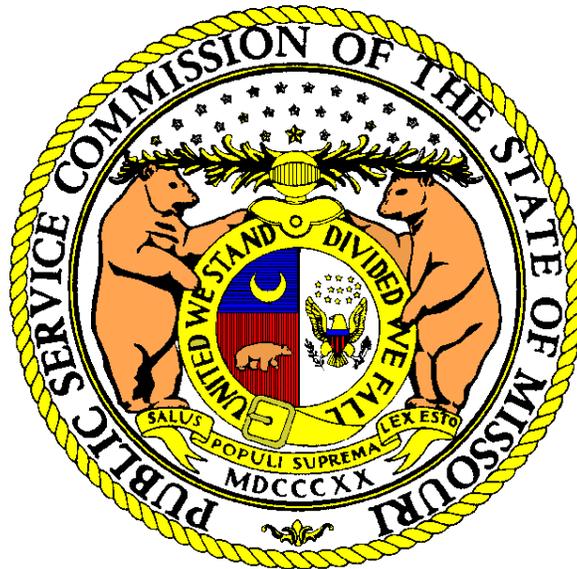


MISSOURI PUBLIC SERVICE COMMISSION

STAFF INVESTIGATION REPORT

**Liberty Utilities (Including)
The Empire District Gas Company
The Empire District Electric Company
Liberty (MO Water)
Liberty (Midstates Natural Gas)**

CASE NO. OO-2025-0233



PREPARED BY

THE MISSOURI PUBLIC SERVICE COMMISSION STAFF

*Jefferson City, Missouri
March 6, 2026*

**** Denotes Confidential Information ****

**TABLE OF CONTENTS OF
STAFF INVESTIGATION REPORT**

Liberty Utilities

CASE NO. OO-2025-0233

Executive Summary	1
Introduction and Background	3
Procedural History	4
Scope.....	5
Sources of the Investigation.....	6
Limitations	7
Management Failures.....	7
Other States Impacted.....	9
Stakeholder Engagement and Transparency.....	10
Informal Complaints	13
Failure to Properly Execute the Transition.....	15
Billing Issues.....	16
Untimely Bills.....	18
Multiple Bills	21
Billing Accuracy	22
Customer Accounts Without Meters.....	26
26-35 Day Billing Period.....	28
Customer Charges Issues	29
Estimated Reads on Initial/Final Bills	33
Demand Charges - Proration.....	34
Demand Charges - TOU Issue and Minimum Demand.....	35
Sales Taxes and Franchise Fees.....	36
Incorrect Pricing - Franchise Fees	38
Summer/Winter Rates.....	38
Turn On Fees.....	39

Late Fees	40
Billing Due Date	40
Budget Billing.....	42
Bills Without Remittance Information.....	44
RD Securitization – Classic Charge.....	45
MO Water Rate Change.....	46
Missing Rate Classes	47
Water Usage Graphs	47
Unexplained High Bills.....	48
Billing Determinants	49
Use of Estimated Interval Reads for Billing.....	50
Background.....	50
Estimation Process	52
Liberty’s Missouri Call and Contact Centers.....	55
Significance of Call Centers	55
Call Center Locations	56
Quality Assurance.....	56
Walk-in Locations.....	57
Outage Management Team.....	57
Call Routing	58
IVR.....	58
Phone System.....	58
Call and Contact Centers Concerns	59
Staffing.....	59
CP360.....	62
Billing Related Explanations	62
Disconnection Explanations.....	63
Escalations	63
Notification of Customer’s Right to File Complaint with the Commission	66
Account Notes.....	68
Quality Assurance.....	70

Specialized Representatives.....	71
In-person Presence	72
Self-Service Options	73
My Account Website	73
My Account Mobile App.....	75
IVR Issues.....	76
Payment Agreements	77
Additional Communication Shortfalls	79
Transaction Fee Free Program.....	79
Disconnection Notices	80
Rights and Responsibilities Brochure.....	81
Third Consecutive Estimate Letter	82
Payment Issues.....	84
General Payment Difficulties.....	84
Missing Payments	85
Autopay.....	85
Preferred Payment Dates.....	86
Net Metering	88
Background.....	88
Summary of Net Metering Issues, Findings and Conclusions.....	89
Recommendations for Net-metering Issues	90
Operational Concerns - Meters	91
Field Technician Training and Improper Meter Set-up	91
Failure to Install/Remove Meters in a Timely Manner.....	96
Electric Meter Shop Visit.....	102
Failure to Properly Address Issues	103
Collective Accounts	105
Sales Tax and Franchise Fees	107
Going Forward.....	109
Current Status of Liberty	109
Recent Changes.....	109

Ongoing Data Trust Issues..... 110
Ongoing Operational and Compliance Concerns 112
Ongoing Billing and Customer Service Issues 113
Conclusions and Recommendations 115

Attachment 1 - Liberty's Customer Experience Update Meeting

Attachment 2 - Interim Update

Attachment 3 - Report Regarding Customer First Implementation

STAFF INVESTIGATION REPORT

Liberty Utilities

CASE NO. OO-2025-0233

Executive Summary

This report sets out the findings of Staff's Investigation into the billing and customer service practices of Liberty Utilities in Missouri ("Liberty"). The investigation focused on Liberty's compliance with Commission rules and Commission approved tariffs, billing accuracy and timeliness, and complaint handling. The review covered the period from October 2023 through January 2026 with primary focus on the period after the April 8, 2024, Customer First ("C1") conversion.

Liberty replaced a series of business operation systems as part of an enterprise-wide solution called C1. C1 consolidated multiple information systems into a single, integrated platform built on a software called SAP. This SAP-based platform supports business functions including billing, customer service, finance and operations.¹ After the deployment of SAP, which was completed on April 8, 2024,² Liberty found it difficult to perform basic customer service and billing functions for its customers. Additionally, Liberty has struggled to comply with Commission rules and its Commission approved tariffs that are designed to protect its customers, as well as the utility.

With any billing system conversion, the new system must incorporate the basic requirements of a company and its customers to ensure limited interruption. At a very high level, for its Missouri customers, Liberty's new system was required to account for:

- Four commodities (electric, water, gas and sewer),
- Various billing offerings to its customers, such as multiple commodities on one billing statement, preferred due dates and time of use options, to name a few,
- Various meters used to measure commodity usage such as Advanced Metering Infrastructure ("AMI") and analog meters, and
- State regulations, including but not limited to the billing requirements found in 20 CSR 4240-13 and Commission approved Company tariffs.

¹ Rebuttal Testimony of Amy M. Walt, ER-2024-0261, page 6.

² Deployment completed October 4, 2023, for MNG legacy system, Cogsdale (billing system) and April 8, 2024, for Empire Electric, Empire Gas and MO Water's legacy system, Customer Watch (billing system).

Liberty failed to implement these basic requirements into the new billing system prior to the C1 launch. This resulted in Liberty's inability to provide adequate billing services for many of its Missouri customers, including sending customers' monthly bills and billing accurately in accordance with 20 CSR 4240-13 and approved tariffs.

To make SAP functional for billing customers in the first year after the C1 transition, a large amount of manual work was required. SAP is programmed to flag accounts during various stages of the billing process when it finds an entry that violates predefined parameters of normalcy. This process produces what are called "exceptions."

Exceptions require manual review by Liberty's billing team before the billing process or work order can resume. The sheer volume of billing exceptions SAP generated after its deployment made it impossible for the billing team to review them all in a timely manner and this did not return to a manageable level until March 2025. The backlog caused many additional billing issues in the first year of SAP, such as customers not receiving a bill for months, while Liberty worked through the exceptions. When the exceptions were finally resolved, the fix caused more issues such as customers receiving multiple bills with different amounts.

In addition to the delays and other billing concerns caused by the exceptions, other billing issues arose as a result of the C1 implementation that were not resolved when the exception volume was brought to a manageable level. These issues include, but are not limited to, violations of Commission Rule 20 CSR 4240-13 regulations as well as Commission approved Company tariffs and bill presentation issues.

In addition to the billing system, C1 also changed how Liberty personnel communicated internally, and because Liberty was not conducting appropriate self-surveillance of operational performance, significant issues were not prevented. Other issues this investigation exposed include inadequate customer service support, failure to install meters in a timely manner, inefficient self-service options, communication breakdowns, inaccurate premise records for appropriate application of taxes and fees, continued lack of documentation on customer accounts and deficient escalation processes for customers.

SAP was touted to replace, "...legacy systems and business practices that were outdated, generally obsolete, lack support and require substantial manual work arounds."³ Instead, almost two years later, SAP requires much more support and substantially more work arounds than Liberty's legacy systems.

Introduction and Background

Liberty Utilities ("LUCo") is a wholly owned subsidiary of Algonquin Power and Utilities Corporation ("APUC") which offers regulated wastewater, water, natural gas and electric utility services to more than 1.2 million customer connections.⁴ LUCo is divided into the East, Central and West Regions, with its Missouri utilities located in the Central Region, and are referred to collectively as "Liberty" in this report. Liberty provides water, wastewater, gas and electric services in several counties across Missouri. The Liberty utilities that are the subject of this investigation are:

- The Empire District Electric Company, d/b/a Liberty (Empire), referred to as ("Empire Electric") (Approximately 166,770 Missouri customers)
- The Empire District Gas Company, d/b/a Liberty (Empire), referred to as ("Empire Gas")(Approximately 43,590 Missouri customers)
- Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty, referred to as ("MNG") (Approximately 56,030 Missouri total Gas customers)
- Liberty Utilities (Missouri Water) LLC, d/b/a Liberty, referred to as ("MO Water") (Approximately 12,749 Missouri customers)⁵
- The combined Missouri operations is referred to as ("Liberty")

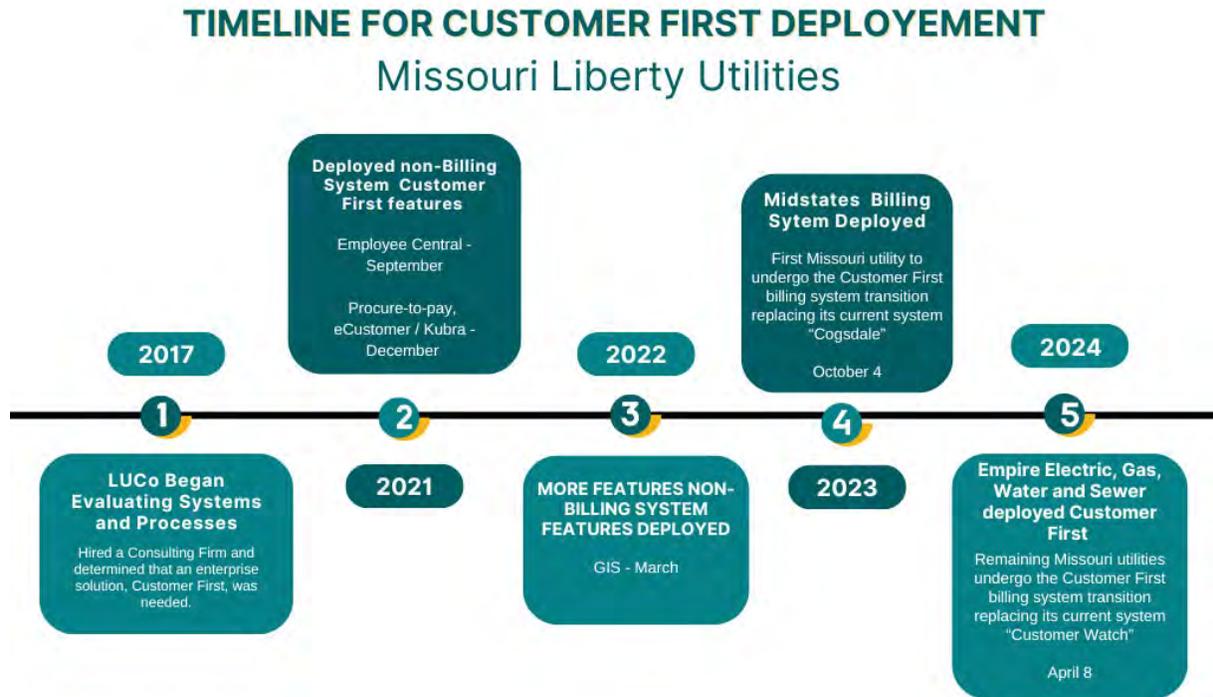
APUC decided to replace the legacy systems of all its LUCo utilities with an enterprise-wide solution called Customer First ("C1") which primarily consisted of new employee services, payment processing, GIS and procurement, and a billing system. For its new billing system, APUC chose the SAP billing system to replace its many legacy billing systems, including those systems serving Missouri customers for MNG, called Cogsdale, and for Empire Electric, MO Water and Empire Gas, called Customer Watch. APUC chose IBM to implement and maintain

³ ER-2024-0261, Direct Testimony of Colin Penny, page 3, line 7-8.

⁴ Operations in North America, Bermuda, and Chile.

⁵ Customer numbers from Missouri PSC Public Service Commission 2025 Annual Report.

the new system. LUCo completed the system conversion for MNG in October 2023 and completed it for the rest of its Missouri utilities in April 2024.



After C1 was deployed, Liberty’s customers began voicing concerns through the Commission’s Utility Consumer Hotline about receiving high bills, receiving deposit requests for deposits that were already satisfied, inaccurate bills, no bills and/or not getting resolutions from Liberty for the issues they were experiencing. The Commission’s Consumer Services Department (“CSD”) reached out to Staff in late June 2024, concerning an increase in issues. Staff met with Liberty concerning what steps Liberty was taking to resolve customer issues, but the customer complaints did not subside. After persistent customer complaints were voiced to the Commission, legislators, and city officials, the Commission opened an investigation.

Procedural History

On February 27, 2025, the Commission issued an *Order Opening an Investigation* noting that recently the Commission had numerous inquiries, complaints, comments, and testimony about issues with Liberty's billing and customer service. The Commission ordered that

“Staff (the Staff of the Missouri Public Service Commission) shall conduct an investigation of Liberty Utilities’ electric, gas and water customer service and billing practices and file a report of its investigation when it has completed the investigation.” The Commission added that Staff shall file status reports every three months beginning on April 30, 2025, informing the Commission of the status of its investigation and stating when it expects to file its final investigation report.

Staff filed its Status Reports updating the Commission on its investigation on April 30, July 30, September 18, December 29, 2025, and February 27, 2026. The following is Staff’s Investigation Report into the billing and customer service practices of Liberty’s operations in the state of Missouri, including its findings and Recommendations.

Scope

The scope⁶ of this investigation included a review of Liberty’s customer service operations, billing processes, and all operations and processes that are required to successfully provide adequate customer service for its Missouri customers. Specifically, the investigation focused on:

- The accuracy and consistency of customer billing statements;
- The adherence to Commission rules and Liberty’s Commission-approved tariffs;
- The installation, set-up and removal of meters;
- The Call center response to customer questions and complaints;
- The management decisions and communication concerning customer service and billing practices before and after the launch of C1; and
- The application of correct fees, taxes and surcharges.

As mentioned above, the review covered the period from October 2023 through January 2026 with primary focus on the period after the April 8, 2024, C1 conversion. Activities outside this period were reviewed and referenced when necessary to provide context.

⁶ Several items fell outside the direct scope of this report but still had customer impacts or may have unknown customer impacts. The effects of the IBM contract and its execution were reviewed only as they relate to customer service and billing; however, the contract itself and related testing were not evaluated. Additionally, infrastructure inspections were not included in the scope of this report. See also Claire M. Eubanks’ Rebuttal testimony in ER-2024-0261.

Sources of the Investigation

To complete its investigation, Staff utilized the following methods and sources:

- Staff reviewed case filings, testimony and data requests (“DRs”) in previous and current cases before the Commission.⁷
- Staff reviewed all the public comments from this investigation as well as the cases mentioned above.
- In addition to reviewing DRs in the cases mentioned above, Staff requested and reviewed hundreds of DRs in this investigatory case and continues to seek information and clarification at the time of this report.
- Staff, The Office of the Public Counsel (“OPC”) and Liberty held Town Hall meetings with customers that occurred from June 10, 2025, through June 12, 2025, at Aurora, Branson, Ozark and Joplin, Missouri. In addition to attending these meetings, Staff reviewed the transcripts from the Town Halls as part of its investigation.⁸
- Staff attended and reviewed other public meetings concerning billing and customer service issues in Bolivar and Joplin.⁹
- Staff requested and reviewed over 500 phone calls from Liberty in which customers contacted the contact center after the C1 conversion.¹⁰
- As follow-up to the Town Hall meetings, Staff requested and reviewed phone calls. Staff reached out to some customers who appeared to have unresolved issues.¹¹

⁷ These case types included rate cases (GR-2024-0106, WR-2024-0104, ER-2024-0261), variance cases (EE-2024-0232, GE-2024-0201, GE-2024-0046, WE-2024-0202, EE-2026-0065, GE-2026-0066, WE-2026-0067) investigatory case (WO-2022-0253), informal and formal complaint cases.

⁸ Transcripts filed in this case. These Town Halls were held to allow customers a chance to voice their concerns about billing and customer service. Hundreds of customers voiced their concerns as well as some legislators attended to hear from their constituents.

⁹ Two public meetings occurred in Bolivar sponsored by the City Counsel in October 2024 and in April 2025. Staff attended both in which many residents voiced their concerns. One meeting was held for Senator Jill Carter in March of 2025 in which the purpose of the meeting was to talk about energy needs in state of Missouri, the meeting resulted in many customers voicing concerns over Liberty’s billing and customer service issues.

