by the billing system but was then caught and reversed by Empire before being sent to the customer. Thus, the customer was not presented with a bill that did not comply with the metric.
- 3) Similar to the “normalized” language for the Customer First Performance Metrics in the Non-Unanimous Global Stipulation and Agreement, Staff is willing to exclude “certain extraordinary events that occur from time to time, which (1) are beyond the control of the utility such as an act of nature, and (2) may affect the utility’s ability to meet the performance metrics.” This is contingent upon Empire providing evidence documenting both the event and its impact.

Applying this standard to Empire’s raw billing data, Staff next turns to the specific metric at issue, Metric 3d. The metric provides that the Company shall not issue a customer bill with fewer than 21 days between the bill rendition date and the bill due date, except where (1) tariff provisions explicitly allow a shorter interval, (2) the customer has selected a Preferred Payment Date Plan, or (3) the customer is subject to collective or joint account billing.

5. Staff identified two instances where Empire failed to comply with Metric 3d. In those instances Empire issued bills to residential customers that provided fewer than 21 days from invoice to due date. As more thoroughly explained in Staff's memorandum, attached hereto and incorporated herein by reference, the two instances of noncompliance with Metric 3d stemmed from incorrect account coding over multiple billing cycles. Although unforeseen by Empire and limited in nature, these instances do not qualify for the three exceptions provided in Metric 3d or for what Staff considers to be a permissible deviation. Staff therefore concludes that these fall outside the limits of permissible deviations for Metric 3d.

WHEREFORE, Staff respectfully submits its *Initial Report* for the Commission's information and consideration, stating that, for the month of January 2026, it has determined that Empire failed to comply with Metric 3d on two occasions, and that these instances should not be considered permissible deviations.

Respectfully submitted,

/s/ Eric Vandergriff

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 16th day of April 2026.

/s/ Eric Vandergriff

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. ER-2024-0261
The Empire District Electric Company d/b/a Liberty

FROM: Charles Tyrone Thomason - Senior Research/Data Analyst
Customer Experience Department, Financial and Business Analysis Division

/s/ Contessa King 04/16/2026
Customer Experience Dept. / Date

SUBJECT: Staff Memo Regarding Empire’s First Metrics Filing

DATE: April 16, 2026

OVERVIEW

On February 14, 2026, The Empire District Electric Company d/b/a Liberty (“Empire” or “the Company”) filed its *Response to Commission Order- First Metrics Filing* (“January Metrics”). This filing was in response to paragraph five¹ of the Missouri Public Service Commission’s (“Commission”) *Report and Order* in this case, which approved the terms of the *Supplemental Stipulation and Agreement* (“Supplemental Stipulation”) filed on December 12, 2025.

The Supplemental Stipulation requires Empire to comply with six specific metrics outlined in paragraph three, and to file a monthly status report detailing instances of non-compliance for the prior month. In filing the January Metrics, which covered the month of January 2026, Empire put forth the position that “the Company satisfied the metrics established by the Supplemental Stipulation and approved by the Commission for the subject period.” It did so despite noting deviations from three of the six metrics.

¹ ER-2024-0261, *Report and Order*, page 63.

The Staff of the Commission (“Staff”) has conducted a thorough review of the January Metrics, the supporting data for the January Metrics, raw billing data from Empire, and bills provided by Empire. Upon completion of its review, Staff discovered two instances of noncompliance with the metrics.

INTRODUCTION AND BACKGROUND

The Supplemental Stipulation in the case was developed and agreed to by Empire, Staff, Midwest Energy Consumers Group, and Renew Missouri Advocates d/b/a Renew Missouri, and was approved by the Commission in its January 12, 2026, *Report and Order*. In paragraph three, the Supplemental Stipulation set out the following six metrics that Empire is required to meet for three consecutive months before implementing changes to customer rates:

- a. Eliminate initial and final estimated bills for service in compliance with Commission Rule. To the extent that the Company was unable to obtain a read for reasons beyond the control of the Company, the Company shall provide the reason that the inability was beyond the Company’s control. (“Metric 3a”).
- b. For all accounts associated with a metered service, the Company shall confirm that each meter associated with that account is attached to the account in SAP for billing purposes. In conjunction, customers on rate schedules that proscribe usage-based billing shall not receive bills without usage or beginning or end meter reads. (“Metric 3b”).
- c. If a customer’s initial or final bill covers a “normal” billing period (26-35 days), the Company shall not prorate the customer charge. Instead, the customer should be charged the full monthly customer charge, just like any other regular bill. (“Metric 3c”).
- d. The Company shall not issue a customer bill with fewer than 21 days between the bill rendition date and the bill due date, except where (1) tariff provisions explicitly allow a shorter interval, (2) the customer has selected a Preferred

