

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

In the Matter of an Investigation into the)	
Customer Service and Billing of Liberty)	File No. OO-2025-0233
Utilities Including Electric, Gas, and)	
Water Utilities)	

LIBERTY’S RESPONSE TO STAFF INVESTIGATION REPORT

COME NOW The Empire District Electric Company, The Empire District Gas Company, Liberty Utilities (Midstates Natural Gas) Corp., and Liberty Utilities (Missouri Water) LLC (collectively, “Liberty”) and, in response to the Staff Investigation Report, state as follows to the Missouri Public Service Commission (“Commission”):

INTRODUCTION

Liberty acknowledges and appreciates the substantial time, diligence, and technical effort devoted by Staff of the Commission (“Staff”) in conducting its investigation into Liberty’s customer service and billing practices following the implementation of Liberty’s SAP-based platform. The Staff Investigation Report reflects a substantial level of analysis over an extended period, including review of thousands of customer bills, recorded calls, data requests, public meetings, and extensive engagement with Liberty personnel. Liberty recognizes the seriousness of Staff’s findings and values the constructive recommendations set forth in the Report.

Before addressing Staff’s specific recommendations, Liberty emphasizes that it is committed to sustained improvement to its customer service and has been working for some time to address the issues raised by Staff. Liberty’s core mission is to provide safe, reliable utility service supported by accurate billing and responsive customer service. While enterprise-wide SAP implementations are inherently complex, Liberty recognizes that complexity does not excuse the outcomes experienced by customers. Liberty acknowledges that implementation of certain

necessary corrective actions has taken longer than appropriate for customers and that those delays have contributed to negative customer experiences. Staff identified both the breadth of such outcomes and the need for stronger mitigation, testing and customer-focused safeguards. Liberty has undertaken substantial efforts to do exactly that and is firmly committed to continuing and furthering those efforts so that Liberty's customers and stakeholders are well served.

LIBERTY'S CORRECTIVE ACTIONS

As indicated in the Staff Investigation Report (p. 109), beginning in March of 2025, Liberty undertook substantial and sustained corrective action anchored by fundamental changes in executive leadership, governance and organizational culture. Liberty's parent company made changes at the highest level of the organization, beginning with the appointment of Rod West as the Chief Executive Officer of Algonquin Power & Utilities Corp., following with Amy Walt as Chief Customer Officer. Ms. Walt has extensive history addressing the very nature of the issues and already has made significant changes to the Missouri customer service and billing functions. In addition, Noel Black was appointed Chief Regulatory & External Affairs Officer, and subsequently, Robert Stefani as Chief Financial Officer, Peter Norgeot as Chief Operating Officer, and Kristin Von Ficher as Chief Human Resources Officer, each with a career of utility leadership. These changes were accompanied by organizational restructuring, redefined accountability and a renewed emphasis on compliance, transparency, and customer experience as core operational priorities. Ms. Walt and Mr. Black have engaged directly with Staff and other stakeholders in Missouri, beginning very shortly after their appointments, to understand their experience with the Company's system changes and to drive corrective action.

Under this new leadership, Liberty fundamentally reset its approach to customer service and remediation of its billing processes. The Company invested, and continues to invest,

extraordinary time, resources and personnel to correct billing defects and associated compliance issues. Liberty has deployed a new LEAN operating model that focuses attention on the key drivers of customer impacts, engages employees across the end-to-end process to problem solve for root causes and implement sustainable changes to improve customer services.¹ Through this approach, Liberty has caused more timely issue resolution and improved coordination across end-to-end functions with a stronger focus on first-contact resolution and customer experience. These efforts complement Liberty's broader system and process improvements and reflect a sustained commitment to operational discipline and improved service for customers.

Liberty acknowledges that certain issues remain and require continued attention. With the LEAN operating model, Liberty will prioritize the largest issues impacting customers and problem solve across the end-to-end process to confirm sustainable improvements. The Company is equally committed to transparency with Staff, the Commission and other stakeholders as the remaining items are prioritized and resolved.

Liberty's demonstrated performance in its Missouri electric operations shows that meaningful improvement is achievable and sustainable when the LEAN operating model is in place to facilitate prioritization, end-to-end accountability and controls and leadership alignment. Liberty believes it has so far met the billing performance metrics adopted in its electric rate case (Case No. ER-2024-0261) and recognizes those metrics not as a ceiling for performance, but as a baseline for continued improvement across all its Missouri utilities.

Liberty acknowledges that the rollout of the SAP system in Missouri did not deliver the experience customers deserve and the Company deeply regrets that disruption. Under new

¹ LEAN is a management framework centered on reducing process waste, simplifying workflows and resolving issues at their root cause with an emphasis on continuous improvement and accountability.

executive leadership, Liberty has responded with transparency, accountability and a sustained commitment to improvement. The underlying record reflects meaningful progress, including improved billing accuracy, reduced number of customer complaints and strengthened executive oversight and controls, while customers have been and continue to be protected through payment flexibility and service safeguards. Liberty has worked closely and continuously with Staff and the Office of the Public Counsel (“OPC”) through regular customer service meetings, including direct executive engagement by Ms. Walt, to provide updates, receive feedback and course-correct in real time. Liberty recognizes the value of these meetings and supports their continuation until all stakeholders agree that material issues have been fully and finally resolved. Liberty appreciates the time that Staff and OPC have committed to these meetings. The Company believes that the most appropriate venue to bring finality to the remaining issues is through this collaborative process with Staff and OPC.

SPECIFIC RESPONSES TO STAFF RECOMMENDATIONS

As clarified and detailed below, Liberty generally supports the recommendations identified by Staff, and Liberty remains fully committed to satisfying each of Staff’s recommendations and working collaboratively with Staff throughout the implementation process. In doing so, Liberty emphasizes that full implementation of all 35 recommendations will require careful planning, additional time and significant operational and financial resources. Many of the recommendations involve system redesign, process reengineering, enhanced controls and sustained management oversight so that changes are implemented thoughtfully, effectively and in a manner that delivers lasting improvements for Missouri customers and stakeholders.