¹⁰ Most of the phone calls requested were selected based on customers that provided testimony at one of the Town Hall meetings, filed an informal complaint or submitted a public comment. Additionally, Staff requested and reviewed approximately 25 escalated calls made to the call center. The escalated calls included calls in which the initial intake representative could not provide resolution and had to transfer the customer either to another senior level or supervisor or request a return call for the customer. Finally, Staff requested and reviewed 10 calls from Empire Electric’s solar customers.

¹¹ Staff verified the customers knew how to reach the Commission Staff and file a complaint if necessary and ensured the information provided was accurate.

- Staff made several site visits to interview Liberty employees concerning previous and current practices pre- and post-C1. Staff observed Liberty employees in the electric meter shop, call center, billing center and credit and collections.
- As common with several of the large, regulated Missouri utilities, Staff regularly meets with Liberty on a quarterly basis, as per Commission order in EM-2016-0213. Staff reviewed past quarterly meeting notes and presentations.
- Additionally, beginning February 2025, Staff initiated monthly meetings with Liberty and OPC to discuss the persistent and prolonged issues. Liberty discussed and delivered presentations concerning changes, progress, issues and next steps during each meeting. Staff has reviewed these presentations as part of this investigation.
- Staff reviewed all the informal complaints that involved billing and customer service issues. This included account notes and activity, billing statements, and recorded calls between Liberty and the customer.
- During the investigation, Staff reviewed thousands of customer billing statements.
- LUCo's Missouri utilities were the last to migrate their billing systems to C1. Some of the states ahead of Missouri experienced many of the same issues Missouri customers experienced. Staff and OPC met with Gary Cronin from the New Hampshire Department of Energy ("DOE") on May 15, 2025, to discuss what occurred in New Hampshire and what Missouri customers and Staff should expect regarding C1 issues.

Limitations

Through the course of its investigation, Staff encountered the following limitations in its ability to obtain and review information from Liberty:

- Data reliability, mainly due to untracked changes in methodology and inconsistent data pulls
- Continual personnel changes in key areas, such as decision-making positions for the C1 implementation
- Lack of direct access to customer self-serve options

Management Failures

This report highlights how the void of consistent, effective and efficient leadership affected the organization's culture and the organization's ability to recover from SAP related issues in a

timely manner. Reasonable minds can agree that transferring a legacy system(s) to a new platform is a challenging endeavor for any organization. Developing a framework for successful implementation includes distinct project goals, realistic timelines and appropriate resource distribution.

Despite Liberty's efforts to deploy best practices in its planning and execution of C1, Staff's investigation into Liberty's customer service and billing practices discovered persistent mismanagement from the project management phase to system implementation to post-deployment. It is evident by the breadth of operational, billing, and customer service issues detailed further in this report that leadership and business teams did not consistently prioritize sound decision-making policies. For example, Liberty's leadership knowingly placed into service a system that did not align with all of Empire Electric's business operations, including, however not limited to, calculation procedures for Budget Billing (Average Payment Plan), estimated billing procedures, collective/joint billing¹² and call center processes.

Inefficiencies and unsustainable workarounds associated with C1 affected not only captive customers, but also regulators, state and local government officials and Liberty employees. Resources were pulled from other LUCo regions to support several of the Missouri utilities' operations. For example, billing agents from another region helped process a backlog of billing exceptions. Employees worked significant overtime, manually reviewing bills that should have been processed timely and accurately with the new billing system. Due to customer complaints and comments, the Commission was compelled to order this investigation which ran parallel to Empire Electric's rate Case No. ER-2024-0261, creating duplicative but necessary work. Commission Staff has received incomplete and unreliable data for billing determinants in rate cases.¹³ Although Missouri legislators could have been addressing proposed legislation and issues facing their constituents, those legislators instead spent time fielding inquiries from frustrated Liberty customers. The aforementioned are just a few examples of how Liberty's management

¹² Liberty's response to Staff DR No. 0020.0 includes a spreadsheet entitled Empire Issues.xlsx. Liberty personnel identified various issues and concerns regarding the SAP system often mentioning the need for the system to satisfy regulatory requirements. The issues described in the spreadsheet highlight employee attempts to inform Liberty leadership and the Customer First team about significant SAP related issues prior to the go-live date.

¹³ Email dated Friday, August 25, 2023, from then Deputy Counsel Nicole Mers to Staff management advising that Liberty counsel stated that Customer First will significantly hamper Liberty's ability to answer DRs, pull information/numbers for several current and future cases.

failures impacted its stakeholders and customers; these and additional failures are further highlighted in this report.

Other States Impacted

Prior to Liberty's rollout in Missouri, it implemented C1 in other states. While some were able to handle the rollout without major issues, others have had similar issues as Missouri.

In New Hampshire, Liberty ("Liberty NH") implemented C1 on October 1, 2022. Staff spoke with a representative from the New Hampshire DOE in May of 2025 to learn more about the issues experienced there. There were many parallels to the issues experienced in Missouri. There were problems with consolidated accounts. For example, one of the area hospitals had so many inaccurate bills that it asked Liberty NH to stop consolidating its bills and to send them separately. There were also problems with customers not receiving bills, meters not registering, online portal access, auto-pay and payment issues including mailed in payments not posting and fees being charged via autopay that should not have been charged. New Hampshire DOE found that Liberty NH had several processes that were required to be handled manually and had concerns about a lack of communication with customers as well as with stakeholders. As of the date that Missouri Public Service Commission ("PSC") Staff spoke with the New Hampshire DOE representative, they were still having issues with receiving timely and accurate responses from Liberty NH about issues, attributing some of that to high turnover and frequent reorganizations within the company. However, about two years after the rollout, calls and complaints began to decrease.¹⁴

Arkansas is another state that has seen issues with Liberty's ("Liberty AR") conversion to SAP. In March of 2025, the Arkansas Attorney General launched an investigation into Liberty AR's billing including customer complaints regarding erratic bills, large bills, missing bills and issues with customer service. As of December 2025, Staff has not seen an update to this investigation.

¹⁴ In its case before the New Hampshire Public Utilities Commission, Case No. DE 23-039, Liberty Utilities agreed to an IT audit to be conducted at shareholder expense. Missouri Staff found that a Request for Proposal ("RFP") was issued by the New Hampshire Department of Energy on April 28, 2025, with a due date of June 19, 2025. The audit requests proposals from qualified firms to provide an IT audit of Liberty Utilities involving the effectiveness of Liberty Utilities' efforts to install, integrate, implement and manage its conversion to the SAP operating system. It anticipates a contract start date of September 2025 and the contract will be for two years with an option to extend an additional one year. Missouri Staff did not find an active contract for the audit as of December 2025.

Stakeholder Engagement and Transparency

Stakeholder engagement is a key component to achieving positive outcomes when developing and deploying a new software system. Staff is of the opinion that Liberty's pre-transition communication with stakeholders was in line with what Staff has experienced with other utilities transitioning to a new billing system. Leading up to deployment, Liberty also met with community partners and implemented a multi-channel approach to communicate upcoming changes to its customers which included targeted messaging, digital ads, letters, bill messages/inserts, and web-site messaging.

During program development, Liberty occasionally shared C1 related updates with Commission Staff. Progress updates were provided during periodic customer service and billing meetings. These meetings were initially conducted in accordance with the Stipulation and Agreement in the merger case, Case No. EM-2016-0213,¹⁵ and typically held twice a year. The periodic meeting cadence changed to quarterly. The C1 project was also discussed in meetings outside customer service-related meetings. For instance, during a presentation to stakeholders on November 9, 2020, the C1 project was referenced and described by Empire Electric as:

Customer Centricity and Transformation, Our commitment to the communities we serve will be delivered through Customer First, a transformation program that puts our customers first in all that we do –ensuring they have sustainable energy and water paired with an effortless customer experience.¹⁶

C1 project updates from Liberty to Staff became more detailed in 2023 as Liberty approached the go-live date for MNG and the other Missouri utilities. A meeting on March 2, 2023, included a presentation (Attachment 1)¹⁷ from Liberty explaining the purpose of C1 and the business decision behind implementing the C1 project.

Another key meeting that occurred prior to go-live was on Monday, January 22, 2024. Liberty requested this meeting to discuss the conversion plan for the remaining Missouri utilities and to

¹⁵ Case No. EM-2016-0213, *In the Matter of The Empire District Electric Company, Liberty Utilities (Central) Co. And Liberty Sub Corp. Concerning an Agreement and Plan of Merger and Certain Related Transactions*, Stipulation and Agreement filed August 4, 2016, EFIS item #78.

¹⁶ The Empire District Electric Company, Missouri Stakeholders Presentations, November 9, 2020, page 22.

¹⁷ Attachment 1, Liberty's Customer Experience Update Meeting with PSC Customer Experience Department, March 2, 2023.

discuss Liberty's anticipated challenges associated with the scheduled transition to SAP. It was at this meeting that Staff began to vocalize its concerns with Liberty's scheduled transition plan, particularly given the customer service and billing issues associated with Liberty's (MNG) conversion on October 4, 2023. Staff recalls Liberty representatives' assurance that lessons were learned during the MNG release and that those issues were resolved or mitigation efforts were underway to prevent the same issues from reoccurring.

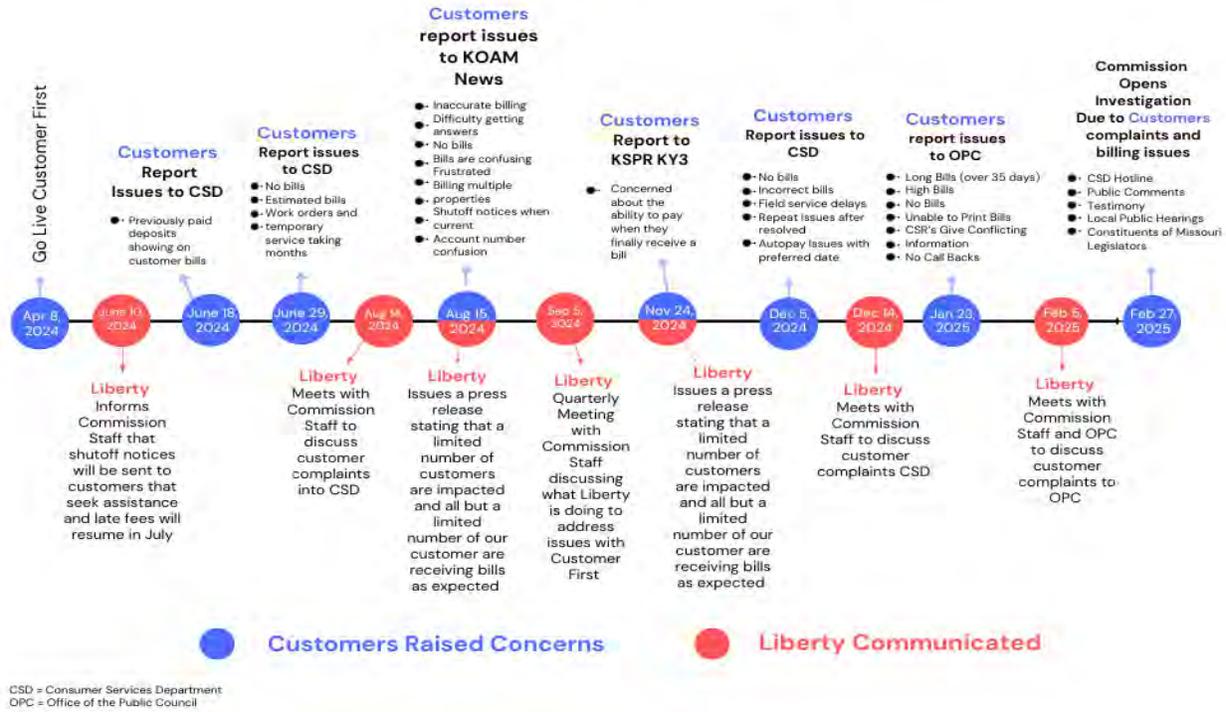
Stakeholder engagement post implementation is just as important as pre-conversion engagement. As previously mentioned, Staff is accustomed to utility companies adopting new major software systems and sharing plans and policy development with Staff. After any large deployment a certain level of hiccups, inadequate change management and integration issues are expected.

As detailed in this Staff Report, after the October 4, 2023, and April 8, 2024, conversions, Liberty experienced a series of expected and unexpected system and process issues. Although Liberty attempted to keep Staff abreast of some issues, Staff is of the opinion that Liberty failed to disclose the severity of the issues. This report describes situations where Liberty assured Staff and customers that root cause analyses were conducted and issues were resolved. Unfortunately, this was not the case.

As service quality issues continued to compound, Liberty customers resorted to outside help from the media, local and state government officials, OPC and the Commission. The following timeline demonstrates how informal complaints filed with the Commission were the catalyst for increased engagement and transparency between Liberty, Staff and the public.

continued on next page

Customer Complaints Initiated Communications



Despite clear indications of the severity of the situation from public feedback and stakeholder involvement, Liberty continued to downplay the billing issues to customers and to the Commission well into 2025. During each of the June 2025 Town Halls in this case, Liberty presented to customers the statistic that approximately 10% of its customers in Missouri had experienced billing issues. Liberty repeated that statistic as late as August 18, 2025, in its rebuttal testimony in Case No. ER-2024-0261.¹⁸ Staff does not believe that this statistic is accurate.¹⁹

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

- 1) 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

¹⁸ ER-2024-0261, Rebuttal Testimony of John J. Reed, page 16.

¹⁹ For a detailed analysis of the assertion see ER-2024-0261, Surrebuttal Testimony of Charles Tyrone Thomason, page 4, line 11 to page 7, line 17.

the issue. When possible, this communication should occur prior to regulators receiving customer feedback.

- 2) 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.
- 3) 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.

Informal Complaints

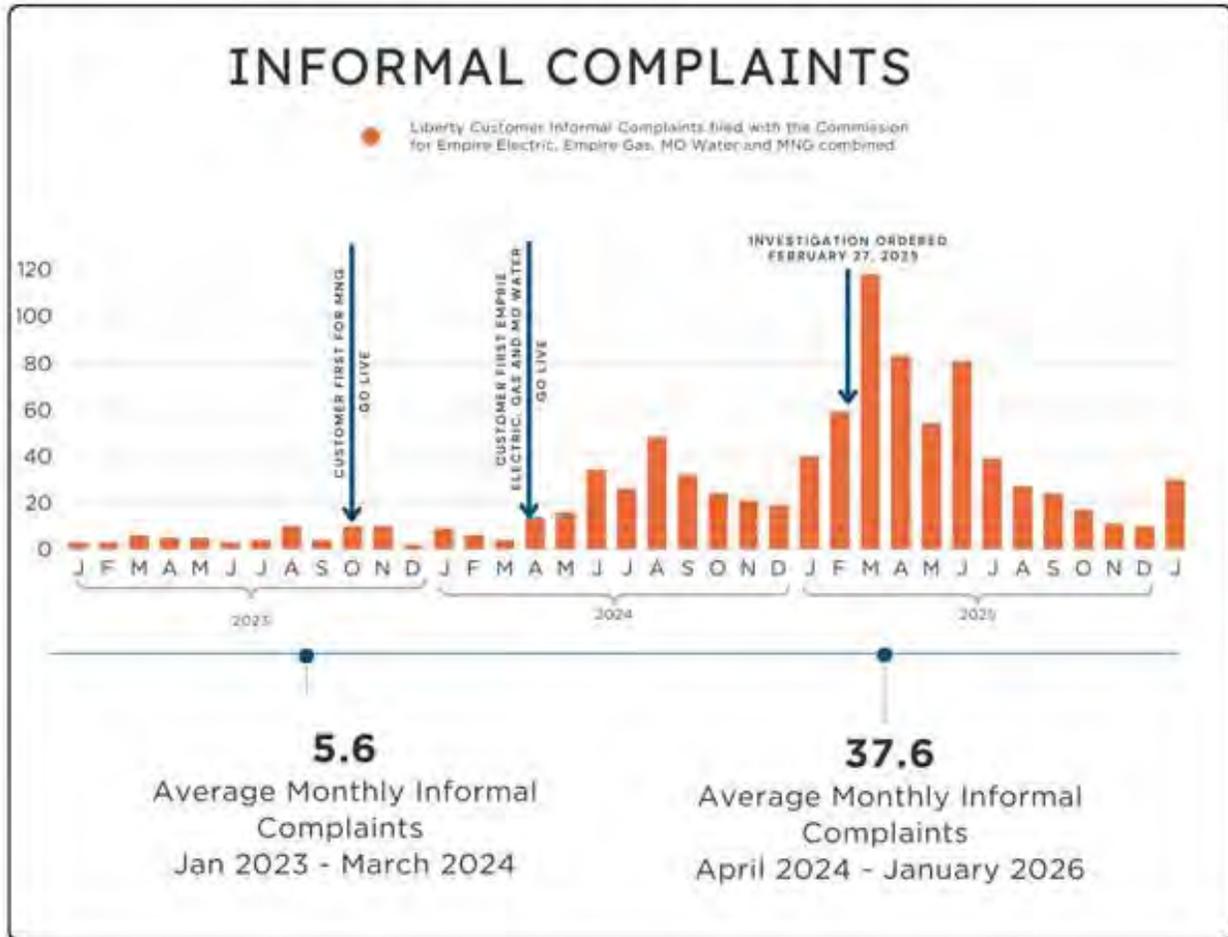
CSD handles the intake of all informal complaints for the PSC and, unless the complaint is technical in nature, investigates each one of them. If there is an increase in or a pattern of complaints, CSD will reach out to the utility for an explanation. If the issue is big enough or persistent, CSD will reach out to include Staff in meetings with a utility.