- Payment Date Plan, or (3) the customer is subject to collective or joint account billing. (“Metric 3d”).
- e. The Company shall eliminate instances where bills are issued with a usage period of less than 26 or more than 35 days, with the exception of initial bills, final bills, or corrected bills. This metric will exclude only joint and collective accounts that were actively being realigned during the month in question (as per the meter read alignment process detailed in Case No. EE-2026-0065). (“Metric 3e”).
 - f. The Signatories acknowledge the variance granted in Case No. EE-2026-0065 concerning joint and collective account realignment. Except for those instances covered by the variance granted in Case No. EE-2026-0065 in the month of realignment, or prior to realignment, the Company shall demonstrate progress in reducing delayed billing by invoicing a bill nine or less days after the customer’s cyclical bill date for no less than 99.7% of billing contracts in a given billing cycle. (“Metric 3f”).

The Supplemental Stipulation tasks Empire with the following actions related to the metrics:

“No later than the 15th of a month, the Company shall file a status report for the prior month in this docket indicating the number of instances of noncompliance with the provisions provided below, and at least a summary explanation of the causes or reasons for those instances of noncompliance. The Company shall maintain adequate documentation of those instances to facilitate Staff or Commission review. The Company shall cooperate with Staff’s review of each status report.”

Staff is tasked with reviewing Empire’s performance regarding the metrics.

The Supplemental Stipulation states: “When Staff has concluded its review of a third

consecutive month of satisfactory performance of the metrics, Staff shall file a report describing its conclusions concerning the metrics and recommending that the Commission issue an order that the suspended rate and FAC tariff sheets take effect as soon as is practicable.” In its March 9, 2026, *Order Directing Staff Recommendation*, the Commission ordered Staff to file that report, or a request for an extension, by April 24, 2026.

Five of the six metrics, with the exception of Metric 3f, are considered met if there are zero instances of noncompliance. However, the Supplemental Stipulation allows for the possibility, but not the guarantee, of deviations from the metrics. To quote:

“Limited deviations may be permitted with documented justification for Staff review. Any deviations must be thoroughly documented and such documentation provided to Staff for its review.” In its January Metrics filing, Empire presented deviations from the metrics as well as its conclusion that, despite the deviations, Empire had satisfied the metrics for the month. With regard to the potential for deviations, Staff makes the following four observations:

- 1) In the *Report and Order*, the Commission noted that the Supplemental Stipulation is silent on the issue of who authorizes the deviations, but declined to provide additional guidance on the matter.²
- 2) The Stipulation and Agreement does not explicitly or implicitly give Empire a role of either reviewing or reaching conclusions regarding metrics compliance. Empire’s designated role is to report noncompliance and to comply with Staff’s review.
- 3) Staff’s designated role as reviewer, and the requirement that deviations must be documented and provided to Staff for review, implies that part of Staff’s responsibility lies in reviewing deviations to determine if they may be permissible.

² ER-2024-0261, *Report and Order*, page 55.

That review should be incorporated in its final report.

- 4) Ultimately, the decision of whether Empire has satisfied the metrics is up to the Commission. Upon receiving Staff's report and recommendation, the Commission decides whether to order the suspended rates to take effect.³

This memo presents Staff's analysis of the deviations reported by Empire in the January Metrics, and its rationale for determining that the metrics were not met for the month of January 2026. It also sets out the parameters Staff intends to use for evaluating whether deviations are permissible.

METHODOLOGY

In order to analyze Empire's performance in meeting the metrics, Staff has made several requests of Empire for additional information. A full recounting of Staff's process for reviewing the metrics will be provided in Staff's final report and investigation.

The methodology detailed below is specific to Staff's efforts to evaluate the deviations reported by Empire in the January Metrics and discussed in this memo.

- Staff requested and reviewed raw data for all bills issued by Empire from January 1-January 31, 2026. Data categories for each bill include, but are not limited to: Bill document number, meter number, scheduled print date, actual print date, document date, due date, rate category, whether the account is a collective or joint account, whether the account has been realigned per the variance granted in Case No. EE-2026-0065, whether the bill is an initial or final bill, whether the bill is estimated, and the beginning and end meter read dates.
- Separately, Staff requested and reviewed raw data for all bills scheduled to be sent between December 23, 2026, and January 31, 2026. Data categories for each bill include, but are not limited to: Bill document number, meter number,

³ ER-2024-0261, *Supplemental Stipulation and Agreement*, paragraph 4.

scheduled print date, actual print date, whether the account is a collective or joint account, whether the account has been realigned per the variance granted in Case No. EE-2026-0065, and rate category.⁴

- Staff identified additional questions based on its review of the raw data, to which Empire has responded. Staff also met with Empire on March 5, 2026, and April 2, 2026, to discuss the January Metrics.
- Staff requested and reviewed the actual bills cited by Empire in the January Metrics filing as deviations, along with prior bills for the two Oklahoma-coded customers.