As such, Liberty respectfully requests that the Commission and Staff recognize the necessity of prioritizing the implementation of certain recommendations in a phased and orderly

process. As noted below, Liberty has acted on many of the issues raised by Staff, but there is still work to be done. With respect to Staff's additional recommendations, Liberty is prioritizing those items that most directly impact customer experience and regulatory compliance, including improvements to estimating practices (Recommendation Nos. 1 and 2), compliance with customer service performance metrics and alignment on disconnect activity across all Missouri utilities (Recommendation Nos. 9 and 15), timely customer call-backs (Recommendation Nos. 8 and 26), reduction and prompt resolution of customer complaints (Recommendations Nos. 25 and 27), and implementation of the new Telephony/IVR system (Recommendation Nos. 8, 18 and 28). Liberty believes this phased and disciplined approach will best serve customers while providing transparency, operational stability and sustained compliance improvements.

Further, implementation and ongoing use of the SAP billing system is not, and cannot be, entirely automated and will necessarily rely on human involvement and judgment at multiple points, including entry of customer and service address information, selection of appropriate company and rate codes, proper use of meter reading equipment and accurate execution of business processes by trained personnel.

As with any enterprise system that depends on human interaction, the potential for error or field issues will always exist. Importantly, such errors are not indicative of flaws or design deficiencies in the SAP system but rather reflect the practical realities of complex operational environments for electric, gas, sewer and water utilities. Accordingly, limited deviations from performance metrics, rules and regulations, and tariff provisions may occur from time to time, and additional controls — many of which are necessarily manual or outside the SAP system — will be necessary to identify, correct and mitigate the impacts of those and other similar errors.

Under these circumstances, Liberty responds to each recommendation below.

- 1) **Staff recommends Empire Electric, Empire Gas, MNG and MO Water review their current calculation methods for estimating bills, both for customers with and without AMI meters, and either revise those processes to comply with their tariffs or file an application to revise their tariffs.**

Response: Liberty agrees with this recommendation and will prioritize this work to develop a recommended estimation process that is founded in industry standard practices for AMI and non-AMI processes. In turn, Liberty will prepare proposed tariff revisions to authorize and implement that process within SAP. Liberty expects to complete this recommendation by the end of the second quarter of 2026

- 2) **Staff recommends Liberty work to reduce the number of estimated bills and rebills to pre-C1 levels for each utility.**

Response: Liberty agrees to reduce the estimated bills and rebills seen by customers associated with estimation to align with industry standards and acknowledges the importance of minimizing estimated bills and rebills seen by customers. Once there is clarity on the methodology to comply with the new tariff under Recommendation No. 1, Liberty will actively work to understand the Pareto of reasons impacting estimation and systematically work to reduce the frequency of estimated bills and rebills seen by customers associated with estimation.

On this issue, however, Liberty notes that the pre-SAP environment, as well as the prior Customer Watch billing system, operated under substantially different system architectures, data flows and methodologies than the current SAP environment. As a result, historical estimation practices and controls may not be directly comparable to the current SAP system. Liberty is committed to comparing our results against those across the industry and striving to improve performance to be in alignment with other similar utilities. Liberty will establish estimated billing metrics and use those metrics to inform corrective actions.

- 3) **Staff recommends Liberty conduct a thorough audit of all customers to verify all customers are being correctly charged for any applicable local taxes or franchise fees per the records of the taxing authorities.**

Response: Liberty already has undertaken measures to facilitate improved processes and to verify that the SAP billing system is designed and configured with accurate sales tax and franchise fee inputs. Even so, Liberty agrees it should continue to take steps to further improve its sales and use tax process to support the accuracy of its sales tax and franchise fee charges.

Sales tax is a tax imposed on customers that Liberty is required to collect and remit to the appropriate taxing authorities. Liberty uses OneSource tax software to determine the appropriate sales tax rate to charge each customer. Based on the professional tax experience of the Liberty Tax Team, Liberty believes it is currently performing at a high-level of accuracy. Since the implementation of SAP, Liberty has identified issues that have been resolved by coordination between the billing team and the tax department working with both the Missouri Department of Revenue and OneSource. These issues primarily relate to customer addresses that border the inside and outside of a particular city limit. The tax team works to determine what the proper tax should be and coordinates with the billing team to make any required adjustments to customer account information such as the proper 9-digit zip code. Here is a sample of some of the areas that have been affected and corrected:

- Joplin area (including Webb City, Alba, Village of Airport Drive, Loma Linda, Carl Junction, Duquesne). These are suburbs of Joplin that have a Joplin zip-code but have different tax rates. The 9-digit zip code is required to accurately determine the tax rate. Many customer accounts only included 5-digit codes; and,
- Granby area. This was specific to customers that bordered the city limits.

To support a comprehensive evaluation of its sales and use tax framework and determine the most appropriate long-term solution, Liberty engaged Grant Thornton, a firm that provides tax and business consulting services, to perform an independent assessment and review. This

evaluation includes a review of Liberty’s existing OneSource deployment and overall sales and use tax processes and will result in a report of findings and recommendations, including a tax-engine recommendation based on current-state functionality, tax and business needs and cost considerations. OneSource currently uses USPS CASS-certified address verification to implement accurate tax calculations. Based on the recommendations by Grant Thornton, Liberty will implement improvements to its sales and use tax processes to further support accurate tax determination, compliance and reporting. This project commenced in the first quarter of 2026 and is expected to be completed in the fourth quarter of 2026.

Franchise fees are also “collect and remit” charges imposed on Liberty pursuant to municipal franchise fee agreements and/or ordinances. All franchise fee collections have been remitted to the respective municipalities on a monthly, quarterly, semi-annual or annual basis, as required by the respective municipalities. Liberty is in the process of validating that the correct franchise fee rates are coded and applied within SAP, consistent with applicable franchise agreements and ordinances. Based on this review and ongoing validation efforts, Liberty believes this will satisfy the “audit” for franchise fees.

- 4) **Staff recommends that, in cases where customer’s Preferred Payment Date is too close to the bill date, Liberty notify the customer that Autopay will not draft for that month, the amount that is being deferred to the next month, the option of making a manual payment, and the option of removing the Preferred Payment Date to prevent further occurrences.**

Response: Liberty agrees with this recommendation and will review existing procedures to assess potential process enhancements. That evaluation will include consideration of appropriate customer notification and communication channel(s). Liberty will share a timeline for implementation once an enhancement approach and implementation plan are finalized.