CSD started reaching out to Staff in June 2024 concerning complaints from customers stating that although they had already fully paid their deposits, after the SAP conversion the deposit amounts were shown as unpaid in the new system. Although this should not have happened, this is something that might fall into the category of typical issues that occur in a billing conversion when data is transferred over to a new system.

In July 2024, CSD reached out to Liberty and Staff for an urgent meeting to discuss an increase in issues because of C1. These issues included but were not limited to:

- Customers were not receiving bills for months and Customer Service Representatives (“CSR”) advising those customers that they do not know why bills were not being sent or when bills would be sent;
- Increase in estimated bills for mainly water customers;
- Delays in work orders, including months of waiting to get temporary service, permanent service, and other various work orders; and
- Tax issues, in response to a continuous stream of complaints and the appearance that Liberty did not have a solution.

Prior to the conversion to SAP, for all of Liberty, the average number of informal complaints for Liberty was 5.6 per month. After the SAP conversion, the average number of informal complaints increased by over 525% to 37.6 per month. The highest number of informal complaints was 118 in March of 2025, the month after the Commission opened this investigation. The chart below shows the informal complaints filed with the Commission concerning Liberty from January 2023 through January 2026.



This chart shows the direct impact on customers due to the SAP conversion. In the last three months, the average number of informal complaints has been 17 per month, which is still over a 200% increase in complaints compared to complaints filed prior to SAP. The number of informal complaints categorized under “Billing issues” increased from a little over 50% of the total complaints prior to SAP to account to over 80% of the complaints.

Failure to Properly Execute the Transition

When Liberty transitioned to C1, it did not implement a new system onto new utilities. It grafted the new system onto a preexisting environment of people, processes, tariffs and regulations. As such, those preexisting conditions should have been known and accounted for prior to implementation. Based on that knowledge, plans should have been developed and executed to facilitate the seamless continuation of all obligations and the mitigation of any impacts from transitioning to the new system. However, Staff's investigation has found a plethora of cases where this process was either poorly executed or appears not to have occurred at all. Liberty's approach since April 2024 has been to find and attempt to resolve the resulting issues after those issues have impacted customers, sometimes on a case-by-case basis and often over a period of months. These cases are listed below and explained in further detail later in this report.

- Collective accounts
- Joint accounts
- Meter set and meter replacement process
- Sales taxes and franchise fees
- AMI meters
- Third consecutive estimate letter
- New customer booklet
- Preferred Payment Date Plan
- Budget Billing
- Estimated billing
- Seasonal Rates
- Miscellaneous Fees
- Demand Charges
- Missing rate schedules in SAP

Missouri was the last of the Liberty companies nationwide to implement C1. All C1 conversions implemented by regulated LUCo utilities, including those in Missouri, were managed and overseen by a Transformation Team, led by a Vice President of Transformation, and guided by an executive

Steering Committee which met monthly to review, manage, and oversee C1 projects in each state.²⁰ In Missouri, the conversions of MO Water, Empire Electric, and Empire Gas were preceded by the MNG conversion. Although Staff acknowledges that each transformation has its unique elements, it appears lessons that should have been learned from prior conversions were not always appropriately accounted for. For example, Liberty NH had C1 issues with what are called “consolidated accounts,” which sound conceptually similar to collective accounts, and at a minimum represent a complex billing scenario that should have prompted further action to prevent the issues Liberty has encountered with collective billing post-implementation. Liberty also indicated to Staff prior to the April 2024 C1 transition that it was aware of issues with sales tax calculations as a result of the MNG conversion, but apparently did not take the necessary steps to resolve the issue prior to transitioning the other Missouri companies.²¹ Failures in foresight, management, and mitigation are recurring themes of Liberty’s C1 implementation found throughout this report.

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.

Billing Issues

The rendition of a bill is the most common and essential form of communication between a utility and its customer. As such, providing bills that are both accurate and timely is an integral part of the customer experience that cannot be compensated for elsewhere. Issues with billing accuracy and billing timeliness, especially if they become chronic, undermine customer satisfaction and can cause customers to question other aspects of the utility’s operations and management.

Following the C1 conversion, Liberty has experienced billing issues that are substantial in both the number of customers impacted and the variety of issues presented. Many of the issues fall under the general categories of billing timeliness, billing accuracy, and bill presentation. Some issues were directly caused by C1, while other issues may stem from process issues that were

²⁰ OO-2025-0233, Liberty response to Staff DR No. 0022.

²¹ WE-2024-0202, Liberty response to Staff DR Nos. 0005 and 0006.

created or exacerbated by the C1 implementation. Liberty has identified several categories that have presented billing difficulties, including collective accounts,²² joint billing accounts,²³ zero-consumption bills, and Advanced Metering Infrastructure (“AMI”) meters. Across all companies, Liberty currently has 11,628 collective accounts and 15,769 joint billing accounts.²⁴ It is also fully deployed with AMI meters for its Empire Electric customers.²⁵ Although Staff has observed that many of the issues described in this section impact customers in these groups, not all of the customers impacted by the billing issues fall under one of those categories.

Staff has put significant effort into reviewing customer bills, public comments, and customer complaints over the course of its investigation in order to determine the nature of the billing issues. The diversity of issues, and the haphazard manner by which those issues have been discovered over time, defies clear categorization or easy prediction. Therefore, Staff cannot state with confidence that all billing issues experienced by Liberty customers since April 2024 are known, to either Staff or Liberty, or addressed in this report.

As a general recommendation, Staff suggests 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. Staff also recommends Liberty take steps to prevent all recurring rule and tariff violations that have been noted in this report.

Regarding Customer Impact Counts - (All Missouri Utilities)

During testimony in Case No. ER-2024-0261, Staff made several observations regarding the unreliability of the billing data provided by Liberty.²⁶ Staff’s cited concerns included inconsistent data provided in response to the same questions, unexplained changes in data over time, data that did not appear to be accurate based on known variables, instances where data was not measured in a way to capture the impact of an issue, changes in definitions over time, and differences between what was relayed to Staff in meetings compared to responses received via DR. Staff’s concerns surrounding these issues persist in the present investigation. Over the course of this investigation, Liberty has revised previously submitted data for many of the topics covered below, both to correct

²² Collective accounts are accounts that have multiple meters at different addresses on the same bill.

²³ Joint billing accounts are accounts that have multiple meters at the same address on the same bill.

²⁴ OO-2025-0233, Liberty response to Staff DR Nos. 0169 and 0170.

²⁵ Liberty’s other Missouri utilities are at various stages of deployment.

²⁶ See ER-2024-0261, Direct Testimony of Charles Tyrone Thomason.

inaccurate data and to introduce new methodologies of measuring the requested statistic. These revisions have occurred as recently as Liberty's February 19, 2026, DR responses to Staff which revised data going back to April 2024. As Staff noted during the ER-2024-0261 case, it is difficult to trust data that is constantly shifting.

Untimely Bills

One of the issues Liberty has faced since the implementation of C1 has been the ability to generate and mail bills to customers on or near their targeted bill date. The majority of untimely bills have been caused by billing exceptions, which are generated by SAP during automated checks for billing accuracy. If the commodity usage, the charges for usage, or the final bill exceeds the various tolerance thresholds at any stage, the bill is kicked out of the system as an exception, pending manual review. Until the bill is reviewed and the exception is cleared, the customer does not receive that bill or any subsequent bills.²⁷

Starting in April 2024, SAP began generating a large number of exceptions, all of which required manual review before the bill could be invoiced to the customer. Liberty's Billing Department was unable to handle the exceptions at a pace that permitted bills to be invoiced to customers in a timely manner, which created a backlog that grew over time. In many cases, the resulting delay in the customer receiving a bill was for one or several months. The resolution of one delayed bill also does not preclude the customer from being further impacted by delayed billing in the future. Delayed billing impacted all Missouri Liberty utilities but was particularly acute for MO Water and Empire Electric.²⁸

According to Liberty, the root cause of the high volume of exceptions was the narrow criteria set in SAP for what constituted a "normal" bill based on historical usage. Thus, even a small deviation from past usage or charges could prompt a billing exception. Over time, Liberty made changes in SAP to reduce the tolerance thresholds for billing exceptions, including on November 14, 2024,

²⁷ OO-2025-0233, Liberty response to Staff DR No. 0043.

²⁸ ER-2024-0261, Liberty response to Staff DR No. 0191. This understanding has developed over numerous meetings and conversations with the Liberty utilities.

on December 19, 2024, and in January 2025.²⁹ This gradually decreased the number of incoming exceptions, permitting Liberty to work on reducing the backlog of exceptions.

Delayed billing has adverse, and potentially devastating, consequences for customers. These consequences will vary based on the customer's circumstances but will inevitably compound as the delay lengthens. A delayed bill does not remove the customer's obligation to pay for usage; it merely disrupts a predictable monthly cadence of knowing what amount is owed and remitting that amount within a set time frame. Bills delayed even for a few weeks could disrupt the delicate financial situation of low- and fixed-income customers. Over longer durations, delayed billing results in the accumulation of multiple months' worth of charges due at once, absent a customer request for a payment plan. Even if the charges are regulated to a payment plan, that plan would require customers to pay an additional amount each month, in excess to their regular billed amount, until the delayed billing balance is paid off. This unexpected increase, albeit a temporary one, may also be burdensome to low- and fixed-income customers. If an issue arises during the period of delayed billing that increases usage, such as a water leak, the customer may not be made aware of the issue until the delayed bill is received, potentially months later.

Staff has reviewed many comments, testimony, and informal complaints from customers complaining of high bills after several months without receiving a bill. For example, a Liberty residential customer initiated service in April 2025 but did not receive any billing statements for several months. The customer called Liberty's call center multiple times but was only told that the reason for the delay was unknown and warned that she would need a payment plan once her bills came. Seven (7) days after the customer initiated an informal complaint with the Commission on August 11, 2025, Empire Electric sent her four bills totaling \$1,362.83 in accumulated charges.³⁰ In another example that demonstrates the myriad of repercussions that may result from delayed billing, Staff reviewed a residential customer's bills showing that the customer did not receive a bill from October 2024 to March 2025. On September 13, 2024, the customer entered into a payment agreement with Liberty for a balance of \$290.65, to be paid in four installments added to the October through January bills. When Liberty sent the customer's missing bills on March 28-31, 2025, the customer received the October, November, December, and January

²⁹ ER-2024-0261, Liberty response to Staff DR No. 0192, and information conveyed to Staff during a May 22, 2025, meeting between Staff and Liberty.

³⁰ From Informal Complaint CI202600249.

bills with the four installments all at once, along with the February and March bills. Put differently, in March the customer was presented with a balance that included all charges from October to March, plus the \$290.65 meant to be spread out over four months as per the payment agreement, for a total balance owed of \$1,288.04.³¹

Customers Impacted - (All Missouri Utilities)³²

The number of billing contracts delayed for more than three days reached its highest points at 80,387 (49%) for Empire Electric in April 2025, 9,669³³ (54%) for MO Water in August 2024, 13,521 (31%) for Empire Gas in October 2024, and 5,496 (10%) for MNG in March 2025.³⁴

The number of billing contracts delayed for 9-30 days reached its highest points at 30,110 (18%) for Empire Electric in April 2025, 7,142³⁵ (40%) for MO Water in August 2024, 7,477 (17%) for Empire Gas in March 2025, and 7,708³⁶ (15%) for MNG in December 2023.³⁷

The number of billing contracts delayed for more than thirty days, also known as a “no bill”, reached its highest points at 14,097 (9%) for Empire Electric in October 2024, 3,050 (17%) for MO Water in October 2024, 1,137 (3%) for Empire Gas in February 2025, and 1,581³⁸ (3%) for MNG in December 2023.

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.020(6) states: “A utility may bill its customers on a cyclical basis if the individual customer receives each billing on or about the same day of each billing

³¹ ER-2024-0261, Liberty response to Staff DR No. 0351.

³² Liberty has reversed a change made in February 2025 to now count untimely bills at the child account level instead of the parent account level. For more information on the original change, see ER-2024-0261, Direct Testimony of Charles Tyrone Thomason, page 9, lines 6-16.

³³ Excluding time period during which MO Water’s variance from 20 CSR 4240-13.020(6) was in effect from Case No. WE-2024-0202.

³⁴ OO-2025-0233, Liberty response to Staff DR No. 0155.1. All percentages assume 164,000 Empire Electric customers, 18,000 MO Water customers, 44,000 Empire Gas customers, and 53,000 MNG customers as of the end of FY2024.

³⁵ Excluding time period during which MO Water’s variance from 20 CSR 4240-13.020(6) was in effect from Case No. WE-2024-0202.

³⁶ Post C1 Implementation.

³⁷ OO-2025-0233, Liberty response to Staff DR No. 0054.3. On February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195. Staff did not have time to analyze the updated data prior to filing this report.

³⁸ Post C1 Implementation. Excluding time period during which MNG’s variance from 20 CSR 4240-13.020(6) was in effect from Case No. GE-2024-0046.

period.” The untimely bills described above are in violation of this rule (for residential customers) and the similar language found in each company’s respective tariff.³⁹

Multiple Bills

Many Liberty customers have reported receiving multiple bills within a short period of time, either on the same day or within the same few days. Staff found several scenarios under which this has occurred. The first scenario is that the customer has not received a bill in two or more months because of the untimely bills issue described above. When Liberty resolves the issue that caused the delay, the customer will likely receive all missing bills on or near the same date. Those bills will have similar bill dates and due dates but reflect usage for different billing periods.

The second scenario is if Liberty determines that a past bill was incorrect, such as in cases where customer accounts were not linked to a meter for an extended period of time. Depending on when it occurs, the rebill may come shortly after the actual bill. If Liberty discovers an issue that needs to be corrected on a bill from several months prior, it may issue rebills for all affected bills. Even if the subsequent bills were valid, Liberty may need to rebill them to correct the account.⁴⁰

For example, in Liberty’s response to informal complaint CI202600353, it acknowledged that a “technical error” prevented a customer from having service transferred to his name on the requested date of September 26, 2024. When Liberty fixed the issue, the service start date was incorrectly set to October 30, 2024. Liberty did not identify this mistake until August 14, 2025, at which point it cancelled all bills that had been sent to the customer and mailed a total of ten (10) corrected bills to the customer reflecting monthly service since September 27, 2024.

The third scenario is a specific incident that occurred for customers with collective accounts between March 31, 2025, and April 9, 2025. According to Liberty, a bug in the print job for collective bills resulted in the lack of a print date for those bills once invoiced. Because the bills lacked the print date, SAP assumed the bills had not been printed and printed them again during the next bill cycle. This process occurred repeatedly between March 31, 2025, and April 9, 2025.

³⁹ Excluding periods during which the companies were covered by a variance granted by the Commission. Those periods include October-November 2023 for MNG, April-May 2024 for Empire Electric, Empire Gas, and MO Water, and all companies for October 2025-March 2026 (collective and joint accounts only). See Case Nos. GE-2024-0046, GE-2024-0201, WE-2024-0202, SE-2024-0203, EE-2024-0232, EE-2026-0065, GE-2026-0066, and WE-2026-0067.

⁴⁰ OO-2025-0233, Liberty response to Staff DR No. 0182.

Around 10,000 collective billing customers received approximately 82,000 bills between these dates, with most customers receiving between 8-11 bills.⁴¹

This incident caused a significant amount of customer confusion and prompted increased call volume to Liberty's call centers and to the Commission. For example, an April 14, 2025, informal complaint stated: "The customer reported receiving 10 bills from Liberty over the last two weeks, with 4 or 5 dated Mar. 17 showing a \$493 credit, while others indicate a \$400 balance owed. He questioned how he could owe money after a credit and contacted Liberty, who acknowledged issues but could not provide an explanation. Please look into this matter."⁴²

Billing Accuracy

Estimated Bills

The implementation of C1 produced a substantial increase in the number of estimated bills issued by all of the Liberty utilities. In the case of Empire Electric, an additional factor in the increase in estimated bills was its decision in September 2024 to change its billing estimation process to enable register read estimations, as well as to change the number of look-back days for interval read estimation from three to seven days. These changes were reversed as of May 2025.⁴³

In the case of MNG, Liberty identified two issues which produced an increase in estimated bills: 1) Mismatches in Encoder Receiver Transmitter ("ERT") numbers between SAP and handheld meter devices, stemming from the incorrect entry of those numbers in SAP, and 2) Instances where vacant accounts were not reflected correctly in the customer information system⁴⁴ ("CIS").⁴⁵ For the ERT issue, 1,012 ERT numbers were found to be incorrectly entered into SAP in Missouri after MNG discovered the issue in March 2024.

Staff recommends Liberty work to reduce the number of estimated bills to pre-C1 levels for each utility.

⁴¹ OO-2025-0233, Liberty response to Staff DR Nos. 0095 and 0095.1. Also discussed during a May 22, 2025, meeting between Liberty and Staff.

⁴² From Informal Complaint CI202501552.

⁴³ OO-2025-0233, Liberty response to Staff DR No. 0050.

⁴⁴ Centralized, digital database and software system that collects, stores, manages and analyzes detailed customer data.

⁴⁵ GR-2024-0106, Rebuttal Testimony of Hayley Sirmon, page 2, lines 12-17 and Liberty responses to Staff DR Nos. 0196, 0196.2 and 0196.9.