Staff's Conception of Permittable Deviations

Generally, Staff's conception of a permittable deviation is that the instance of metric noncompliance must meet one of the following three qualifications:

- 1) It represents an exception that is allowed for in Commission rules and/or reflected in the language of the metrics.
- 2) The bill was printed by the billing system but was then caught and reversed by Empire before being sent to the customer. Thus, the customer was not presented with a bill that did not comply with the metric.
- 3) Similar to the "normalized" language for the Customer First Performance Metrics in the Non-Unanimous Global Stipulation and Agreement, Staff is willing to exclude "certain extraordinary events that occur from time to time, which (1) are beyond the control of the utility such as an act of nature, and (2) may affect the utility's ability to meet the performance metrics." This is contingent upon Empire providing evidence documenting both the event and its impact.

Staff has also made a temporary allowance for instances of deviation from Metrics 3e and 3f for certain collective and joint accounts. When the metrics were drafted,

⁴ For the purposes of Metric 3f, a "month" is considered to start on the 23rd of the prior month and end on the 22nd of the reporting month, per agreement between Staff and Empire. This is to ensure that bills with a scheduled bill date at the end of the reporting month have time to become nine or more days delayed before the month's metrics are reported.

insufficient consideration was given to scenarios where accounts transition on or off collective or joint billing during the realignment process from Case No. EE-2026-0065. For example, Staff's review of the January 2026 raw data found one account where the customer requested to be put on collective billing and was in the middle of the resulting realignment process as of January 2026. As this realignment was not prompted by the realignment process in the variance, the resulting bill was not in compliance with Metric 3e.

However, Staff has elected to treat this instance, and other similar situations, as permissible deviations in its review process until Metrics 3e and 3f no longer qualify for an exception due to the EE-2026-0065 realignment.⁵

Alternative Method- Quantity-Based Deviations

Staff recognizes that the deviation language of the Supplemental Stipulation could be interpreted as a matter of quantity rather than quality. Meaning, rather than requiring the examination of each instance of non-compliance to determine whether it is permissible (quality-based), Empire would be allowed a limited number of deviations for any reason without falling out of compliance (quantity-based). Staff does not believe quantity-based deviations are an effective interpretation of the Supplemental Stipulation for three reasons:

1. Unlike a quality-based approach, quantity-based deviations would not allow for the consideration of the nature of the non-compliance instance to determine whether it is permissible. This would render the stipulated reporting and review of instances of non-compliance unnecessary.
2. Because the metrics are based on Commission Rules, allowing a certain number of non-compliance instances would essentially be a "blank check" for up to a certain number of violations of the source Commission Rules. Staff is not in support of that approach.

⁵ As per paragraph 7 of the Supplemental Stipulation, the realignment shall be completed by March 31, 2026.

3. The Supplemental Stipulation does not set out a specific number of permissible deviations or a method for calculating that figure.⁶ If Staff or any party were to assume an acceptable number, there would be no agreed-upon basis for it.

STAFF'S REVIEW AND FINDINGS

Metric 3f- Invoices 9+ Days After Scheduled Date

In its January Metrics filing, Empire identified 60 bills as having been invoiced nine or more days after the scheduled bill date, and calculated that 99.97% of bills were issued on time. To confirm this, Staff reviewed all bills with a scheduled bill date between December 23, 2025, and January 22, 2026, excluding only collective and joint bills that were not yet aligned. Using that criteria, Staff identified 60 bills that were not printed eight or less days after the scheduled bill date. As 60 is well below the number of delayed bills necessary to breach the 99.7% required by Metric 3f, Staff is of the opinion that Empire met this metric for the month of January 2026.

Metric 3a- Move In/Final Bill Estimated

In its January Metrics filing, Empire referenced one final bill that was estimated between January 1-31, which would be an instance of non-compliance with Metric 3a. Empire explained that although the bill was marked as estimated, the read on the bill represented the last actual meter read before the meter was removed. When the billing system attempted to obtain a final read after the meter was removed, it was unable to find the meter and thus defaulted to an estimate read marking.

Staff reviewed both the raw data from the bill as well as a copy of the bill itself. Staff verified that 1) the bill is a final bill, 2) the bill is marked as estimated, 3) the estimation was for zero usage, and 4) the final meter read appears to match the last recorded usage from May 2024. Staff does not have reason to dispute Empire's description

⁶ With the exception of Metric 3f.

of this bill. Instead of being a final bill using an estimated read, the bill is incorrectly marked as estimated.