- 5) **Staff recommends that Liberty implement additional training for personnel (specifically but not exclusively field technicians) for new processes to preclude unnecessary errors.**

Response: Liberty agrees with this recommendation and has implemented additional training for employees, including field technicians, so that the process for setting and removing meters is understood. The following examples summarize training delivered within the last twelve (12) months focusing on field work that directly impacts billing:

- SAP Asset Management application training was updated and made available to employees, including field technicians (Q4/2025). These modules include detailed instructions on how to install meters and take readings;
- Liberty continues to use a cross-functional LEAN operating model approach to support field team training, including the Missouri electric new meter set process, which occurred in the first quarter 2026. This approach included reviewing performance metrics, convening cross functional teams, mapping processes, identifying problem areas, and making practical updates to processes and training to confirm new connections are completed correctly in the field;
- Liberty also implemented in the fourth quarter of 2025 a daily control report that the field and customer service leadership uses to help to identify meter-related orders that did not process correctly through the system (e.g., meter less accounts), with defined actions to remediate issues and provide follow up training for field techs when required.

- 6) **Staff recommends Liberty review and augment its quality control processes for billing to reduce the likelihood that any errors in billing accuracy or bill presentation reach customers.**

Response: Liberty agrees that it will work to minimize the likelihood of billing errors that reach customers; and over the last six months, Liberty has utilized the LEAN operating model to enhance its quality control process and billing quality control framework to further reduce the likelihood that billing inaccuracies or presentation issues reach customers.

On these issues, it bears emphasis that while Liberty continues to drive substantial reductions in billing errors and exceptions, perfection or zero exceptions is not attainable in a complex utility environment that necessarily depends on human judgment, field activity and multifaceted operational processes. No electric, gas, water, or wastewater utility operates

consistently with zero exceptions, and a zero-tolerance or flawless performance expectation is neither realistic nor consistent with how enterprise billing and customer service systems function in practice. Even with strong automated controls, manual reviews and continuous process improvements, isolated, non-systemic exceptions will occur, and performance expectations must, therefore, distinguish those limited events from systemic issues while continuing to promote sustained improvement.

For Missouri electric customers, Liberty's LEAN operating model blueprint will be used across all commodities to focus on the highest impact issues for customers. This includes a daily cross-functional cadence, improved visual management through leading and lagging indicator reviews, cross functional problem solving and creating sustainability through strengthening automated validation checks, refining exception reporting and controls and expanding post-bill quality reviews.

As Liberty focused on the highest impact issues for electric service, improvements have been made across people, process and technology. For example, Liberty implemented a new meter installation process, created new work orders and new controls to identify any accounts that are established without the proper meter set up process and added a new exception process to capture instances where meters are removed by Operations on active contracts. In addition, net payment terms were proactively increased from net 21 to net 25 to allow for exception processing without impacting compliance with the rules and regulations. Full review and training took place starting in January 2026 on manual and AMI Meter Reading scheduling and routing. The full year calendar was updated and shared across all of Liberty. New system controls were designed to capture bill impacts of reads occurring outside of the calendar to facilitate compliance with the usage periods required in the rules.

Quality control is an evolving process and requires ongoing refinement of controls as system functionality and operational experience mature. Given the human element and complexity across the meter to cash process, the quality control framework is critical so that customers have the best experience. This blueprint will be rolled out across all of the Missouri commodities to see improved billing performance. To support this framework, Liberty reevaluated its staffing and created the opportunity to add dedicated resources, including a Rates Implementation Lead, Manager Customer Care Regulatory Strategy, Supervisor II AMI Operations, Billing Representative II, AMI Analyst and is currently recruiting for a Manager of System Controls.

- 7) **Staff recommends Empire emphasize consistent messaging to customers experiencing common billing issues (e.g., delayed/missing bills), and train CSRs to use that messaging. This should apply for ongoing issues and be revised for any new issues that develop in the future. Account notes should detail what the CSR told the customer in response to an inquiry for future reference.**

Response: Liberty agrees with the recommendation and recognizes the importance of consistent customer messaging. Further, Liberty is rolling out a new platform that will enhance its system by implementing system-generated call summaries that are reviewed, validated and edited by CSRs to accurately document customer interactions and responses.

In the near term, since the billing agents work out of a different system than the CSRs, Liberty has trained billing agents to consistently document customer interactions and messaging in account notes within the CSR system (C4C) and the billing system (S/4 system). Interim processes also are being implemented to confirm those notes that are manually populated are accessible and actively utilized by CSRs. Due to the different systems, there are limitations for an automated process between the systems. Until solutions are identified, Liberty is dedicated to the manual process for updating notes and confirming that processes are followed.

Over the longer term, Liberty will continue to pursue system enhancements to improve integration across platforms, enabling automated capture and visibility of customer account updates and reducing reliance on manual documentation processes.

- 8) **Staff recommends Empire establish a process for customer callbacks that effectively records the need for a callback, tracks the status of that callback, and verifies the execution of the callback within a reasonable period of time following the request.**

Response: Liberty generally supports this recommendation and will be evaluating the new telephony system that has been deployed to determine a path forward to record any requested callbacks from customers.

- 9) **Staff recommends the Commission order Paragraph 41 of the Non-Unanimous Global Stipulation and Agreement in Case No. ER-2024-0261 to apply to all Liberty utilities including Empire Gas, MNG, and MO Water.**

Response: Liberty agrees with Staff's recommendation regarding the application of Paragraph 41 of the Non-Unanimous Global Stipulation and Agreement in Case No. ER-2024-0261 to all Liberty utilities in Missouri. Liberty will work collaboratively with Staff, OPC, and the Commission to facilitate consistent and transparent customer communications related to resumption of disconnections.

Liberty understands that disconnection moratoriums are designed to protect customers, but, if extended for prolonged periods, moratoriums can result in unintended and unfavorable impacts on customers and the utilities, including (i) creating a false sense of security where customers may perceive the moratorium as debt forgiveness, (ii) delayed action to end the moratorium that allows arrearages to grow and prevents or hinders effective arrears management, and (iii) bill shock upon termination of the moratorium and resumption of disconnections. To address those issues, Liberty remains committed to implementing the actions described in Paragraph 41 in a coordinated, customer-focused manner that balances customer protection with the need for timely and effective

arrears management. Liberty will continue to engage with Staff, OPC and the Commission throughout this process to support an orderly resumption of disconnections consistent with Commission direction and customer fairness principles.