Customers Impacted - (All Missouri Utilities)

From the data Liberty has provided to Staff, which was up to April 2025, the number of estimated bills reached its highest points⁴⁶ at 9,315 (52%) for MO Water in August 2024, 333 (1%) for MNG in January 2024, 3,681 (2%) for Empire Electric in January 2025, and 418 (1%) for Empire Gas in June 2024.⁴⁷ However, starting with the October 23, 2025, C1 meeting, Liberty began indicating it did not have confidence in the accuracy of its estimated billing counts. When Staff requested updated data on estimated bills for the purposes of this report, Liberty responded on December 10, 2025, that it was actively reviewing estimated billing data and related processes and did not provide the requested data.⁴⁸ This is despite the fact that, in its December 16, 2025, Initial Post-Hearing Brief filed in Case No. ER-2024-0261, Liberty chose to repeat Amy M. Walt's claim from her Surrebuttal testimony in the same case that "the number of customers receiving estimated bills for two or more consecutive months has decreased by 23.5% since SAP go-live."⁴⁹ As of the filing of this report, Liberty has not provided the requested data and indicated during a February 17, 2026, meeting that it did not know when that data would be available.

Staff has previously noted that the estimated bill counts provided by Liberty appear to be unreliable⁵⁰ and anticipates the numbers provided in this section will need to be revised.

Rule or Tariff Violations

Staff has reviewed the current procedures for calculating estimated bills for both AMI and non-AMI customers,⁵¹ and compared them to the estimation procedures in each of Liberty utilities' tariffs. The estimation procedures explained in Liberty's DR response do not align with the approved procedures filed in any tariff, with the exception of MO Water customers with non-AMI meters. For example: 1) the tariffs of Empire Gas and Empire Electric require the estimation process to take the impacts of weather into account, but the current SAP estimation process is exclusively consumption-based, 2) The MNG tariff describes a unique estimation process that is not reflected in the SAP estimation process for non-AMI gas meters, and 3) Liberty

⁴⁶ Post C1 Implementation.

⁴⁷ OO-2025-0233, Liberty response to Staff DR No. 0054.1. All percentages assume 164,000 Empire Electric customers, 18,000 MO Water customers, 44,000 Empire Gas customers, and 53,000 MNG customers.

⁴⁸ OO-2025-0233, Liberty response to Staff DR Nos. 0054.3 and 0046.4.

⁴⁹ ER-2024-0261, Liberty's Initial Post-Hearing Brief, page 26.

⁵⁰ ER-2024-0261, Direct Testimony of Charles Tyrone Thomason, page 49, line 10 to page 50, line 12.

⁵¹ OO-2025-0233, Liberty response to Staff DR No. 0046.

indicated that water AMI meters are using the same estimation process as electric AMI meters, which is not reflected in the MO Water tariff. Therefore, Empire Electric,⁵² MO Water,⁵³ MNG⁵⁴ and Empire Gas⁵⁵ are violating their tariffs with the current SAP estimation procedures.

Furthermore, Commission Rule 20 CSR 4240-13.020(2)(C)1 states: “A utility that has an estimating procedure in its filed and commission-approved tariffs shall follow that estimating procedure.” The failure to follow the estimation procedures found in the tariffs is also a violation of this rule for residential customers.

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 a variance application to revise their tariffs.

Rebills

The implementation of C1 produced a substantial increase in the number of rebills issued by all of the Liberty utilities. The vast majority of the billing reversals fall under the category of “Incorrect Billing, Print Vendor Reversal, or Batch Rebilling.”⁵⁶

Staff reviewed 25 sample rebills from each company and found that some of the recurring issues were: 1) revising a bill that lacked usage because a meter was not linked to the account, 2) revising bills with incorrect decimal placement for commodity usage, 3) revising estimated or actual meter reads on the bill, 4) revising bills to add or remove charges such as customer charges, commodity charges (for joint/collective bills, including adding a missing commodity to a joint bill), and sales tax/franchise fees, and 5) “no change rebills” that did not change anything from the original bill except for the billing date and the due date.⁵⁷ Issues 1 and 4 are discussed in further detail in later subsections.

⁵² P.S.C. MO. No. 6, Sec. 5, Original Sheet No. 25.

⁵³ P.S.C. MO. No. 22, Original Sheet No. R 10.6.

⁵⁴ P.S.C. MO. No. 2, Original Sheet No. 83.

⁵⁵ P.S.C. MO. No. 2, 1st Revised Sheet No 2. R-33 and R-34.

⁵⁶ OO-2025-0233, Liberty response to Staff DR No. 0051.

⁵⁷ OO-2025-0233, Liberty response to Staff DR No. 0162.

Staff found several instances where Liberty corrected meter readings for water and gas customers by moving a decimal point. For example, a beginning read of 800,000 and an end read of 820,000, as opposed to a beginning read of 80,000 and an end read of 82,000, would produce a customer bill with 20,000 gallons or CCF usage instead of 2,000. The reverse case is also possible. Liberty has explained that decimal point errors have occurred under multiple scenarios, including a miscalibration issue related to ERT numbers and MO Water's meter data collection network, failure to apply a "66 code" to the meter that would appropriately truncate the meter read, failure by field technicians to appropriately install, configure, or read meters, and failure to input gas pressure factor changes into the billing system.⁵⁸ For three relatively recent MO Water examples reviewed by Staff, the inaccurate billing existed for 9-15 months. For more discussion on this issue, please refer to the Operational Concerns section of this report.

According to Liberty, rebills that result in changes to actual reads or re-estimations of a prior estimated read are due to field technicians failing to enter correct reads, meter communication issues, ERT miscalibrations, or truncated readings. When Staff requested further information regarding several of the rebills it reviewed, it found that many of those rebills were necessitated by field technician errors.⁵⁹

According to Liberty, no change rebills can occur in order to align due dates for collective accounts, if the customer is on joint invoicing, or if a previous invoice needs correction (all subsequent invoices would need to be reversed). Liberty also noted cases where a rate needs to be changed or if a customer is on the wrong rate. Of the four particular no-change rebills for which Staff requested further clarification, three were because the original bill was either cancelled or not processed during the nightly batch.⁶⁰

Liberty further explained that batch rebilling can create a large number of no-change rebills, because an entire batch of bills would need to be rebilled even if the error is present on only one bill. Prior to C1, Liberty maintained internal facilities for billing customers. If an error was discovered on one bill, that bill could be pulled from the batch and corrected individually.

⁵⁸ OO-2025-0233, Liberty response to Staff DR Nos. 0176 and 0181; WR-2024-0104, Liberty response to Staff DR No. 0282.

⁵⁹ OO-2025-0233, Liberty response to Staff DR Nos. 0178 and 0183.

⁶⁰ OO-2025-0233, Liberty response to Staff DR No. 0182.

The C1 implementation included a transition to a third-party bill print vendor, Kubra, to whom Liberty sends billing information. Due to the nature of the arrangement, if Liberty sends a batch of bills to Kubra and then later discovers a mistake on one of the bills prior to printing, the entire batch must be cancelled. In SAP, this is considered a cancel-rebill for all bills in the batch, even if the error was caught before the bills were printed or mailed. Liberty is working to reduce the number of instances where this occurs.⁶¹

As of October 2025, none of the Liberty utilities have consistent cancel rebill counts at a level akin to where they were prior to the C1 implementation. Staff recommends Liberty work to reduce the number of rebills to pre-C1 levels for each utility.

Customers Impacted - (All Missouri Utilities)

The number of cancel rebills reached its highest points at 2,897 (16%) for MO Water in October 2024, 6,633 (13%) for MNG in July 2024, 10,644 (6%) for Empire Electric in July 2024, and 4,944 (11%) for Empire Gas in July 2024.⁶²

Since implementing C1, Liberty has produced 12,373 no change rebills for MO Water, 30,528 no change rebills for MNG, 102,125 no change rebills for Empire Electric, and 25,890 no change rebills for Empire Gas.⁶³ Staff believes these numbers are distinct from the cancel rebill numbers provided above. Staff also understands that no-change rebills can occur prior to the original bill being sent to the customer, thus the customer is not presented with two identical bills.

Customer Accounts Without Meters

In certain cases, service orders have resulted in customer accounts without a linked meter. Instances where this could occur include new service initiation, meter replacements, and other field activity related to service orders. Prior to C1, new customer accounts were automatically connected to their meters upon meter set. In SAP, this process is not automatic, and extra steps must be taken to connect a meter to a customer's account.⁶⁴ Those steps have not always been

⁶¹ Discussed during a November 7, 2025 meeting between Staff and Liberty.

⁶² OO-2025-0233, Liberty response to Staff DR No. 0054.3. All percentages assume 164,000 Empire Electric customers, 18,000 MO Water customers, 44,000 Empire Gas customers, and 53,000 MNG customers.

⁶³ OO-2025-0233, Liberty response to Staff DR No. 0182.

⁶⁴ Discussed during a November 7, 2025, meeting between Staff and Liberty.

followed. Further discussion of improper meter installation issues can be found in the Operational Concerns section of this report.

From the C1 implementation until Spring 2025, customers impacted by this issue would receive bills with only a customer charge, in some cases for an extended period of time. When Liberty identifies and resolves the issue, the customer is rebilled for each month usage that was not billed.

For example, an Empire Electric customer who moved into her residence in August 2024 received bills with only a customer charge from August 2024 to September 2025.⁶⁵ In October 2024, the customer contacted Liberty to inquire about her abnormally low bills. The Liberty CSR advised her that her bills were incorrect and would need to be adjusted, but no further action was taken on the customer's account "due to a backlog of billing corrections and inconsistencies with SAP." Another Liberty CSR rediscovered the issue in June 2025 while assisting the customer with setting up an online account and issued a ticket to correct it. The correction was not made until September 2025, at which time the customer received rebills for January through September 2025 totaling \$2,072.43 in charges.⁶⁶

Starting in Spring 2025, Liberty deployed a system enhancement so that, in cases where a new meter set does not result in a meter linked to the new customer's account, the customer does not receive any bills until the issue is resolved. Staff also recommends that Liberty implement additional training for personnel (specifically but not exclusively field technicians) for all new processes to preclude unnecessary errors.

Customers Impacted - (All Missouri Utilities)

Since C1 implementation, this issue is known to have occurred for 2,707 (5%) MNG accounts, 1,197 (7%) MO Water accounts, 10,656 (6%) Empire Electric accounts, and 1,453 (3%) Empire Gas accounts.⁶⁷

⁶⁵ From Informal Complaint CI202600624.

⁶⁶ As a "courtesy," Liberty did not charge the customer for August 2024-December 2024 usage.

⁶⁷ OO-2025-0233, Liberty response to Staff DR No. 0180. All percentages assume 164,000 Empire Electric customers, 18,000 MO Water customers, 44,000 Empire Gas customers, and 53,000 MNG customers. On February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195. Staff did not have time to analyze the updated data prior to filing this report but noted apparent discrepancies with previously provided data.

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.020(2) states:

Each billing statement rendered by a utility shall be computed on the actual usage during the billing period....

Commission Rule 20 CSR 4240-13.020(9) states:

Every bill for residential utility service shall clearly state— (A) The beginning and ending meter readings of the billing period and the dates of these readings;

Residential customers impacted by this issue receive bills that reflect neither the customer's commodity usage nor the beginning or end meter readings for that customer's meter. As such, these bills were issued in violation of the above Commission rules.

26-35 Day Billing Period

The billing period is the number of days of commodity usage that is represented on a customer's bill. A standard billing period for Commission-regulated utilities ranges from 26 to 35 days for a monthly-billed customer. In Liberty's case, the implementation of C1 produced a substantial increase in the number of bills with a billing period of less than 26 days or more than 35 days issued by all of the Liberty utilities.

According to Liberty, there are controls within C1 to validate bill cycle rules.⁶⁸ However, Liberty has identified multiple instances where a bill outside of at 26-35 day billing period could be generated, including cases where meter reads were either delayed or premature for consecutive months.⁶⁹ Liberty also cited a factory calendar issue that occurred in March 2025, specific to billing cycle 15, which produced 10,085 of the bills with a billing period outside of 26-35 days for Empire Electric in that month.⁷⁰

⁶⁸ OO-2025-0233, Liberty response to Staff DR No. 0053.

⁶⁹ OO-2025-0233, Liberty response to Staff DR No. 0046.1. Also discussed during a June 24, 2025 meeting between Liberty and Staff.

⁷⁰ ER-2024-0261, Liberty response to Staff DR No. 0187.2.

On December 10, 2025, Liberty implemented a new system control in SAP meant to stop billing when the usage period is outside of 26-35 days.⁷¹

Customers Impacted - (All Missouri Utilities)

Excluding initial and final bills, the number of bills with a billing period outside of a 26-35 day range reached its highest points⁷² at 3,651 (20%) for MO Water in October 2024, 12,036 (23%) for MNG in March 2025,⁷³ 10,470 (6%) for Empire Electric in March 2025, and 21,455 (49%) for Empire Gas in March 2025.⁷⁴ For Empire Electric, Liberty cited a factory calendar issue that occurred in March 2025, specific to Billing Cycle 15, which produced 10,085 of the bills with a billing period outside of 26-35 days.

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.015(1)(C) states: “Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected, or final bills.”

Many of the bills described above are in violation of that rule (for residential customers) and the similar language found in each company’s respective tariff.⁷⁵

Customer Charges Issues

Inadvertent Customer Charge Changes - (Empire Electric and MO Water)

In the months following the C1 implementation, Liberty has had multiple instances where the incorrect customer charge was applied to customer bills. For example, between April 28, 2025,

⁷¹ OO-2025-0233, Liberty response to Staff DR No. 0046.5.

⁷² Staff is excluding data for the first two months of each utility’s C1 implementation, as these were planned for in advance with variances requested and granted. See Case Nos. GE-2024-0046, GE-2024-0201, WE-2024-0202, SE-2024-0203, and EE-2024-0232.

⁷³ When Liberty provided updated numbers for this statistic in response to Staff DR No. 0054.3, data from October 2023 to March 2024, which was provided in prior responses, was “Not available” for unknown reasons.

⁷⁴ OO-2025-0233, Liberty response to Staff DR No. 0054.3. All percentages assume 164,000 Empire Electric customers, 18,000 MO Water customers, 44,000 Empire Gas customers, and 53,000 MNG customers. On February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195. Staff did not have time to analyze the updated data prior to filing this report but noted apparent discrepancies with previously provided data.

⁷⁵ Excluding periods during which the companies were covered by a variance granted by the Commission. Those periods include October-November 2023 for MNG and April-May 2024 for Empire Electric, Empire Gas, and MO Water. See Case Nos. GE-2024-0046, GE-2024-0201, WE-2024-0202, SE-2024-0203, and EE-2024-0232.

and May 5, 2025, Empire Electric customers were underbilled due to an inadvertent change to the customer charge proration rate. Liberty did not rebill customers for this issue.⁷⁶

In a separate incident, an inadvertent change was made in the system which resulted in MO Water residential customers receiving bills without a customer charge in May 2025. Affected customers received a rebill that cancelled out the incorrect bill.⁷⁷

Customers Impacted - (Empire Electric and MO Water)

As a result of the change in the customer charge proration rate, 51,000 (31%) Empire Electric customers⁷⁸ were underbilled between April 28, 2025, and May 5, 2025. As a result of the missing customer charge issue, approximately 1,000 (6%) MO Water residential customers⁷⁹ received bills without a customer charge.

Incorrect Customer Charge Proration for Initial and Final Bills - (MNG, MO Water, Empire Electric)

Liberty also had an ongoing issue with prorated customer charges for customers with an initial or final bill that falls within a 26-35 day billing period. SAP was automatically prorating those bills based on a 30 day billing period. If the billing period on the initial or final bill was 26-29 days, the customer charge was prorated downward. If the billing period on the initial or final bill was 31-35 days, the customer charge was prorated upward.

Liberty implemented a system fix in August 2025 meant to resolve this issue.

Customers Impacted – (MNG, MO Water, Empire Electric)

Between October 2024-July 2025, 2,279 MO Water customers were affected by this issue, and were either overcharged a total of \$741.89 or undercharged a total of \$8,466.90. Between January 2024-July 2025, 939 MNG customers were affected by this issue, and were undercharged a total of \$20,675.95. Between October 2024-July 2025, 12,947 Empire Electric customers were

⁷⁶ Liberty Billing and Customer Service Update meeting, May 22, 2025, slide 13.

⁷⁷ Liberty Billing and Customer Service Update meeting, May 22, 2025, slide 12.

⁷⁸ Percentage assumes 164,000 Empire Electric customers.

⁷⁹ Percentage assumes 18,000 MO Water customers.

affected by this issue, and were either overcharged a total of \$8,004.31 or undercharged a total of \$8,963.39.⁸⁰

Unintentional Proration Outside 26-35 Day Billing Period – (All Missouri Utilities)

According to Liberty, as a matter of standard practice only initial and final bills should have the potential for a prorated customer charge. Since May 2024, SAP’s proration logic has been active to prorate the customer charge for all bills outside of a 26-35 day billing period with the intent to catch instances where initial or final bills were outside of that range. However, as explained in further detail above, all Missouri Liberty utilities have been issuing standard bills to customers with a billing period outside of 26-35 days. Those bills have also reflected a customer charge either more or less than the customer charge set out in Liberty’s tariffs, depending on whether the billing period was less than 26 or more than 35 days. These charges would not be trued up through the regular billing process in subsequent months.⁸¹

Customers Impacted – (All Missouri Utilities)

As of January 23, 2026, Liberty was still evaluating the number of impacted customers and dollar amounts, though Liberty did state that it would provide bill credits to customers who overpaid, and not seek recovery for any undercharges. However, Staff can make estimates of the number of affected customers based on data provided in a separate response. As a result of this issue, Staff currently estimates that 7,145 customers were overcharged and 5,612 customers were undercharged for MO Water. For MNG, Staff currently estimates that 2,958 customers were overcharged and 15,830 were undercharged. For Empire Electric, Staff currently estimates that 203 customers were overcharged and 10,594 were undercharged. For Empire Gas, Staff currently estimates that 9,431 customers were overcharged and 27,014 bills were undercharged.⁸²

Intentionally Prorated Customer Charges

Staff’s review of customer bills as a part of this investigation has found that customer bills with a billing period outside of 26-35 days, including standard, initial and final bills, have all had the

⁸⁰ OO-2025-0233, Liberty response to Staff DR No. 0165. On February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195. Staff did not have time to analyze or inquire about the updated data prior to filing this report but noted apparent discrepancies with previously provided data. For example, Liberty reported that 21,829 Empire Electric customers were impacted by this issue from April 2024 to July 2025.