Staff disagrees, however, that this bill should be treated as a permissible deviation. Throughout the process of developing how to track the metrics, Empire has maintained, and Staff has agreed, that the customer experience is paramount. If Empire makes a billing error but then catches that error and reverses the bill before the bill is seen by the customer, the billing error is not counted against Empire in the metrics. For this reason, Staff is not counting eight bills that were noncompliant with Metric 3e and two bills that were noncompliant with Metric 3d. Those bills were cancelled and corrected after printing but before they were sent to the customer.

Staff applies similar logic to this “estimated” final bill. From the customer’s perspective, Empire sent a final bill that was marked as estimated, in violation of Commission Rule 20 CSR 4240-13.020(2)(C)3.⁷ Although the bill marking was incorrect, this is not something that the customer would be aware of. Further, Staff does not believe that the situation that prompted the incorrect bill marking qualifies as one outside of Empire’s control. Although Staff grants that the situation was unusual, ultimately it was the billing system that made the mistake of defaulting to an estimated read marking instead of recognizing that it possessed an actual read. This mistake was then not caught before the bill was sent to the customer.

That being said, Staff’s review of the raw data also found that the bill in question has a scheduled bill date of November 24, 2025. Staff and Empire have agreed that for purposes of the metrics the scheduled bill date, instead of the bill print date, will be the determining

⁷ “A utility shall not estimate a customer’s initial or final bill for service, unless conditions beyond the control of the utility prevent an actual meter reading. In such cases, if and when actual meter readings become available, the utility shall adjust the initial or final bill by issuing a bill for additional charge, or refund, as appropriate;”

factor for the month a bill will count in the metrics.⁸ Thus, Staff concludes that although this bill should not be considered a permissible deviation from the metrics, it is a November 2025 bill instead of a January 2026 bill and thus should not count against Empire for the January Metrics.

Metric 3d- 21+ Days from Invoice to Due Date

In its January Metrics filing, Empire identified two instances of noncompliance with Metric 3d. The two instances involved residential customers who were issued a bill with 20 days to pay before the due date instead of the 21 or more days required by the metric. According to Empire, this occurred because both customers were incorrectly coded in the system as Oklahoma customers instead of Missouri customers, which meant they were billed under Oklahoma net terms. For the customer with meter EEF07031817, Empire further explained that the mistake was made because the customer requested an Oklahoma mailing address.

Staff reviewed all prior bills for each customer. For the EEF07031817 meter, it found that the customer started service on March 27, 2025, and has had an Oklahoma mailing address on all bills. All of the bills gave the customer 20 days until the bill was due instead of 21 days unless the due date would have fallen on a Sunday.⁹ For the EEF07034613 meter, Staff found that the customer initiated service on October 7, 2025. All of the customer's bills gave the customer 20 days before the bill was due unless the due date would have fallen on a Sunday or a holiday. However, none of the bills indicate that the customer ever had an Oklahoma mailing address. It is therefore unclear why the customer was incorrectly coded as an Oklahoma customer.¹⁰ Staff's review of bills from both customers did not find any indications that the customers were

⁸ For example, a bill with a scheduled billing date of January 15, 2026, that was delayed until a print date of February 15, 2026, will count as a January 2026 bill.

⁹ See Schedule 1 for these bills.

¹⁰ See Schedule 2 for these bills.

charged incorrectly for service.

Staff also asked Empire further questions regarding the Oklahoma-coded customers. According to Empire, this was caused by human error during the account set-up process. The billing system allows customer service representatives (“CSRs”) to select a customer’s state code irrespective of the service address of the property. For the two customers referenced above, the customers were classified as Oklahoma customers even though the service addresses were for residences located in Missouri. Empire also identified 133 other customers affected by this issue and is currently implementing a system update to remove the possibility that this can occur. During the April 2, 2026, meeting, Empire was unable to answer whether the prior billing system similarly allowed customers to be classified incorrectly as residents of a different state.

Although unforeseen by Empire and limited in nature, this issue does not qualify for the three exceptions provided in Metric 3d or for what Staff considers to be a permissible deviation. The customers are not collective or joint account customers, they do not have a preferred payment date, and they are Missouri residential customers under Empire’s tariff, which requires that they be allowed at least 21 days before the bill is considered due. The noncompliant bills were presented to the customers, and the issue that caused the noncompliance was not a situation outside of Empire’s control. Ultimately, the root cause of both instances of the Metric 3d noncompliance was a Company error not directly tied to Customer First but which persisted for several months. Based on its analysis, Staff is of the opinion that these two bills should not be allowed as permissible deviations from Metric 3d.

CONCLUSION

Based on its analysis, Staff has determined that there were two instances of noncompliance with Metric 3d.

Case No. ER-2024-0261

INFORMATION CONTAINED IN

SCHEDULE 1 AND 2 HAS BEEN

DEEMED CONFIDENTIAL

IN THEIR ENTIRETY