10) Staff recommends Liberty investigate My Account to address the following issues reported by customers: account creation and login; differences between balances owed as reflected on My Account versus billing statements; payment difficulties; information presentation for customers participating in net metering; and the display of estimated usage on My Account during power outages.

Response: Liberty agrees with the recommendation and is taking a phased approach to investigating and enhancing the My Account experience. It bears emphasis that this recommendation is a full digital channel rework, which will need to be evaluated for cost versus value to customers. Across the industry, Liberty understands that customers increasingly want more digital flexibility. Prioritization of investments will be based on feedback from customers. Movement has occurred to date related to the opportunities identified from Staff, but Liberty recognizes there is more work to be done:

- For account creation and login, login and password reset challenges were identified, and corrective actions were completed in March 2026. Liberty's third-party application vendor addressed case-sensitivity and email delivery issues impacting login and password reset functionality. The vendor will monitor login activity through system analytics to confirm the effectiveness of these actions;
- In compliance with the tariff Net Metering is currently billed as a net amount (usage minus generation), the generation is not captured separately which will make improvements for these customers more challenging; and,
- Additional footnotes have been added to My Account to better inform customers of challenges to seeing estimates during storm activity.

Ultimately, these advisories notify customers that information displayed in My Account is provided for customer convenience to allow customers to monitor usage and reflect a snapshot in time based on data available when accessed by the customer. The advisory further explains that billing information, account balances, usage data and other details shown in My Account may

differ from actual billed amounts due to processing timing, billing adjustments, estimated reads, meter activity, outages, storm events or other operational circumstances.

Finally, given that meter data and billing determinants are calculated in the meter data management system and the billing is calculated in SAP, there will continue to be occasional variances between My Account, which is populated from the Meter Data Management system and the bill, which is generated with SAP. Elimination of these issues completely may require implementation of an Energy Data Management (EDM) module within SAP. Full EDM implementation represents a significant investment, and other utilities have reported project costs in the range of approximately \$20–30 million for comparable modules. Liberty is evaluating the potential benefits of such an investment in light of system complexity, overall cost considerations and customer affordability, and any decision would require careful weighing of incremental customer value against total implementation costs.

11) Staff recommends Liberty review its IVR to identify and resolve issues with account identification/authentication and payments, particularly for collective account customers.

Response: Liberty understands this recommendation and will work with our new IVR vendor to identify self-service solutions, particularly for collective customers. Liberty is pursuing telephony and IVR upgrades with potential menu design enhancements to be considered in a subsequent phase. Near-term efforts focus on core system upgrades with IVR enhancements addressed as part of longer-term improvements.

As part of Liberty's LEAN operating model, a cross-functional team was mobilized to address customer issues in payments and account identification/authentication. Through root cause analysis, Liberty identified key drivers of customers being routed to live agents and implemented several immediate improvements to the existing IVR system. These actions include (1) extending

the input timeout from 3 to 15 seconds to reduce customer timeouts, and (2) enabling customers with one open account and one or more closed accounts to authenticate using their phone number instead of an account number.

- 12) Staff recommends Empire review its processes for the storage, retrieval, and presentation of customer account information to eliminate instances where CSRs are unaware of events that occur (or are scheduled to occur) on customer accounts and instances where CSRs are unfamiliar with what customers have been told by Empire in prior communications. This would include incorporating service tickets into customer account notes.**

Response: Liberty generally agrees with this recommendation and further notes this this recommendation is a significant upgrade since communications, operations and billing operations utilize a different system than the CSRs and a solution will need to be identified and a cost analysis performed. Liberty is taking manual steps for CSRs to be better informed, and the Billing team has been trained to enter notes on all accounts in their system, SAP, and the CSR system (C4C) to aid CSRs in responding to inbound calls related to bill revisions. Liberty has an email communication that is shared with all CSRs when broad communications are delivered to customers. Liberty is also placing notes on specific accounts if mass updates are necessary.

- 13) Staff recommends Liberty review its Autopay lock and Bill-up letter processes to ensure that all customers who have experienced delayed billing are promptly notified and secured from large, unexpected account withdrawals.**

Response: Liberty agrees with this recommendation. Liberty will look into options to improve its Autopay lock and Bill-up letter processes so that customers affected by delayed billing receive timely, clear, and actionable notifications.

- 14) Staff recommends the continuation of the monthly C1 meetings that have taken place during the course of this investigation between Liberty, Staff, and OPC, until all parties agree and file in this docket that progress in resolving issues has rendered the meetings unnecessary.**

Response: Liberty agrees with continuation of these monthly meetings as recommended by Staff.

- 15) Staff recommends that the C1 Performance Metrics that are to be developed in this case (pursuant to Paragraph 6 of the Non-Unanimous Global Stipulation and Agreement in Case No. ER-2024-0261) be applied to all of the Liberty utilities. Progress in meeting the metrics for all utilities should be a topic of discussion in future C1 meetings between Liberty, Staff, and OPC.**

Response: Liberty agrees with this recommendation and will work to develop the associated metrics for each commodity and share results as they become available across Q3 and Q4 2026.

With respect to billing and customer service performance, Liberty notes that neither the Non-Unanimous Global Stipulation and Agreement nor the Supplemental Stipulation approved by the Commission in Case No. ER-2024-0261 established a standard of flawless execution or zero exceptions for SAP-supported billing processes or related performance metrics. Rather, in approving the Supplemental Stipulation, the Commission made clear that the metrics were intended to function as a pragmatic mechanism to drive meaningful improvement in billing accuracy, customer service responsiveness and compliance with Commission rules and tariffs prior to the implementation of rate relief—not as a zero-tolerance construct untethered from the operational realities of complex utility systems involving human interaction and judgment.

Consistent with that approach, the Commission expressly declined to define in advance the precise number or type of permissible limited deviations, reserving the discretion to evaluate such deviations in context. On Recommendation No. 15, Liberty cannot be expected to operate without occasional exceptions that are human-driven and/or result from other factors outside of Liberty's control. Any performance metrics, therefore, must be applied in a manner that distinguishes between systemic issues and isolated, non-recurring events (i.e., limited deviations).