⁸¹ OO-2025-0233, Liberty response to Staff DR No. 0135.2.

⁸² OO-2025-0233, Liberty response to Staff DR No. 0054.3.

customer charges prorated. According to Liberty, although proration for standard bills should not have occurred, proration of initial and final bills outside of 26-35 days is standard practice.⁸³ However, Staff’s review of Liberty’s tariffs for the various utilities has found that the authority to prorate customer charges under those circumstances is either non-existent or ill-defined. Specifically:

- MNG: Original Sheet No. 84 grants MNG the authority to prorate Delivery Charges “In the event the meter has not been in service for the entire billing period,” and proscribes that the proration shall be derived “by dividing the number of days the meter was in service by the number of days in the billing period.” However, this does not appear to apply to initial and final bills.
- Empire Gas: Original Sheet No. R-31 grants Empire Gas the authority to prorate bills outside of a 26-35 day billing period, but the calculation process for that proration is not defined.
- MO Water and Empire Electric: Staff did not find authority to prorate a customer charge for initial or final bills, or the calculation process the Company is required to use.

Staff reviewed the tariffs of Liberty’s peer utilities in the state of Missouri⁸⁴ and found language in each tariff granting the utility the authority to adjust charges in cases where the billing period fell outside of a standard billing period.

Staff believes it is inappropriate for Liberty to prorate customer charges, or any charges, without tariff authority and without a set process spelled out in a tariff to calculate the proration. Consequently, Staff recommends Liberty discontinue all proration for which explicit tariff authority does not exist, including for customer charges on initial and final bills. Staff also recommends Empire Gas propose a tariff sheet amendment that sets out its proration process during its next general rate case.

⁸³ OO-2025-0233, Liberty response to Staff DR No. 0135.2.

⁸⁴ Including Ameren Missouri, Evergy West, Evergy Metro, Spire Missouri, and Missouri American Water Company.

Customers Impacted - (All Missouri Utilities)

This issue has impacted all customers who have received a bill outside of a 26-35 day billing period, including standard, initial, and final bills.

Rule or Tariff Violations

Staff is unaware of any Commission rule or Liberty tariff, with the exception of Empire Gas' tariff, that allows for customer charges to be prorated, modified, or waived as described in this subsection. Empire Gas' tariff language, however, only allows it to prorate bills outside of a 26-35 day billing period and does not apply to any other situation. MNG, MO Water, and Empire Electric lack any tariff authority to prorate customer charges for bills outside of a 26-35 day bill period despite Liberty's intentional use of proration 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.

Estimated Reads on Initial/Final Bills

Generally, initial and final bills are required to be generated using actual reads rather than estimated reads to ensure that actual total usage amount throughout the lifetime of the account is verified, and that ultimately the customer pays for that exact usage. Subsequent the C1 implementation, the Liberty utilities saw an increase in the number of initial and final bills with an estimated meter read.

Customers Impacted - (All Missouri Utilities)

From January 2024 to October 2025, there were 867 bills that utilized estimated reads on the initial bills and 308 bills that utilized estimated reads on the final bills for the electric commodity, 312 bills that utilized estimated reads on the initial bills and 430 bills that utilized estimated reads on the final bills for the gas commodity, and 1100 bills that utilized estimated reads on the initial bills and 196 bills that utilized estimated reads on the final bills for the water commodity.⁸⁵ In its review of the data provided, Staff did note there were 65 estimated initial and final bills for the water commodity that occurred prior to MO Water's C1 conversion, and the gas commodity does not distinguish between MNG (which converted in October 2023) and Empire Gas (which

⁸⁵ OO-2025-0233, Liberty response to Staff DR No. 0138.1.

converted in April 2024). However, April 2024 marks a notable increase in the number of occurrences, particularly for initial bills.⁸⁶

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.020(2)(C)3 states:

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[.]

At least some of the estimated initial and final bills issued as described above are in violation of the above cited rule (for residential customers) and the similar language found in each company's respective tariff.

Demand Charges - Proration

When Liberty transitioned to C1, SAP was incorrectly configured to prorate the Demand Charge and Facilities Demand Charge⁸⁷ for bills outside of a 26-35 day billing period. In such cases, the kW demand was multiplied by the proration time period (based on 30 days) before the charge was calculated as per the tariff. The proration adjustment was not shown on the bill, making it difficult for a customer to detect an adjustment had been made and even more difficult to comprehend the reason for the adjustment and the bill impact.⁸⁸ Liberty's tariff does not set out authority for proration of Demand Charges or Facilities Demand Charges, nor is a procedure for such proration contained in the tariff.

For example, one TC-LG customer's May 2025 bill reflected a billing period of 36 days, for which SAP calculated a proration time period of 1.2.⁸⁹ The customer charge on the bill amounted to \$83.39 (\$69.49 x 1.2), the Demand Charge amounted to \$1,890.22 (226.32 kW x 1.2 X \$6.96) and

⁸⁶ On February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195 in Case No. OO-2025-0233. Staff did not have time to analyze the updated data prior to filing this report but noted apparent discrepancies with previously provided data.

⁸⁷ Both charges can be found in Empire Electric's tariff under several rate schedules, including NS-LG, TC-LG, NS-SP, TC-SP, LP, and TS.

⁸⁸ OO-2025-0233, Liberty response to Staff DR Nos. 0135, 0135.1, and 0135.2.

⁸⁹ 36 days / 30 days = 1.2.

the Facilities Demand Charge amounted to \$767.41 (300.24 kW x 1.2 x \$2.13). However, under the Current Charges section, the Demand Charge calculation is shown as (271.584 kW⁹⁰ x \$6.96) and the Facilities Demand Charge calculation is shown as (360.288 kW⁹¹ x \$2.13). Including the resulting increases in taxes, the proration represented an overcharge of \$508.61.

In September 2025, Liberty implemented SAP configuration changes meant to prevent proration of these demand charges. Liberty also indicated that it would provide detailed refund amounts to Staff once it completes its customer impact assessment and issue refunds to affected customers by the end of Q1 2026.⁹² Staff recommends Liberty provide an update on the demand-proration issue, including detailed refund amounts, by end of Q1 2026.

Customers Impacted - (Empire Electric)

As of January 23, 2026, Liberty was still evaluating the number of impacted customers and dollar amounts.

Rule or Tariff Violations

For both demand charge prorations described above, the issue identified resulted in charges that differ from those set out in Empire Electric's tariff for affected customers.

Demand Charges - TOU Issue and Minimum Demand

From April 2024 to July 2025, there was an issue with customers who transitioned from TOU rates to non-TOU rates during a meter exchange. Due to a "process gap," SAP incorrectly summed the demand values for the old and new meter instead of taking the peak demand.

From April 2024-June 2024, and again from December 2024-July 2025, customers from certain rate classes⁹³ were billed incorrectly at the minimum kW billing demand instead of their actual metered demand, if their usage fell below that minimum level. This issue was discovered on May 30, 2025, with corrections made and credits issued in July 2025.⁹⁴

⁹⁰ 271.584 is the product of 226.32 kW x 1.2.

⁹¹ 360.288 is the product of 300.24 kW x 1.2.

⁹² OO-2025-0233, Liberty response to Staff DR No. 0135.2.

⁹³ LP, NSLG, Nssp, TCLG, and TCSP.

⁹⁴ ER-2024-0261, Liberty response to Staff DR No. 0477 and Rebuttal Testimony of Candice Kelly, page 3, lines 18-22.

Customers Impacted - (Empire Electric)

For the TOU-related issue, approximately 142 Empire Electric customers were overcharged an estimated \$352,000 as a result of this issue.⁹⁵ For the minimum demand issue, approximately 1,200 customers were overcharged an average of \$185.

Rule or Tariff Violations

In both instances described above, the issues identified resulted in charges that differ from those set out in Empire Electric's tariff for affected customers.

Sales Taxes and Franchise Fees

Since the implementation of C1, Liberty has encountered issues with applying correct sales taxes or franchise fees for some of its customers. In some cases, customers were charged when they should not have been. In other cases, customers were not charged when they should have been charged. Customers who have noticed incorrect sales taxes and franchise fees added to their bills have written public comments, filed informal complaints, and testified at local public hearings and Town Halls. Staff's investigation has identified two instances where Liberty may not apply the correct sales taxes or franchise fees.

The first instance is related to customer location verification. After implementing C1, Liberty found that it needed either more information, or the correction of information, it already had on file for the locations of existing customers. For example, if a customer lives near a municipal jurisdictional border, Liberty may not have been able to determine, with the five-digit USPS zip code it already possessed, whether the customer lived inside or outside of that border. In those instances, Liberty needed to obtain the nine-digit USPS zip code for those addresses. This affected both sales tax and franchise fees. Liberty also detailed examples where it had the customer's nine-digit zip code but found disagreements between its taxing software and the information used by the Missouri Department of Revenue ("MDOR"). Liberty defers to the MDOR data, which requires that it override the taxing software.

These validation efforts have also resulted in delayed billing. For example, a residential MNG customer filed an informal complaint on January 7, 2025, because he had not received a bill since

⁹⁵ ER-2024-0261, Liberty response to Staff DR No. 0478 and Rebuttal Testimony of Candice Kelly, page 3, line 23 thru page 4, line 2.

Spring 2024. In response to the complaint MNG explained, “This account experienced a billing delay due to necessary tax rate corrections within our billing system. Due to the delay, no bill generated from March 2024-January 2025.” MNG reversed five (5) of the customer’s bills from prior to the delayed billing to correct the tax issue and issued a total of 17 bills to the customer in January 2025 for the usage period 08/29/23-01/14/25.⁹⁶

The second instance is related to sales tax exemptions. Some accounts are exempt from sales tax by state law. However, Staff is aware of multiple instances where this exemption was not properly applied. For example, Liberty had issues applying sales tax to assisted living facilities, which by law are split between residential and commercial use for taxing purposes. However, Liberty is unable to split these locations between commercial and residential use in its system. Instead, Liberty has exempted all qualifying facilities. Those facilities are now required to self-assess and report their taxes.⁹⁷ As of August 25, 2025, Liberty had not communicated this change to affected customers but stated that it intended to do so.⁹⁸

According to Liberty, all known tax and franchise fee issues were resolved on November 25, 2024. However, Staff is not convinced that “resolved” is synonymous with “corrected” in this situation. For example, an informal complaint filed January 13, 2025, found Liberty incorrectly added what it believed to be a missing franchise fee to a customer’s bill in late October 2024 and charged the customer for the “missing” charge from April to October 2024. Only after the customer filed an informal complaint did Liberty investigate the address rigorously enough to determine that the franchise fee should never have applied to the customer’s address.⁹⁹

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.

Customers Impacted - (All Missouri Utilities)

Liberty does not track the number of customers impacted by this issue. Liberty was able to provide the number of service tickets and manual tax jurisdiction changes, but these numbers

⁹⁶ From informal complaint CI202500934.

⁹⁷ OO-2025-0233, Liberty response to Staff DR No. 0094.

⁹⁸ OO-2025-0233, Liberty response to Staff DR No. 0094.1.

⁹⁹ From Informal Complaint CI202500956.

do not reflect all instances. For Empire Electric, there were 11,312 service tickets and manual changes between April 2024 and May 2025. For Empire Gas, there were 548 tickets and manual changes. For MNG there were 522 tickets and manual changes. For MO Water there were 211 tickets and manual changes.¹⁰⁰

Staff's review of informal complaints continues to find instances of customers disputing sales taxes and franchise fees in 2025. Furthermore, in some cases Liberty relies on inquiries from either customers or the collecting jurisdictions to inform it that there is an issue with the taxes and fees being charged. For these reasons, Staff is not confident all customers are currently being charged the correct applicable sales taxes or franchise fees.

Incorrect Pricing - Franchise Fees

When MNG implemented its C1 conversion in October 2023, it incorrectly configured the franchise fees for several different areas in its service territory. Four franchise fees were incorrectly configured at 0% instead of 5%, and three franchise fees were incorrectly configured at 5% instead of 0%. Liberty identified and corrected this issue prior to the C1 implementation for the rest of Missouri.¹⁰¹

Customers Impacted - (MNG)

According to Liberty, 21 MNG bills were overcharged as a result of the issue and were rebilled at the 0% rate. Approximately 1,000 (1.9%) MNG customers¹⁰² were undercharged as a result of this issue but were not rebilled.

Summer/Winter Rates

On October 20, 2025, Liberty discovered a programming error related to the transition from summer rates to winter rates for Empire Electric customers. According to the tariff, summer rates are effective until October 15, and winter rates take effect on October 16. However, SAP was programmed to have winter rates take effect on October 17, with summer rates still being in effect on October 16.¹⁰³

¹⁰⁰ OO-2025-0233, Liberty response to Staff DR No. 0083.

¹⁰¹ WE-2024-0202, Liberty response to Staff DR No. 0005.

¹⁰² Assumes 53,000 MNG customers.

¹⁰³ Information conveyed to Staff during an October 23, 2025 meeting with Staff.

Customer Impact - (Empire Electric)

In October 2025, the issue affected approximately 8,000 (4.8%) Empire Electric customers¹⁰⁴ whose meter read date was on October 16. When the issue was identified, Liberty delayed bills for 6,000 of those customers until the issue could be resolved. For the 2,000 customers who are signed up to receive their bills electronically, Liberty was unable to stop the bills from being issued to customers and will credit those customers on a subsequent bill.

As this programming was in place since the implementation of C1, a similar issue occurred with the seasonal rate change that took place in October 2024 which was not identified at the time. 2,779 customers (1.7%) Empire Electric customers were affected by this issue in 2024.¹⁰⁵

Rule or Tariff Violations

Customer billed the summer rate for usage that took place on October 16 were not billed in accordance with Empire Electric's tariff.

Turn On Fees

When Liberty implemented C1 in April 2024, SAP was incorrectly configured to charge a turn-on fee for MO Water customers in cases where there was no gap in service between customers. Although Liberty was first aware of this issue on August 7, 2024, it was not resolved until February 27, 2025. Impacted customers received a bill credit.¹⁰⁶

Customers Impacted - (MO Water)

1,145 accounts were charged a total of \$50,075 in incorrect fees.

Rule or Tariff Violations

MO Water's active tariff at the time prescribed either \$25 or \$30 Turn-On fees, depending on the service territory. However, the Turn-On fee was only applicable if service was stopped and must be restarted. It did not apply in cases where service is not interrupted.

¹⁰⁴ Assumes 164,000 Empire Electric customers.

¹⁰⁵ OO-2025-0233, Liberty response to Staff DR No. 0193.

¹⁰⁶ ER-2024-0261, Liberty response to Staff DR No. 0316. See also Liberty Billing and Customer Service Update meeting, February 25, 2025, slide 10.

Late Fees

As a condition for granting the variances requested for the implementation of C1, Liberty suspended charging late fees for each utility. On January 29, 2024, it resumed charging late fees for MNG. For Empire Electric, Empire Gas, and MO Water, late fee charges resumed on July 8, 2024. Shortly afterward, Liberty discovered that those late fees were improperly implemented for Empire Electric and Empire Gas. Liberty fixed the issue on July 12, 2024. Impacted customers received a credit on their account. However, in fixing the issue, Liberty inadvertently raised the late fee charge for MO Water customers from \$5 to \$500. Liberty reversed those invoices and issued rebills.¹⁰⁷

Customers Impacted - (All Missouri Utilities)

Empire Gas commercial accounts were charged 5% of the bill as a late fee instead of 0.25%, affecting 417 accounts. Empire Gas residential accounts were charged 0.5% of the bill as a late fee instead of 0.25%, impacting 4,858 accounts. Empire Electric residential accounts were charged 5% of the bill as a late fee instead of 0.25%, impacting 3,915 accounts. 200 MO Water customers were charged the incorrect \$500 late fee.

Rule or Tariff Violations

The incorrect late fees described above were not charged in line with the tariffs for Empire Gas, Empire Electric, or MO Water.

Billing Due Date

Missouri utilities are required by Commission rule to allow residential customers at least 21 days after the bill rendition date to pay a bill for a monthly billed customer, except for customers with a preferred payment date. Quarterly billed customers are required to be allowed at least 16 days. The utility company may charge a late fee to a customer only after the minimum period has passed.

Excluding customers who are participating in a preferred payment date plan,¹⁰⁸ Liberty has been issuing a significant number of bills with a due date less than 21 days after the bill date to

¹⁰⁷ OO-2025-0233, Liberty response to Staff DR Nos. 0065 and 0065.1.

¹⁰⁸ 20 CSR 4240-13.015(1)(X) defines a preferred payment date plan as a Commission-approved plan offered at the utility's option in which the delinquent date for the charges stated on a bill shall occur on the same day during each billing period as selected by the customer. Further discussion of Liberty's preferred payment date plan can be found below in the Payment Issues section.

residential customers. In some cases, customers receiving a bill with less than 21 days to pay were subsequently assessed a delinquent charge. According to Liberty, this is because the system design did not account for the time needed for exception processing, which may cause delays before the bill can be printed. In addition to its efforts to address each issue that has resulted in exceptions, Liberty increased the due date for Empire Electric customers from 21 to 25 days on December 30, 2025. It intends to do the same for the other utilities by the end of Q1 2026.¹⁰⁹

Customers Impacted - (All Missouri Utilities)

Initially, Liberty reported that from April 2024 to November 2025, MO Water issued 7,124 such bills, Empire Electric issued 57,659 such bills, and Empire Gas issued 5,878 such bills for Missouri-based residential customers. Of the bill counts above, MO Water subsequently assessed late fees for 228 bills, Empire Electric assessed late fees for 3,502 bills, and Empire Gas assessed late fees for 505 bills.¹¹⁰ However, on February 19, 2026, Liberty provided additional data pertaining to this metric in its supplemental response to Staff DR No. 0195. Staff did not have time to fully analyze or inquire about the updated data prior to filing this report but noted apparent discrepancies. For example, Liberty reported that Empire Electric issued a total 101,096 bills with a due date less than 21 days after the bill date, instead of 57,659, during the same time period. Liberty reported that MNG issued 34,445 such bills instead of zero (0).

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.015(1)(I) states:

Delinquent charge means a charge for utility service that remains unpaid for at least twenty-one (21) days for a monthly-billed customer and for at least sixteen (16) days by a quarterly billed customer from the date the utility renders the bill, or a charge remaining unpaid after the preferred payment date selected by the customer;

Commission Rule 20 CSR 4240-13.015(1)(J) states:

Delinquent date means the date stated on a bill, which shall be at least twenty-one (21) days for a monthly billed customer, and at least sixteen (16) days for a quarterly billed customer from the rendition date of the bill or the preferred

¹⁰⁹ OO-2025-0233, Liberty response to Staff DR No. 0171.3.

¹¹⁰ OO-2025-0233, Liberty response to Staff DR No. 0171.2. Also discussed during a November 7, 2025 meeting between Staff and Liberty.

payment date selected by the customer, after which the utility may assess a commission approved late payment charge in accordance with the utility's tariff on file with the commission;

Commission Rule 20 CSR 4240-13.020(7) states:

A monthly-billed customer shall have at least twenty-one (21) days and a quarterly-billed customer shall have at least sixteen (16) days from the rendition of the bill to pay the utility charges, unless a customer has selected a preferred payment date in accordance with a utility's preferred payment date plan. If the due date or delinquent date falls upon a Sunday, legal holiday, or any other day when the offices of the utility regularly used for the payment of customer bills are not open to the general public, the due date or delinquent date shall be extended through the next business day. The date of payment for remittance by mail is the date on which the utility receives the remittance. A utility shall not base an assessment of a deposit or delinquent charge, or a discontinuance of service, on a payment that was made to a payment agent on or before the due date or delinquent date.

The bills issued with a due date less than twenty-one (21) days after the bill date, and the subsequent application of a delinquent charge on those bills, are in violation of the above cited rules and the similar language found in each company's respective tariff.

Budget Billing

Budget Billing (or Average Payment Plan) is a program offered in Empire Electric's tariff that allows the utility to bill customers based on a predetermined calculation instead of actual usage. The calculation, spelled out in the tariff, is a projection of annual charges divided into monthly payments. However, SAP calculates monthly budget billing amounts differently than Customer Watch did.¹¹¹ Below is an example of both calculations, with an assumption of \$1,200 in charges over 12 billing cycles of 370 days total:

Old Method: $\$1,200/12 \text{ months} = \100 a month

New Method: $(\$1,200/370 \text{ days}) \times 30 = \97.30 a month

¹¹¹ ER-2024-0261, Liberty response to Staff DR Nos. 0221 and 0221.1.

According to the Empire Electric tariff, bills for Budget Billing Plan participants are calculated as follows: “Bills will be rendered during each of the first twelve months, Average Payment Plan Months (“APP”), in amounts equal to one-twelfth of the estimated annual cost of service to the customer.”¹¹²

Customers Impacted - (Empire Electric)

As of May 2025, Empire Electric had 17,751 (11%) customers participating in budget billing.¹¹³

Rule and Tariff Violations

Although the SAP method is mathematically acceptable for calculating budget billing, the SAP method is not aligned with Empire Electric’s tariff, yielding different monthly payments for all participating customers.

Abiding by a provision of the Non-Unanimous Global Stipulation and Agreement approved by the Commission in Case No. ER-2024-0261, Liberty filed a new tariff sheet for Budget Billing reflecting the current SAP calculation. That tariff sheet was approved by the Commission effective February 20, 2026.

Further Budget Billing Concerns

Staff has concerns with Liberty’s practices with budget billing that predate C1 but persist into the present. Prior to C1, Liberty’s practice for evaluating budget billing was twofold: there was an annual automatic system evaluation that recalculated the budget billing amount, as well as a monthly report of accounts that was manually reviewed for balances of more than \$500. C1 implemented automatic checks after six and nine months in addition to the automatic annual evaluation, and used a tolerance threshold of 5% to determine if a change was needed.¹¹⁴ However, Liberty disabled the six and nine-month evaluations in February 2025 after receiving customers complaints about changes to their budget billing amount, and now only conducts one automatic annual evaluation unless there is a customer request.¹¹⁵

Despite the monthly manual review Liberty previously used to conduct for budget billing accounts, Liberty’s practice has been to permit customers to either decline or request a reversal of any

¹¹² P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 5.

¹¹³ OO-2025-0233, Liberty response to Staff DR No. 0085. Percentage assumes 164,000 Empire Electric customers.

¹¹⁴ ER-2024-0261, Liberty response to Staff DR Nos. 0202, 0202.1 and 0221.

¹¹⁵ OO-2025-0233, Liberty response to Staff DR No. 0163.

increase in budget billing amounts.¹¹⁶ Staff is unaware whether a similar policy exists under the current once-a-year reevaluation process. However, in both instances Liberty chose to overrule or cancel reevaluations, which would result in a more accurate budget bill, in favor of customer preferences for a lower bill. Although these decisions ostensibly result in a temporary positive customer service experience, they come with significant longer-term implications.

Ignoring or delaying a necessary increase in budget billing payments does not remove the obligation to pay for usage, it simply defers the outstanding balance to a later date. Liberty's decisions not to promptly apply the options available to it in its tariff, including raising the budget billing amount as necessary and cancelling budget billing when customers do not pay their bills, have ultimately resulted in higher burdens for customers.

For example, Staff reviewed bills from a customer who initiated budget billing in October 2024 and was not removed from budget billing until July 2025. During those nine months, the customer had accumulated \$1,184.87 in past due budget billing charges in addition to \$1,305.56 as an outstanding balance because the budget billing installments were set too low.¹¹⁷ Staff stated its budget billing concerns in its *Staff Report* filed in case EC-2024-0160 and reiterates them here more succinctly. 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 options, pay the new budget billing amount or be removed from budget billing. This would help prevent a customer from having an increasingly higher balance.

Bills Without Remittance Information

By Commission rule, customers' bills are required to have certain information on them for customer review, including the beginning and end meter reads, the bill due date, the amounts owed, except in cases where the utility has been granted a variance from these requirements.¹¹⁸ From May 1, 2025, to June 24, 2025, MO Water issued bills to some of its customers with missing contact and remittance information. This issue was caused by an oversight while conducting activities related to rate consolidation. The information missing from customer bills included

¹¹⁶ EC-2024-0160, Liberty response to Staff DR No. 0007.

¹¹⁷ OO-2025-0233, Liberty response to Staff DR No. 0154.

¹¹⁸ For example, in Case No. ET-2020-0133 Evergy requested and received a variance from the requirement to provide beginning and end meter reads for customers on Time of Use rates.

contact information for the utility (including mailing address, phone numbers for customer service and emergency calls, and social media information on YouTube and Facebook) and instructions for where to make payments online, by phone, through the mail, and in person.¹¹⁹

Customers Impacted - (MO Water)

This issue affected 3,348 (18.6%) MO Water customers.¹²⁰

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.020(9)(G) states:

Every bill for residential utility service shall clearly state—(G) The telephone number the customer may call from the customer’s service location without incurring toll charges and the address of the utility where the customer may initiate an inquiry or complaint regarding the bill as rendered or the service provided. Charges for measured local service are not toll charges for purposes of this rule[.]

The bills issued in May and June 2025 without MO Water’s address and phone number were in violation of the above rule (for affected residential customers) and the similar language found in MO Water’s tariff.

RD Securitization – Classic Charge

During the Town Hall held in Aurora on June 10, 2025, the City Clerk for the City of Miller, Missouri (“the City”), questioned a charge that was on the city’s bill for two months. It was eventually removed, but the City Clerk never received an answer regarding what the charge was and why it appeared on the City’s bill. There were also other problems with the City’s billing, such as sales tax being incorrectly charged and the City not receiving bills for two months then receiving multiple bills for the same account. The City also complained about receiving the bill the day before the due date. The City of Miller is a collective account, which means it has several meters and accounts that are billed on one bill.

¹¹⁹ OO-2025-0233, Liberty response to Staff DR No. 0172. Staff found several instances of this issue in its review of Staff DR No. 0162 in the same docket.

¹²⁰ Percentage assumes 18,000 MO Water customers.

For bills due in June and July 2024, when a previous month's balance was due, Liberty's system added a charge titled "RD Securitization – Classic Charge" in the current charges section. This charge was the previous month's "February 2021 Storm and Asbury Costs" securitization charge. Thus, it appeared that the customer was being charged two securitization charges with one of the charges being a completely new charge. To fix this, Liberty did not include the RD securitization amount in the previous balance amount due for the next month's bill. While Liberty fixed this issue, the manner in which Liberty reflected the removal of the charge was not clearly presented on the customers' bills. According to Liberty, this issue affected approximately 29,000 collective accounts in the month of July 2024.¹²¹

MO Water Rate Change

On March 1, 2025, new rates, and rate categories, went into effect for MO Water, stemming from the conclusion of the WR-2024-0104 rate case. The first bills received by MO Water customers following the change may have been split between the old rates and the new rates because of the changes to the rate categories.¹²² To avoid calculation errors, MO Water presented customers with two billing pages, with one page reflecting charges for the portion of the billing period under the old rates in February, and the second page reflecting charges for the portion of the billing period under new rates in March.

In cases where the customer did not have an AMI meter, the February billing page with the old rates may have reflected a read marked as estimated, because the meter was not read until the end of the billing period. In those cases, the actual water usage, and thus the actual amount of water usage that should have been charged under the old rates, was unknown. MO Water estimated the February consumption based on daily average consumption for billing purposes. Although MO Water stated it blocked accounts for billing in February 2025 to obtain interim readings,¹²³ Staff has observed rate change bills with estimated February usage but an actual March read.

Depending on the number of days in the billing period on the February billing, and the number of days in the billing period on the March billing page, MO Water may have prorated the customer

¹²¹ OO-2025-0233, Liberty response to Staff DR No. 0098.

¹²² OO-2025-0233, Liberty response to Staff DR No. 0192.

¹²³ OO-2025-0233, Liberty response to Staff DR No. 0191.

charge for either or both billing pages. In doing so, it may have slightly under- or over-charged those customers. For customers who were overcharged, MO Water credited them on their next bill.

Customers Impacted - (MO Water)

The number of customers impacted by this issue is unknown.

Missing Rate Classes

According to Liberty, when rate IDs were created in SAP for billing purposes, separate Transportation categories were not created for certain categories of Empire Gas customers. As a result, those customers have been presented with bills labeled under different rate classes than they actually belong to since the C1 transition. Specifically, Small General Service Transportation (SGST) customer bills are showing Small General Service (SGS) as the rate class, Large General Service Transportation (LGST) customer bills are showing Large General Service (LGS) as the rate class, Large Volume Flexible Rate Transportation Service (LVT) customer bills are showing Large Volume Service (LV) as the rate class, and Large Volume Interruptible Transportation Service (LVIT) customer bills are showing Large Volume Interruptible Service (LVI) as the rate class. According to Liberty, all affected customers are being charged accurately according to the customer's actual tariff, and the only issue is the presentation of the rate class on the bill. Liberty has issued a ticket to add the missing customer classes to SAP, with an anticipated implementation date of Q1 2026.¹²⁴

Water Usage Graphs

As part of the C1 transition, all of the Liberty Missouri utilities presented customers with a new bill format, including a graph that shows the customer's prior usage history in comparison to the current month "at a glance." Staff's review of customer bills has found an issue specific to the graphs used for MO Water bills. On all of the water usage graphs reviewed by Staff, the customer's water usage was rounded to the nearest thousand. This was the case regardless of the customer's usage for that month, the customer's usage for the prior months, or the Y-axis scale of the graph. In practice, this makes it difficult for the customer to gain nuanced information about their usage history based on the graph. For example, any monthly usage of 499 gallons or below appears on

¹²⁴ OO-2025-0233, Liberty response to Staff DR Nos. 0176, 0176.1, and 0176.2.

the graph as 0 usage. A customer whose usage fluctuates between 501 and 1,499 gallons every month will see a graph that records 1,000 gallons of usage for each of those months.

Staff believes there are significant improvement opportunities for MO Water graphs to make them more helpful to customers, and recommends Liberty review the monthly usage graphs for MO Water customers to better convey usage history at a glance.

Customers Impacted - (MO Water)

This issue appears to affect all MO Water customers.

Unexplained High Bills

Since April 2024, Staff has heard from an unusually large number of customers about instances of unexplained high bills, particularly for the electric and water commodities. Numerous examples can be found in local public hearing testimony, Town Hall testimony, formal and informal complaints, and public comments in this docket and in Empire Electric and MO Water's recent rate cases. In some cases, customers trace the issue to Spring 2024. Others trace it to the installation of their AMI meter. And some have stated that, instead of a permanent increase, the unexplained bills started suddenly, lasted for a period of time, then ended without the customer having made any significant changes to daily routines that would affect usage.

Staff is cognizant of the fact that the post-April 2024 environment has created circumstances where customers have received and paid larger than expected bills. Delayed billing has resulted in multiple billing periods of usage being invoiced at once. The preferred draft date issue has caused multiple months of bills to be withdrawn from a customer's account at once. Rate increases, such as MO Water's March 2025 increase, may have caused rate shock for some customers. Weather is the primary driver of electricity usage fluctuations. All of these issues, if not adequately explained to the customer, have the potential to produce confusion as to the true root cause of a high bill.

However, Staff's findings in this investigation include instances where usage, and the resulting charges, were not correct. As noted in the rebilling subsection, Staff reviewed rebills correcting both estimated and actual reads for reasons such as incorrect meter read inputs, meter communication issues, and programming mistakes. These and other errors, such as the prorated

demand charge issue, are not always evident on a customer bill and thus are difficult to identify without a detailed review of the entire meter to cash process.

As such, Staff cannot rule out the possibility that there are other issues that exist in Liberty's meter to cash process affecting customers, known to neither Staff nor Liberty, that are not evident in a standard review of customer bills or usage.

If there are any issues affecting meter reads or billing that are currently unknown to Liberty, recent history suggests it may require a customer complaint for Liberty to identify the issue and address it for all affected customers. In the meantime, affected customers may be over or underpaying for their actual usage. Staff does not believe a reactive approach is warranted in this situation. Therefore, Staff recommends Liberty conduct an audit of its current meter to cash process to ensure there are no issues. Such an audit should include of a representative sample of all meter types for all Liberty companies and be structured to identify potential field configuration errors.

Furthermore, based on its investigations of other instances of high usage, Staff also recommends that Liberty create and follow written policies or procedures for identifying and responding to abnormally high usage.

Billing Determinants

Billing determinants are what a revenue requirement is divided by to produce rates. Billing determinants are the combination of components to which rates are applied to calculate the customer's bill. Examples of billing determinant components are customer charge, usage, peaks, and demand. Staff, Liberty, and the Commission utilize billing determinants in two ways. First, billing determinants are used to establish normalized revenues during the course of a rate case. Second, billing determinants are used to calculate the new base rates that result from the authorized revenue requirement in a general rate case.

Inaccurate billing determinants create unnecessary errors when determining rates as a result of the Commission ordered revenue requirement which could result in rates being set inappropriately high or low. Inaccuracy in billing determinants may cause unreasonable revenue allocation shifts if not considered carefully.

In Empire Electric's last electric general rate case, ER-2024-0261, Staff struggled with the accuracy of the billing determinants that Empire provided throughout the course of the case, either through workpapers or through discovery. Staff had to rely upon the information that was provided by Empire Electric because Staff did not have access to Empire Electric's systems. Empire Electric made numerous manual adjustments to raw data to account for late bills, unbilled or rebilled accounts, and an adjustment that moved a bill cycle to its correct billing period. The number of revisions to data and corrections to "raw" data prior to normal rate case adjustments caused Staff concern for the accuracy of the determinants provided.

It is imperative that the monthly billing determinants by rate code that a utility provides are accurate because it is those determinants that are used in the rate revenue calculation and billing determinant calculation. If the billing determinants are not accurate then each adjustment is not accurate thus the rates produced from the rate case may under/over recover. Liberty may have inaccurately reported the revenue that it should have received based upon billing issues, indicating that an artificially larger revenue requirement increase is necessary, all else being equal.

Therefore, 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.