- 16) Staff recommends that Liberty take steps to prevent all recurring rule and tariff violations that have been noted in this report.**

Response: Liberty agrees with this recommendation and recognizes the importance of compliance with Commission rules and approved tariffs. In turn, Liberty intends to conduct a tariff workshop

to review and work through these tariff issues internally and share with Staff, and other interested stakeholders. The workshop is intended to promote transparency, develop a shared understanding of existing tariff requirements, discuss potential tariff changes, and facilitate compliance with applicable laws, rules and tariff provisions. Liberty proposes to prioritize key tariff issues such as estimation with Staff and other interested stakeholders as referenced in Recommendation No. 1.

17) Staff recommends Liberty evaluate its current budget billing program and put processes in place so that if the outstanding balance requires the budget billing to be raised, the customer has two choices: pay the new amount or to be removed from budget billing. This would prevent a customer from having an increasingly higher balance.

Response: Liberty appreciates Staff's recommendation regarding enhancements to its budget billing program to mitigate the risk of increasing customer balances. Liberty understands the concern and agrees that proactive measures are important so that customers remain informed and in control of their accounts. This will require prioritization of a SAP system enhancement and Liberty will need to evaluate the proposed enhancements and the cost of the identified enhancements.

In conjunction with any true-up process, Liberty also is considering enhanced customer communications to clearly outline available options at the time of adjustment. Liberty does not currently have an automated integrated communication process. This will be a manual process in the interim until further evaluation for a robust communication tool is done. Other options to explore will include accepting an updated budget billing amount or electing to exit the budget program, with the opportunity to establish a payment arrangement for any outstanding balance.

Liberty believes that evaluating these options holistically will allow for a balanced approach that improves transparency, supports customer choice and reduces the potential for

significant arrearages. Liberty will continue to assess these enhancements and align processes with regulatory expectations and customer needs.

- 18) Staff recommends Liberty continue its efforts to add a prompt to the IVR to request that the caller select their state. Ultimately call center statistics for all Liberty utilities should provide Missouri-specific metrics while continuing to report combined statistics.**

Response: Liberty agrees with the recommendation to improve the accuracy of the Missouri specific call volume statistic. Liberty plans to manually align call data with customer service address information where available, enabling more accurate reporting of Missouri-specific metrics while continuing to report combined statistics. For the second half of the year, Liberty is exploring an upgrade to its telephony system and will explore the possibility of adding an IVR menu for customers to select their state to more accurately reflect Missouri specific call volume. Liberty is prepared now to update the methodology to reflect the customers that do have a matching phone number to their service address as proposed during the April monthly update meeting, both Staff and OPC have indicated their agreement with this approach.

- 19) Staff recommends Liberty revise the monthly usage graphs on MO Water customer bills to provide more granular information to customers at a glance, instead of rounding all usage to the nearest 1,000 gallons.**

Response: Liberty generally supports this recommendation and is currently evaluating system enhancements to improve the clarity and accuracy of billing information, including introducing more precision in the monthly usage graph and eliminating the practice of rounding to the nearest 1,000 gallons for Missouri water customers. Liberty has not yet determined the cost of such changes, but Liberty presented the options to Staff and OPC on April 27, 2026, both Staff and OPC have provided their feedback for the Company's consideration.

- 20) Across all utilities, Liberty should determine how many customers were inappropriately overcharged as a result of receiving any prorated charge on a regular bill outside of a 26–35-day billing period and issue refunds accordingly.**

Response: Liberty agrees with this recommendation and has conducted an analysis across the Missouri utilities to identify any customers who may have been inappropriately charged a prorated customer charge on a regular bill outside of the 26–35 day billing period. That review included an assessment of billing data, timeframes and applicable rate rules to identify impacted accounts. Upon final review of that analysis, Liberty will promptly issue refunds to any customers found to have been overcharged, in accordance with regulatory requirements and company procedures.

- 21) Staff recommends Liberty discontinue all proration for which explicit tariff authority does not exist, including customer charges for initial and final bills. If Liberty wishes to prorate customer charges for initial and final bills going forward, it must amend its tariffs to clearly set out the authority and process for doing so.**

Response: Liberty understands Staff’s request for clear tariff language relating to proration. As such, Liberty will review and evaluate its current proration practices and determine the best approach for Missouri operations consistent with Commission rules and applicable industry and regulatory best practices.

In turn, Liberty will prepare proposed tariff revisions to clearly authorize proration practices applied to customer bills. Liberty expects to include these proposed tariff revisions as part of its tariff workshop. The tariff workshop is expected to occur by the end of the third quarter of 2026. Shortly thereafter, the Company will share the findings with Staff and interested parties and incorporate any appropriate feedback within its tariff change recommendations prior to filing with the Commission for approval.

- 22) Staff recommends Empire Gas propose an amended tariff sheet that sets out its proration process during its next rate case.**

Response: Liberty agrees with this recommendation and Liberty’s response to Recommendation No. 21 above will apply to all of Liberty’s Missouri utilities, including Empire Gas.

- 23) Staff recommends Liberty provide an update on the demand-proration issue, including detailed refund amounts, by end of Q1 2026.**

Response: Given the filing date of this response, quarter one of 2026 has passed. Liberty, however, completed its initial refund assessment. The total overbilled was approximately \$67,000 and \$385,000 underbilled. Liberty is in the process of finalizing that assessment so that all adjustments are accurate. Liberty intends to process those credits by the end of June 2026.

- 24) Staff recommends Liberty conduct an audit of its current meter to cash process to ensure there are no issues. Such an audit should include a representative sample of all meter types for all Liberty companies and be structured to identify potential field configuration errors.**

Response: Pursuant to the Non-Unanimous Stipulation and Agreement in Case No. ER-2024-0261 (para. 19, p. 6), The Empire District Electric Company agreed that it “will engage an independent third-party auditor to conduct external audits to include but not be limited to: customer billing accuracy and timeliness and customer service and satisfaction levels across all channels.” Additionally, Liberty engaged an expert consultant (Cognizant) to perform a review of the meter to cash process, including a representative sample of all meter types to identify any potential configuration or field-related discrepancies.