Use of Estimated Interval Reads for Billing

Background

Automated Metering Infrastructure ("AMI") interval data includes, among other information, usage data that is read by a given meter sub-hourly. This information provides a much more granular view of customer usage during discrete time periods when compared to older meter technology that provided meter reads over much longer time periods. AMI interval data is utilized by Liberty's meter data management system ("MDMS") to provide billing determinants that are ultimately used by Liberty to bill its ratepayers. Most of Empire Electric's ratepayers are on a time choice rate plan¹²⁵ that includes an off-peak credit for all usage consumed during off-peak periods

¹²⁵ The time choice plan is billed the same rate for all kWh during the summer season (that is the first four monthly billing periods on and after June 16) and a rate for the first 600 kWh during the winter season (that is the remaining eight months) and a different rate for all additional kWh.

(i.e., 10:00PM – 6:00AM). In addition, Empire Electric also offers a time choice plus rate plan¹²⁶ which is billed at on-peak and off-peak.¹²⁷ Since most of Empire’s customers are on a time-based rate, accurate time-based readings are necessary for accurate customer bills, and ultimately accurate billing determinants.

The timing of customer usage has a direct impact on the billing determinants that Liberty utilizes to justify its rate increase request. Estimated bills would ultimately impact the accuracy of billing determinants and calculated rate revenue.

At times, Empire Electric estimates interval readings. Liberty’s explanations of the AMI interval estimation process have been inconsistent and varied, without notice to or approval from the Commission. From April 2024 to March 2025, Empire Electric was either calculating the TOU charges manually or giving customers the presumption of off-peak rates for all missing interval reads. Starting in March 2025, Empire Electric returned to the estimation process that it used prior to the C1 implementation but had to calculate the bills manually. In May 2025, Empire Electric automated the process using historical usage as a reference.

Based on discussions with Empire Electric during the general rate case, ER-2024-0261, bills that were missing register reads (i.e., either the starting or ending usage for the billing period is missing) and bills with more than 85% of the interval data missing in a given month were identified as a billing exception. Bills that were missing less than 85% of the interval data were automatically calculated using a software function. This means that Liberty’s system automatically calculated usage across time intervals for up to 85% of the billing period intervals. However, in Liberty’s response to Staff DR No. 0164 in this investigatory docket, Liberty indicated that the only time bills are marked as estimated is if the end register read is estimated. If the later response is accurate, Liberty may be estimating a much larger portion of interval data without logging the information as an exception or marking the bills as estimated. Staff is concerned that Liberty’s reported level of bill estimation may be much lower than what is actually occurring.

According to Liberty, its AMI meters store interval read data for 45 to 60 days, meaning that the interval read data would have been available for a period of time after the bill for that month was

¹²⁶ Liberty has a small percent of customers on the time choice plus rate plan.

¹²⁷ Summer on-peak is June 1 through September 30, 2pm to 7pm and summer off-peak is all other hours. Winter on-peak is all other months, 6am to 9am and 6pm to 9pm and winter off-peak is all other hours.

estimated. Staff's understanding is that Liberty's system was not programmed to obtain missing interval read data after the transmission date¹²⁸ has passed, and the same was true of the legacy CIS. As such, Liberty's practice has been to not retrieve the missing interval read data at a later date.¹²⁹ Staff is unaware of the reason(s) why either this programming was not added or Liberty did not use meter readers to collect the missing data.

Staff recommends that Empire Electric:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

Estimation Process

Empire Electric's estimation process is in violation of both Commission Rule 20 CSR 4240-13.020(2)(C) for its residential customers as well as its tariff P.S.C. Mo. No. 6 Sec. 5 Original Sheet Nos. 24 and 25. The resulting charges are in violation of 20 CSR 4240-13.020(1) for residential customers. 20 CSR 4240-13.020(2)(C) states the following:

¹²⁸ For purposes of this section, transmission date refers to the date that Liberty initially attempts to obtain meter read data.

¹²⁹ Based upon technical discussions between Liberty and Staff in April and May of 2025.

(C) When a utility renders a bill based on estimated usage, it shall comply with the following:

1. A utility that has an estimating procedure in its filed and commission-approved tariffs shall follow that estimating procedure;

2. A utility that does not have an approved estimating procedure shall base the estimate on that customer's historical average usage at the same premises for the same billing periods during any or all of the past three (3) years for which actual usage data is available. In the event the customer was provided utility service at the premises for less than one (1) year, then the estimate shall be based on usage from the average of the customer's actual usage for the previous three (3) billing periods. If the customer has not had utility service for three (3) billing periods or if actual usage during that time is not available, the utility shall base the estimate on the average usage of available actual usage data for the months the customer has had utility service. In cases where no prior actual usage information is available or the prior usage is estimated and cannot be determined by subsequent actual meter readings, the utility shall base the estimate upon average usage of similarly situated customers.

Empire Electric's currently effective tariff does not include a threshold for estimated bills. In fact, Empire Electric's currently effective tariff includes the following provisions concerning estimated bills:

c. Under no circumstances shall Company render a bill based on estimated usage.¹³⁰

(1) Unless the estimating procedures employed by the Company and any substantive changes to those procedures have been approved by the Commission; and

(2) As a Customer's initial or final bill for service unless conditions beyond the control of the Company prevent an actual meter reading;

d. When Company renders an estimated bill in accordance with these rules, it shall:

(1) Maintain accurate records of the reasons therefore and the effort made to secure an actual reading; and

(2) Clearly and conspicuously note on the bill that it is based on estimated usage; and

¹³⁰ P.S.C. Mo. No. 6, Sec. 5, Original Sheet No. 24 and 25.

(3) Use Customer supplied readings, whenever possible, to **determine usage.**
[Emphasis added.]

In addition, Empire Electric's filed and Commission approved tariff outlines the following process for estimated bills:

f. In estimating readings, the Company will use the following procedure:

- 1) Determine the customer's Actual Metered Usage for the same month of the preceding year, if available. Otherwise, determine the Actual Metered Usage for the month closest to that month.
- 2) Determine the customer's Base Usage as the usage that is the lowest actual monthly usage in the prior thirty-six months with outliers removed.
- 3) Determine the customer's Weather Sensitive Usage as the difference between Actual Metered Usage and Base Usage.
- 4) Determine the customer's Weather Multiplier by dividing Weather Sensitive Usage by the Degree Days corresponding to the customer's Actual Metered Usage. In the event there are no degree days corresponding to the customer's Actual Metered Usage the base will be used as the estimate.
- 5) Determine the customer's Estimated Usage as the customer's Base Usage plus the product of customer's Weather Multiplier and the current month's Degree Days (Current Degree Days).
- 6) For lighting accounts, the estimate will be based on the prior year's usage per day for the same month of the year multiplied by the number of days to be estimated for the current month.
- 7) For accounts with a limited history, the estimate will be based on a prior month's use per day multiplied by days in current billing cycle.

Empire Electric's process for estimating interval reads does not follow this process and is thus contradicting both the rule and its tariff. Furthermore, 20 CSR 4240-13.020(2)(C)2 outlines the required estimation process in circumstances where a process is not in the utility's tariff, as is arguably the case for TOU rates where register reads are available, but interval reads or not. However, Empire Electric's estimation process for TOU rates also do not comply with this alternative. Empire Electric chose to create a new estimation process that does not comply with Commission rule, nor does it comply with the estimation process established in Empire Electric's Commission approved tariff.

Finally, 20 CSR 4240-13.020(1) states that "A utility shall render a bill for each billing period to every residential customer in accordance with commission rules and its approved tariff."

Empire Electric's tariffed TOU rates specify the price of electricity at certain periods of the day. By assuming the time of day that the electricity was used, Empire Electric is not billing customers in accordance with its tariff.

Liberty's Missouri Call and Contact Centers

Significance of Call Centers

Regulated utility call centers provide a crucial function in the services the utility provides for its customers. The call center is typically the first point of contact for customers facing issues or needing assistance. A customer's experience with a utility's call center is important because a positive, helpful, and efficient interaction usually builds trust or continues satisfaction.

During emergencies, such as natural disasters and widespread power outages, the call center becomes a lifeline for customers to be able to communicate. Affected communities need to be able to trust the information received from the representatives that handle their calls is reliable. The representatives must be able to handle inquiries, complaints and emergencies with efficiency and empathy and at the same time keep customers' sensitive information safe. The interaction between the customer and the call center can set the tone for the overall experience with the utility.

Utility customers contact call centers for a wide range of issues including:

- Report emergencies and service outages
- Discuss or make complaints and disputes
- Make payment arrangements
- Start, discontinue, transfer or restore service
- Make inquiries regarding bills or account details

Liberty's contact centers are responsible for providing customer service to customers who contact Liberty by telephone or email. According to Liberty, "The contact center provides the first point of customer contact for all inbound and outbound customer support and ensures all customers are greeted in a courteous and professional manner. Customer service representatives perform duties in compliance with laws, regulations, company policies and procedures, and provide accurate information regarding Liberty services and guidelines. Customer service representatives

process customer contacts promptly and evaluate, advise, and expedite requests to service customer needs.”¹³¹

Call Center Locations

Liberty has three contact center locations in the Central Region of Missouri: Joplin, Ozark, and Jackson. Customer service hours for the Joplin and Ozark contact centers are Monday through Friday, 7:00 A.M. to 7:00 P.M. The Joplin and Ozark locations answer calls for Empire Electric, Empire Gas, and MO Water (water and wastewater) in Missouri, Kansas, Oklahoma, Arkansas, Illinois, and Iowa.¹³² The Jackson contact center is dedicated to answering calls for MNG, which includes parts of Missouri, Illinois, and Iowa as well as water service in Arkansas. The customer service hours for the Jackson contact center are Monday through Friday, 8:00 A.M. to 6:00 P.M. Immediately after the C1 conversion, Liberty utilized a third-party vendor, ContactPoint360 (“CP360”), to assist with increased call volume.

MNG also has remote offices that answer calls for Missouri customers and are linked to the same phone line to service all MNG customers. The contact center phone line is open 8:00 A.M. – 6:00 P.M. All office locations for MNG are closed to the public and assist customers by phone only. Payment drop boxes are located at each MNG office. The office locations include Jackson, Sikeston, Caruthersville, Kirksville, and Hannibal in Missouri. There are additional office locations in Harrisburg, Vandalia, and Girard, Illinois, and Keokuk, Iowa.¹³³

Quality Assurance

Liberty has a Quality Assurance (“QA”) team consisting of approximately seven Specialist II’s¹³⁴ located throughout its territory. Liberty’s QA Team is responsible for all aspects of Liberty’s Quality Monitoring Program, as well as supporting various activities/initiatives to support Customer Care. The QA Team’s responsibilities include auditing calls for CSRs and Dispatchers and providing feedback to reduce errors and improve average handle time, first call resolution, and overall customer experience.

¹³¹ ER-2024-0261, Liberty response to Staff DR No. 0180.

¹³² OO-2025-0233, Liberty response to Staff DR No. 0028.

¹³³ GR-2024-0106, Liberty response to Staff DR No. 0193.

¹³⁴ OO-2025-0233, Liberty response to Staff DR No. 0148.

Walk-in Locations

Liberty has full-service walk-in locations that can assist with any customer service situation, including making payment agreements and taking payments, and are also available to assist the contact center with taking phone calls.¹³⁵ The walk-in locations include: Bolivar, Branson, Joplin, Neosho and Ozark. The office location hours of operation are Monday through Friday, 8:00 A.M. – 4:30 P.M., and all close for lunch from 12:30 P.M. – 1:30 P.M., except for Joplin which does not close for lunch.

Liberty’s walk-in offices in Bolivar, Branson, Joplin, Neosho and Ozark were closed to walk-in and drive-through traffic from April 8, 2024, through April 19, 2024, to temporarily reassign staff who normally provide in-person service to answer customer phone calls. Due to staffing constraints, the Bolivar office remained closed until May 18, 2024.¹³⁶

Liberty closed all its Missouri walk-in centers during the COVID-19 pandemic. According to Liberty, the Noel office did not re-open due to minimal customer use.¹³⁷ The Noel facility offers a drop box, commonly referred to as a night box, for customers to drop off payments¹³⁸ and all payments received at this location must be processed at the Neosho facility. In addition, MNG closed ten (10) of its local business offices¹³⁹ that once allowed walk-in traffic and provided customers with a physical means to receive assistance with issues within their communities. Liberty stated the MNG facilities were closed initially for COVID safety and remained closed due to staffing issues and the need to support increased call volume.

Outage Management Team

There is also an Outage Management team located at 3400 Kodiak Road, Joplin, Missouri. This department is operational 24/7 and is responsible for handling all electric, gas, water, and wastewater emergencies. Outage Management Specialists (“OMSs”) are tasked with maintaining the Outage Management System, dispatching all emergencies and handling incoming emergency calls from 7:00 P.M. to 7:00 A.M., Monday through Friday, and all-day Saturday and Sunday

¹³⁵ OO-2025-0233, Liberty response to Staff DR No. 0023.

¹³⁶ EE-2024-0232, (Variance Case) Report Regarding Customer First Implementation, August 6, 2024, pages 13-14.

¹³⁷ OO-2025-0233, Liberty response to Staff DR No. 0029.

¹³⁸ ER-2024-0261, Liberty response to Staff DR No. 0218.

¹³⁹ GR-2024-0106, Liberty response to Staff DR No. 0193 and OO-2025-0233, Liberty response to Staff DR No. 0029.

(emergency calls are handled by the contact center from 7:00 A.M. to 7:00 P.M., Monday through Friday). OMSs play a role in ensuring proper communication between customers, contact center representatives, and operations personnel.¹⁴⁰

Call Routing

Liberty has multiple phone numbers established for its customers to reach the contact center based on call type. Empire Electric and MO Water have one number to call for both customer service and emergency situations (800-206-2300). Empire Gas has a customer service number (800-424-0427) and a different number (800-406-9220) to report an emergency. MNG has a customer service number (855-872-3242) and a different number (855-644-8134) to report an emergency.¹⁴¹

IVR

Liberty utilizes an IVR (Interactive Voice Response) phone system and offers various menus when a customer calls the appropriate number based on the customer's particular need. The IVR system offers self-service as well as routing to a live CSR for emergencies, payments, and general inquiry queues. The IVR system also has a callback feature in which customers are given the option to "virtually" keep their place in line instead of waiting in-queue to speak to a CSR during high call volume. When a callback is offered, the customer is also provided with an estimated wait time. The callback option is not offered in emergency queues.¹⁴² When a customer calls Liberty, the customer will reach the IVR menu before the call is answered by a CSR. There are problems with the IVR system that are described later in this report.

Phone System

The phone system is a centralized call sharing system that allows CSRs to be added to call queues determined by which entity the CSR is assisting. Supervisors and managers can add a skill priority level to select agents that allows local CSRs to be offered the call first if available. As mentioned earlier, LUCo is separated into East, Central and West Regions. If a particular region faces higher call volumes or service demands, CSRs from regions not experiencing similar issues can

¹⁴⁰ ER-2024-0261, Liberty response to Staff DR No. 0180.

¹⁴¹ OO-2025-0233, Liberty response to Staff DR No. 0175.

¹⁴² ER-2024-0261, Liberty response to Staff DR No. 0180.

temporarily assist with the overflow. CSRs from different regions can be added into the Central Region queue. Liberty has only piloted call sharing with the East and Central Regions. According to Liberty, agents assisting the Central Region have been trained on the policies associated with that region as well as Commission regulations.¹⁴³ To date, only the East Region has assisted the Central Region with calls, but the Central Region has not assisted the East Region.

Call and Contact Centers Concerns

Before delving into Staff's concerns with the call center it should be noted that, prior to the C1 launch, Staff did not have major concerns with the customer service Liberty's call centers provided its customers. Other than concerns with CSRs not noting accounts and CSRs not informing customers of their right to contact the Commission, as outlined in the WO-2022-0253 Staff Report, the outstanding concerns were not call center related.

Two of the main tools that are vital for a CSR to provide adequate customer service are 1) a billing system and 2) company processes that align and help CSRs in delivering a successful customer experience. This includes billing timely, consistently, and accurately, and if there are problems with either of those issues, the company has processes in place to remedy the issue. From the launch of C1, CSRs had neither a properly functioning billing system nor the processes in place to account for a system that kept creating errors.

Staffing

Average speed of answer ("ASA") and abandoned call rate ("ACR") are quick references to determine if a call center has enough staffing to answer the call volume. Simply, the ASA is how long it takes a call center, on average, to answer a customer call. ACR is the percentage of customer calls offered to CSRs that are disconnected before a CSR answers. If a call center does not have enough CSRs, customers will abandon the call while waiting for a CSR to become available, resulting in a higher ACR. Alternatively, if the customer decides to wait for a CSR, the ASA will show the average time it took to answer the call.

Although there is no Commission standard for ACR or ASA, the statistics help inform Staff on how adequately a utility's call center is staffed and how long it takes to answer customer inquiries.

¹⁴³ OO-2025-0233, Liberty response to Staff DR No. 0175.

Unusual events, such as severe storms or billing conversions, can spike these statistics but they tend to level out after the event is resolved. Although ASA and ACR are well suited to evaluate staffing levels, they indicate nothing about the quality of the call once it is answered.