That review involved a comprehensive review of Missouri billing compliance to identify key drivers of non-compliance and underlying root causes, including assessment of system issues such as data definitions, calculations, extracts, and overall data integrity supporting regulatory submissions, as well as analysis of errors and exception populations in collaboration with billing, reporting, systems, and leadership teams to identify control gaps. Findings were translated into delivery and impact assessments—including Failure Mode and Effect Analysis to achieve targeted results—in order to identify and prioritize immediate, interim, and long-term corrective actions to improve billing accuracy and improved customer service. That review establishes a framework for sustained compliance, while additional efforts remain necessary to align processes, systems, and

practices with broader utility operations and support long-term operational consistency and service improvement.

25) Staff recommends Liberty investigate disputes in a prompt manner according to Commission Rule 20 CSR 4240-13.045(2).

Response: Liberty agrees with this recommendation. Liberty has implemented procedures to make certain customer disputes are investigated and addressed promptly in accordance with Commission Rule 20 CSR 4240-13.045(2). Training and process updates are underway to promote consistent adherence to dispute-handling requirements across all customer service channels.

Liberty has established escalation protocols to confirm oversight when a customer concern rises to the level of a dispute. Liberty uses the C4C ticketing system to track complaints and disputes and to support timely investigation and documentation. When a customer indicates an intent to file a complaint, the CSR submits a C4C ticket, which triggers escalation and follow-up by a Lead or Supervisor to address the concern promptly. Escalated inquiries and disputes are reviewed and addressed based on the nature and urgency of the issue with appropriate prioritization applied when warranted. If a customer files a formal complaint, Liberty's customer advocacy group is notified and manages ongoing communication with customers and resolution.

Liberty is formalizing response expectations and transparency for escalation-related callbacks and dispute follow-up with non-urgent matters generally addressed within forty-eight (48) business hours. Urgent matters – such as safety concerns, service disconnections or shutoff issues will be prioritized for expedited handling, generally within twenty-four (24) business hours, subject to operational conditions, issue complexity, and customer availability.

- 26) Staff also recommends Liberty design and implement a procedure to ensure all Liberty Missouri customers requesting a return or follow-up phone call from the Company's Call Center, including those requested from supervisory personnel, receive that phone call.**

Response: Liberty supports this recommendation and has taken steps to improve its callback processes, including moving from a manual, email-based approach to a formal, enterprise-wide ticketing system as described herein. That shift is intended to improve consistency, tracking, prioritization, reporting and management oversight, supported by standardized procedures and targeted staff training.

In parallel, Liberty is exploring the new functionality included with its NICE CXone telephony platform to determine if there is an opportunity to improve the system-based tracking and reporting for both customer-initiated callbacks and agent-initiated outbound calls, supporting additional visibility and accountability for callback activity. The callback management processes include defined accountability, system tracking, and supervisory oversight to make sure customer callback commitments are met consistently and in accordance with Commission expectations.

- 27) Staff recommends that Liberty evaluate its current process and put a process in place ensuring that CSRs are properly trained to advise customers of their right to file an informal complaint as required per Commission Rule 20 CSR 4240-13.045(9).**

Response: Liberty agrees with this recommendation. This is already incorporated as part of new hire training. Liberty includes dedicated instruction focused on regulatory compliance, which explicitly addresses customer rights to file informal complaints with the Commission.

This includes a specific call-out within high-bill complaint scenarios, where CSRs are trained to advise customers of this option when a customer believes their issue has not been resolved. New hire training also includes a separate billing unit that reinforces appropriate handling of billing complaints. Liberty uses the C4C ticketing system to track complaints and is

evaluating upgrading analytics to improve monitoring. Additional training and quality assurance measures are under evaluation to confirm consistent application of this requirement.

- 28) Staff recommends Liberty put a process in place to ensure that each CSR is trained to note account activities comprehensively and develop a quality assurance process to verify adherence to account notation guidelines.**

Response: Liberty agrees with this recommendation. Liberty recognizes the importance of comprehensive account notation and is enhancing processes through the implementation of the new IVR platform that is being rolled out through the end of May 2026 that incorporates AI-enabled capabilities, including (a) auto summaries that provide a structured recap at the end of each call and (b) real-time summaries that capture key elements of customer interactions. This process will enable CSRs to review, validate, and edit the end of call summaries to confirm accuracy and completeness of account notes. As part of telephony system upgrades, Liberty is also evaluating enhancements to quality assurance processes to oversee compliance activity.

- 29) As issues continue to occur, and until Liberty finds resolutions to all of its C1 and customer service issues, Staff recommends Liberty determine if their current QA program is effective at ensuring adequate customer service with consistent messaging and implement any needed changes.**

Response: Liberty agrees with this recommendation. Liberty will look to continuously evolve its quality monitoring program consistent with leading practices to make sure customer service representatives deliver accurate, consistent and clear messaging to customers.

- 30) Staff recommends Liberty follow through, develop and maintain a specialized team of individuals to handle inquiries, questions and concerns for large and unique customer offerings such as solar.**

Response: Liberty agrees with this recommendation and recognizes the need for a clear, defined pathway to handle inquiries, questions and service needs for large and unique customers. Liberty has identified this customer segment as Strategic Accounts, which include educational institutions,

government entities, critical facilities, tribes, hospitals, key community partners and large customers by volume.

To address the specialized needs of these customers, Liberty is evolving its customer service model to serve Strategic Accounts through a new process and dedicated service desk. The desk is being designed to provide a clear and consistent engagement path, function as a single point of accountability for issue ownership and resolution, respond to inquiries in a timely manner and improve the overall customer experience. Liberty is currently developing the processes for deployment of the Strategic Accounts service desk, including identifying common issues across strategic accounts, assessing the solutions necessary to solve those issues and implementing mechanisms to monitor ownership, accountability and resolution.

In the interim, Liberty has implemented a pilot of enhanced processes to leverage existing business account representatives within the call center to address known service issues. Liberty also is utilizing daily cross-functional huddles to escalate and resolve issues promptly to meet customer needs. Liberty will continue to evolve this focused service based on the needs of these customers from the pilot.

31) Staff recommends that Liberty create and follow written policies or procedures for identifying and responding to abnormally high usage.

Response: Liberty agrees with this recommendation. Currently, when a customer contacts Liberty regarding high usage, the CSR reviews the customer's historical usage to determine whether the current bill is consistent with prior consumption patterns. If usage appears unusual, the CSR works with the customer to identify potential causes, such as malfunctioning appliances, HVAC issues or other potential causes.

For customers with AMI, usage may be validated through a remote meter ping prior to issuing a service order. If concerns persist, the CSR may, at the customer's request, verify that the

meter read aligns with billing records, and, with supervisor approval, initiate a service order to test the meter. If the meter is found to be functioning properly, the customer may be charged a fee for the field technician visit. Customers are then directed to energy usage calculators and provided with energy efficiency tips to help manage consumption.

Liberty is exploring opportunities to further enhance this process and leverage quality assurance for adherence to established procedures. This includes industry tools such as evaluating “high bill analyzer” type tools that enable CSRs to more effectively break down and explain bill drivers to customers. These tools typically provide itemized views of usage changes (e.g., weather normalization, consumption vs. rate change impacts), appliance-level or category-level estimates, and comparisons to historical usage or similar customer profiles.

32) Staff recommends that Liberty fully resolve the issues associated with inaccuracy in the billing determinants and ensure that the systems Liberty utilizes do not require unnecessary manual intervention for corrections.

Response: Liberty agrees with this recommendation. Accurate billing determinants are essential to the development of just and reasonable rates and Liberty appreciates the opportunity to clarify the nature of the manual adjustments referenced by Staff.

The manual adjustments made during Case No. ER-2024-0261 were performed to make certain that billed usage and demand were reflected in the appropriate billing month, particularly where delayed bills, unbilled or rebilled accounts spanned multiple periods. These circumstances were more prevalent during the update period, which included six months of billing data from the new billing platform, and resulted in certain bills being issued later than the period in which the underlying service was provided. Adjusting for these timing differences was necessary to properly normalize billing determinants for weather and annualize for customer growth, consistent with standard ratemaking practices. Liberty provided updated billing data as additional information

became available to support Staff's analysis and make sure it was based on the most accurate and complete information available at the time.

Importantly, the volume of delayed bills has since been significantly reduced, and Liberty anticipates that this improvement will result in more stable and timely billing determinants in future rate proceedings. Liberty agrees with Staff's recommendation to continue improving system functionality and minimizing unnecessary manual intervention where feasible. Liberty remains committed to providing accurate, transparent, and well-supported billing determinants and continued collaboration with Staff to support efficient and reliable rate review processes.

33) Staff recommends that Empire Electric.

- a. Update Staff quarterly until the net-metering specific billing issues are resolved. Additionally, Staff recommends Empire Electric improve its customer-facing website materials.**

Response: Liberty accepts this recommendation and will provide Staff with quarterly updates on the status of net-metering billing issues until all matters are resolved. Liberty is actively reviewing processes, identifying root causes and implementing corrective actions to prevent recurrence.

With respect to the Company website, in accordance with the tariff Liberty's billing currently reflects the net charge (usage minus generation), which makes reflecting these separately on the website challenging. Liberty emphasizes that updating the Company website is a complex, detailed, costly and involved process that requires coordination across systems, vendors and Liberty personnel. As such, Liberty will advise Staff on timing and costs of any changes to the Liberty website as requested by Staff.

- b. Use actual AMI interval data for application of calculating bills with a time of day component to the maximum extent possible, whether that requires programing SAP to gather missing data (preferably), identifying and fixing potential issues with consistent data retrieval or retention, or truck rolls to obtain the missing data before it is deleted.**

Response: Liberty is committed to making certain that bills with a time-of-day component reflect accurate, verifiable usage data. As part of Recommendation No 1, Liberty also will incorporate a recommendation on how Liberty will estimate TOU customers when interval reads are missing and work to align with Staff.

- c. Establish billing system processes to identify the number of instances that missing_interval data spans across time periods with unique rate charges or credits and provide a report of such data to Staff on a monthly basis.**

Response: Liberty will assess the ability to identify the number of instances that are missing for interval data spans across time periods with unique rate charges or credits and identify the opportunities available to provide a report of such data to Staff. If such opportunities exist, Liberty will discuss the cadence for providing such report to Staff.

- d. Justify its practice of applying a threshold for delineating estimated bills and file a tariff case with the Commission by the second quarter of 2026 to align billing_practices with a Commission approved tariff process.**

Response: See Liberty responses to Recommendation Nos. 1 and 2 above. Liberty will provide a recommendation for updating the associated tariff for estimation logic governing estimated bills for Empire Electric, Empire Gas, Midstates Gas and Missouri Water. Liberty will then take the steps necessary to update the tariff and the internal system processes to align to one another.

- e. Include a marker on bills that include estimations across billing time period thresholds and file a report with the Commission and Staff on the level of revenue that gets estimated quarterly until Empire Electric's billing practices for estimation of interval data and designation of estimated bills align with Commission rules and Empire Electric's effective tariff.**

Response: Liberty is unable to determine whether this is feasible without further investigation and analysis. Liberty will evaluate the technical and operational considerations associated with

implementing such a marker and, if feasible, will assess the scope and cost for such implementation. Liberty will provide Staff with reports on that evaluation.

- f. Modify its system to recover actual usage data from missing intervals that span across time-of-use periods for all rate codes that utilize a time-based pricing structure.**

Response: Liberty's Advanced Metering Infrastructure (AMI) system currently utilizes an Automated Missed Reads functionality designed to retrieve missing interval data. This feature is configured to look back up to 30 days (720 hours) to recover data in instances where communication interruptions may have occurred. As Liberty explores its recommendation for estimation, Liberty will evaluate this recommendation.

While this functionality significantly improves data completeness, Liberty notes that recovery may not be successful in all instances due to potential meter communication issues that prevent data retrieval. In such cases, Liberty will continue to evaluate and apply supplemental processes to support accurate and reasonable billing outcomes.

34) Staff recommends Liberty make the following changes to its approach to stakeholder engagement and communication with customers:

- a. Liberty should engage in prompt, proactive and transparent communication with regulators and other stakeholders on issues with a customer impact as soon as the issue becomes known, including what the issue is, the customer impact, consistent updates on the investigation and resolution of the issue, and any outreach made to customers regarding the issue. When possible, this communication should occur prior to regulators receiving customer feedback.**

Response: Liberty agrees with this recommendation. The Company has taken steps to improve its proactive outreach to various stakeholders to support prompt, transparent, and consistent communications and is committed to sustained improvement and transparency. Many of these principles are now embedded in our existing approach, which has evolved greatly in the last year since welcoming Rod West, Noel Black, and Amy Walt to Liberty's leadership. Through our Government and Regulatory Affairs, Communications, Customer Care, and Operations teams,

Liberty maintains an ongoing, multichannel stakeholder engagement strategy that emphasizes early outreach, consistent dialogue, and responsiveness.

Liberty's goal is to engage in regular communications outside of formal proceedings. This includes advance briefings on major filings, infrastructure projects, policy developments, and emerging issues, as well as technical meetings and informational sessions designed to provide transparency and context before decisions are required and minimize surprises. In addition, Liberty participates in monthly meetings with Staff and OPC providing regular updates regarding issue management and billing metrics. If a significant issue occurs, Liberty strives to provide immediate, ongoing updates to various stakeholders.

Liberty is in regular communication with Staff, stakeholders, and elected officials at the federal, state, and local levels, including updates on the latest Company initiatives, requesting feedback, responding to constituent concerns, and providing timely updates during storms and emergencies. These efforts are designed to be timely, accessible, and tailored to the audience, with opportunities for two-way feedback. This approach is being integrated into other areas of the business and applied during storms, major events and projects, emergencies, and more.

Liberty similarly prioritizes direct engagement with customers, community leaders, and elected officials in our service territories. Outreach includes customer newsletters, targeted billing and project communications, public meetings and open houses, digital and social media updates, and in person community and stakeholder briefings for major projects. In addition to this proactive outreach, Liberty publishes information on our website to serve as both a repository and a resource for stakeholders. This includes information related to customer service or billing updates, storm and emergency communication, rate cases and regulatory filings, and major projects underway.

- b. Liberty should engage in prompt and proactive communication with affected customers on customer service issues visible from the customer’s perspective (e.g., changes to or discrepancies with billing, delays in billing, payment issues) as soon as the issue becomes known.**

Response: Liberty agrees with this recommendation and already has taken the steps noted above to improve communications with customers and to better serve customers. Currently, Liberty’s proactive outreach to customers related to billing issues includes letters, bill messages, website updates, and, when appropriate, direct customer contact by phone or email. Liberty is committed to ongoing improvement and continued transparency.

- c. Liberty should employ continuous evaluation of its communication strategy and effectiveness (both outreach and intake) with affected customers regarding ongoing issues (e.g., delayed billing) to identify opportunities for additional engagement and customer support after the initial notification.**

Response: Liberty supports and agrees with this recommendation and further notes that Liberty continuously evaluates improvements to customer communications and outreach. Liberty’s ongoing efforts to evaluate the effectiveness of customer communications include:

- Complaint tracking;
- Post-call surveys – provides immediate and direct feedback from customers that call the Contact Center;
- Customer satisfaction surveys – these surveys are sent to randomly selected customers and provide an overall view on progress in improving the customer experience across the key moments that matter to customers (billing, outage, collections, payments, start/stop service, new service). The survey asks questions to gain insights into how well Liberty is serving customers by phone, in person, or digital channels; and,
- Seeking feedback from elected officials to tailor Liberty’s proactive outreach to customers and stakeholders and responses to specific needs of customers as expressed to elected officials.

In addition, Liberty continuously evaluates the effectiveness of its communications through customer inquiries, stakeholder feedback, meeting participation, and adjusts messaging and outreach methods as appropriate. This evaluation is an ongoing process rather than a one-time

exercise, facilitating changes and improvements as customer needs, technology, and regulatory expectations evolve.

35) Staff recommends Liberty review all known cases with customer-facing repercussions where SAP has not been appropriately programmed for Liberty's processes. For instances where temporary (or inefficient) solutions were implemented, Liberty should design and implement permanent solutions.

Response: Liberty agrees with this recommendation and has undertaken substantial efforts to implement permanent solutions for customers within the SAP system as set forth above. Liberty will continue to identify issues, review root causes, refine processes, and implement permanent, sustainable solutions that improve day-to-day operations and customer outcomes.

As with any enterprise system that depends on human interaction (including data entry, customer interaction, field work), however, the potential for human error or field-level issues will always exist. Such manual errors or deviations are not indicative of flaws or design deficiencies in the SAP system but instead reflect the practical realities of operating complex electric, gas, sewer, and water utility systems that rely on human input and judgment. Accordingly, Liberty respectfully requests that the Commission and Staff recognize that manual workarounds and supplemental controls outside of the SAP system will always be necessary to identify, correct, and mitigate the impacts of these human and field errors.

CONCLUSION

Ultimately, the facts demonstrate that Liberty has responded to the issues identified by Staff with transparency and sustained corrective action, including comprehensive leadership changes, governance reforms, and measurable operational improvements. These efforts—combined with ongoing customer protections and continued engagement with Staff and other stakeholders—demonstrate that Liberty has fundamentally corrected course relating to the SAP

implementation and remains fully committed to working with Staff and other stakeholders to address these recommendations.

WHEREFORE, Liberty respectfully requests the Commission consider this response to comply with its *Order Granting Motion for Extension* and issue such further orders as it may find to be just and proper under the circumstances.

Respectfully submitted,

ATTORNEYS FOR THE EMPIRE DISTRICT
ELECTRIC COMPANY d/b/a LIBERTY, THE EMPIRE
DISTRICT GAS COMPANY, LIBERTY UTILITIES
(MIDSTATES NATURAL GAS) CORP., AND LIBERTY
UTILITIES (MISSOURI WATER) LLC

//S// Diana C. Carter

Diana C. Carter MBE #50527
602 S. Joplin Ave.
Joplin, Missouri 64801
Joplin Office Phone: (417) 626-5976
Cell Phone: (573) 289-1961
E-Mails: Diana.Carter@LibertyUtilities.com

Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND, P.C.
312 East Capital Avenue
P.O. Box 456
Jefferson City, Missouri 65702
Phone: (573) 635-7166
E-Mail: dcooper@brydonlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 8th day of May 2026, with notification of the same being sent to all counsel of record, and I further certify that the above document was sent by electronic transmission to all counsel of record.

//S// Diana C. Carter