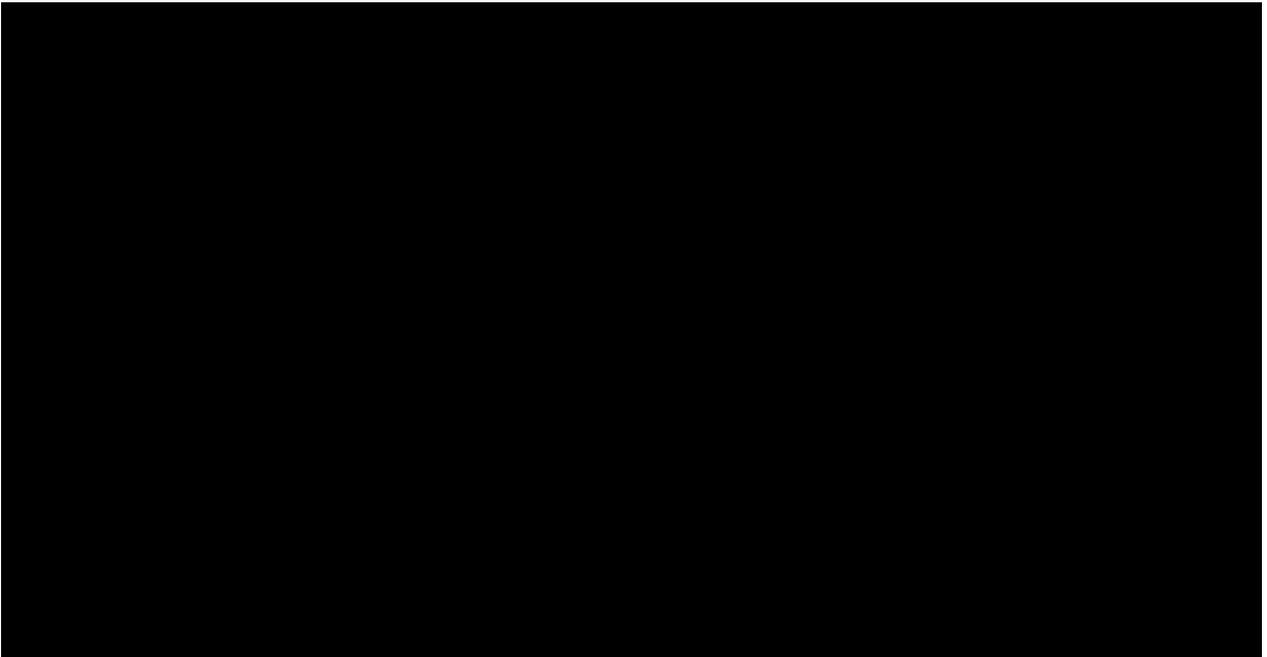
Staff monitors Liberty call center performance along with all large, regulated utilities in Missouri. If there is prolonged high ASA or ACR, Staff will reach out to a utility or a utility might proactively inform Staff of issues it might be experiencing. Liberty has a history of answering customer calls quickly with relatively low ASA and ACR.

According to Liberty, it acquired additional resources to support an anticipated increase in customer calls after the C1 conversion, including hiring a third-party vendor, CP360, and enlisting its East Region to support its Customer Care. Although there were complaints from customers unable to reach Liberty personnel easily and being transferred multiple times with long wait times, Liberty appears to have had ample staffing during and after the billing conversion process. Based on the call center performance for ASA and ACR, if a customer needed to speak to someone at Liberty, a CSR was available to answer the phone.

As outlined in the chart below, there was only a slight increase in ACR and ASA immediately after the billing conversion for Empire Electric, Empire Gas and MO Water. For MNG, the chart appears to be normal with no prolonged concerns.

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After the dismissal of CP360 in June of 2024 due to quality concerns, ASA and ACR increased for the months of July and August, but difficulty in reaching a CSR was not a prolonged issue. It is after customers reached the CSR that many of the issues arose.

CP360

As discussed in depth in Charles Tyrone Thomason's rebuttal testimony¹⁴⁴ in Case No. ER-2024-0261, Liberty ended its contract with CP360 shortly after the C1 launch due to a multitude of errors made by the vendor which triggered customer complaints. Some of those complaints included orders not placed, incorrect orders issued, and incorrect information given to customers.

Staff also became aware through formal and informal complaints received by the Commission that the use of CP360 had compromised Liberty's inquiry resolution process. The process was compromised by the improper handling of complaint tickets and the inaccessibility of customer information for CP360 CSRs. The latter relates to some of the incorrect information given to customers.

Billing Related Explanations

When customers started contacting Liberty with billing concerns related to the C1 conversion, they received inconsistent messaging and many were offered different explanations or resolutions to similar inquiries. The most common explanation provided to customers was that Liberty was experiencing issues with the new billing system. When some customers noticed Liberty was no longer sending billing statements and contacted the contact center, the CSRs would usually state one of the following, depending on the CSR:

- Do not pay anything for now but you might want to in the future
- Pay what you normally pay so you do not get behind
- CSR would put in a billing ticket so the billing department could investigate the issue further

When customers received multiple bills for multiple monthly billing periods in one month, or one bill with multiple months' worth of charges, the explanations included:

¹⁴⁴ ER-2024-0261, Charles Tyrone Thomason Rebuttal testimony, pages 6-11.

- Caused by delayed billing from previous months
- The account has a preferred payment date which was too close to the billing date
- There was a printing error

Some customers contacted Liberty because they received multiple bills for the same billing periods. Customers asked which bill was correct and what should be paid. Those customers were offered the following explanations:

- To pay the last one/most recent bill received
- To pay the biggest one/highest dollar bill received
- Do not pay the bill at all
- I cannot help you

Disconnection Explanations

During the C1 conversion Liberty halted its collections process with plans of resuming it soon after the C1 conversion. When it was apparent that the billing issues would be prolonged, Liberty suspended its plans to resume the collections process and has not disconnected any of its customers for non-payment since the conversion.

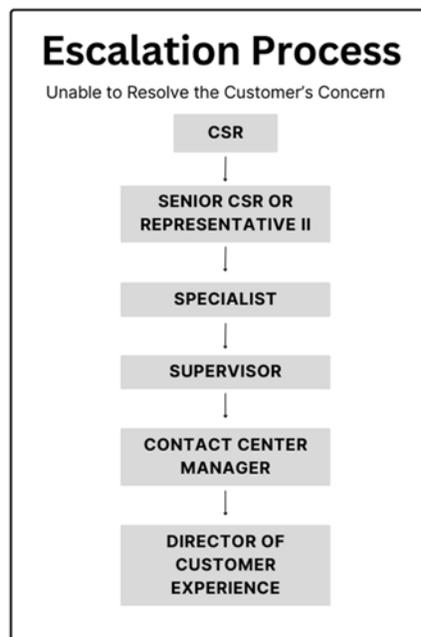
A shutoff notice is a requirement for customers who qualify to receive Low Income Home Energy Assistance Program¹⁴⁵ (“LIHEAP”) funds. Liberty resumed sending shutoff notices to customers in June 2024 so customers would not be denied these funds. However, those notices were not targeted toward the customers who stood to benefit from the LIHEAP funds and customers that were not eligible to receive funds also received shutoff notices. Customers received shutoff notices and had no idea why. Customers were confused either because they believed their account was current or because Liberty was not disconnecting services.

Escalations

According to Liberty, the Customer Care Contact Center consists of multiple levels of representatives and there is a hierarchy that is followed for escalations. The positions consist of:

¹⁴⁵ LIHEAP is a state-administered, federally funded program designed to help eligible, low-income households manage the costs of home heating and cooling by providing both one-time energy assistance payments and emergency crises intervention. LIHEAP often helps with energy bills, prevents service disconnection, and restores disconnected services.

Representative I, Representative II (Senior CSR), Specialist, Supervisor, Manager and Director.¹⁴⁶ If the CSR who answers the phone is unable to resolve the complaint, the next step is to utilize assistance of a Senior CSR. If the Senior CSR is unable to resolve the complaint, the customer will be referred to either a Specialist or Supervisor, and finally the Manager of the contact center. The Contact Center has a rotating weekly supervisor that handles escalations and oversees other administrative duties and schedules for the contact center. The Manager may also escalate the call to the Director of Customer Experience. Liberty stated the customer will be given the contact information for the Commission at any point if it is requested.¹⁴⁷



In Town Hall meetings, informal complaints, recorded phone calls and public comments, customers stated that they were not getting callbacks and resolutions for their problems. For example, in an informal complaint (CI202500840) the customer contacted Liberty to get service established at his property on December 4, 2024, and the CSR created a ticket for the application. The customer called back on December 11th and December 12th because he did not receive an update or a callback about service. A representative did not call him back and issue service until December 13, 2024. In another informal complaint (CI202500876), the customer

¹⁴⁶ OO-2025-0233, Liberty response to Staff DR No. 0103.

¹⁴⁷ WR-2024-0104, Liberty response to Staff DR No. 0150 and OO-2025-0233, Liberty response to Staff DR No. 0103.

states he contacted Liberty on December 2, 2024, to request service at his property and called back for a status update on December 5th, December 9th, and December 11th regarding his application. The customer finally received a call back on December 13th regarding his application and service was not issued until December 16, 2024. Staff inquired about when Liberty's escalations policy requires a callback. Staff also asked how the escalation is recorded, how the request is forwarded, and what records exist that indicate the callback was conducted.

According to Liberty, the only documentation Liberty retains of an escalation callback request would be the account notes from the initial call. This would make researching whether a callback occurred cumbersome. The phone call recording or account note documentation would have to be researched to track the request. Liberty was unable to provide any data that would indicate how often escalation callback requests occur, how often they are completed, and how often they are not completed because it does not track that information.¹⁴⁸

Staff specifically reviewed 25 escalated recorded calls¹⁴⁹ in which the CSR who was responsible for intake was unable to provide assistance and had to escalate the call to a Senior CSR or Representative II or a Supervisor. The reviewed calls were sourced from all of Liberty's utilities. Issues Staff identified while reviewing these calls included:

- Failure to return calls as promised
- No resolution with multiple return calls
- Calls disconnected for undetermined reasons
- Senior Representatives or Supervisors did not offer the Commission as an option to escalate the customer's issue
- Senior Representatives or Supervisors provided incorrect information to the customer
- Senior Representatives or Supervisors were unable to provide any information to the customer
- Senior Representatives or Supervisors informed the customer information could not be accessed

¹⁴⁸ ER-2024-0261, Liberty response to Staff DR No. 0441.

¹⁴⁹ OO-2025-0233, Liberty response to Staff DR No. 0105.

Staff requested additional information¹⁵⁰ on three of the 25 escalated calls. In all three instances, the Senior Representative or Supervisor did not return a call to the customer as requested. These calls occurred between April and July 2025, an entire year after C1 implementation.

20 CSR 4240 13.045(2) states in part:

When an applicant or customer advises a utility that all or part of a charge is in dispute, the utility shall. . . investigate the contact promptly and thoroughly; and attempt to resolve the dispute in a manner satisfactory to both parties.

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

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. This policy should ensure that customers have their calls returned promptly and thoroughly according to Commission rule.

Notification of Customer's Right to File Complaint with the Commission

When disputes arise between a utility and its customer, Staff encourages all utilities to work with their customers so that issues can be resolved in a timely manner. If the CSR or Supervisor is unable to help resolve the matter or the customer is not satisfied with the resolution offered, it is the customer's right to pursue a complaint through the Commission. Commission Rule 20 CSR 4240-13.045(9) states:

If the utility does not resolve the dispute to the satisfaction of the customer, the utility representative shall notify the customer that each party has a right to make an informal complaint to the commission, and of the address and telephone number where the customer may file an informal complaint with the commission.

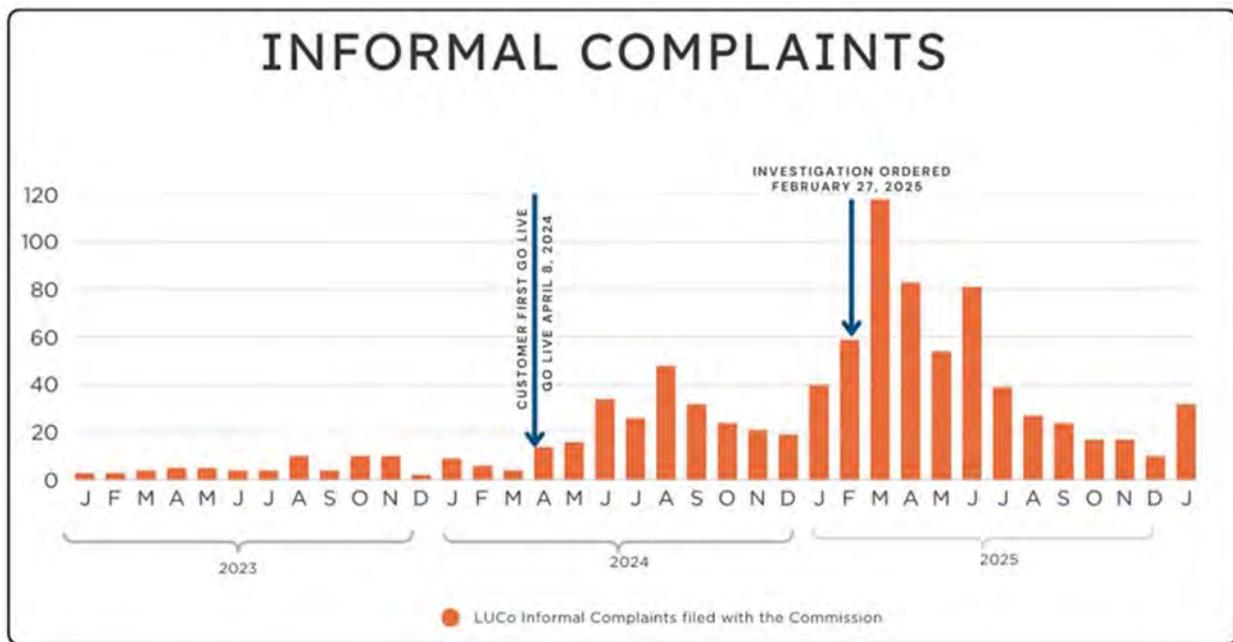
Liberty CSRs are not consistently informing customers of this right. Staff's review of phone calls, obtained in the Empire Electric rate case (ER-2024-0261) and in this ongoing investigation, has found only one instance in which a CSR informed a customer of their right to file a complaint

¹⁵⁰ OO-2025-0233, Liberty response to Staff DR Nos. 0105.1, 0105.2, and 0105.3.

with the Commission, even in cases where Liberty was unable to resolve the issue to the customer’s satisfaction.

Notably, Staff reviewed a May 15, 2025, phone call¹⁵¹ during which the customer explicitly asked the CSR where he could make a complaint. The CSR did not inform the customer that he may file a complaint with the Commission. When reviewing hundreds of calls, Staff would expect to hear some instances in which CSRs were referring customers to the Commission, especially when a customer asked to make a complaint.

Although informal complaints filed with the Commission concerning Liberty’s billing issues increased immediately after the C1 conversion, it was not until the Commission ordered this investigation that complaints increased to the numbers that would correlate more closely with the issues customers were experiencing. Staff believes one of the reasons customers did not file more informal complaints with the Commission is that they may not have known it was an option.



The above graph represents the informal complaints filed with the Commission from Liberty customers. The chart shows an increase after the C1 conversion and a spike after the investigation Order was issued.

¹⁵¹ OO-2025-0233, Liberty response to Staff DR No. 0105, May 15, 2025, phone call.

Staff reasserts a previous recommendation, made in formal complaint Case No. EC-2025-0069, regarding Liberty violating the above-mentioned Commission rule:

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) and ensuring that CSRs are implementing this training under the correct circumstances.

Account Notes

When customers contact the call center with questions or concerns, it is important to have the issue properly documented. Sufficient account notes can alleviate the need for a customer to call back to the call center or, if a repeat call is necessary, save time for both the CSR and the customer. There are many reasons documentation is important, but if the customer speaks to multiple CSRs about the same issue, then the issue does not have to be explained by the customer more than once if account notes are properly recorded. Account notes also are a form of tracking and documenting a particular issue. It can be beneficial to multiple departments for helping to identify a variety of problems. CSRs can therefore be helpful in pinpointing issues and helping solve problems more effectively and efficiently when properly trained to document the issues involved.

As discussed earlier, providing accurate and consistent messaging to customers is important and part of that requires CSRs notating the account with details of the interaction including its resolution. CSRs documenting call interactions has been an ongoing concern with Liberty in the past and continued after the transition to C1.

One of Staff's findings during the MO Water Investigation (Case No. WO-2022-0253) was that CSRs were not providing consistent information to customers and using account notes to document actions taken with customers.¹⁵² Staff recommended MO Water CSRs utilize account notes to document conversations with customers and actions taken on accounts. Later, Staff reviewed phone calls associated with account notes during the recent MO Water rate case (Case No. WR-2024-0104) and found deficiencies in several of those calls' account notes.¹⁵³ In the Stipulation and Agreement in that case, MO Water agreed to implement a written policy that

¹⁵² WO-2022-0253, *Staff's Report*, page 20.

¹⁵³ WR-2024-0104, Lisa A. Stockman Direct testimony, page 10.

account notes must be utilized for all calls with the exception of customers asking to be transferred to the payment system or reporting an emergency that results in an order in the outage management system, and to implement training on this policy.¹⁵⁴ MO Water shares the same call center as Empire Electric and Empire Gas and Staff continues to find areas of concern.

As discussed in detail in Charles Tyrone Thomason's rebuttal testimony¹⁵⁵ in the Empire Electric rate case (ER-2024-0261) and evaluated further during the course of this investigation, Staff continues to find numerous examples of customer phone calls which should have generated account notes but did not, or there was a lack of detail. In some instances, account notes were documented but not sufficiently to understand what transpired, or there was a lack of detail regarding the actual discussion that took place as heard by Staff in the calls. In other instances, the account notes may have documented the result but did not adequately convey the situation or the difficulties experienced by the customer.

As referenced above, Staff reviewed and followed up on escalated calls between Liberty and its customers. In response to Staff's request, Liberty provided call recordings and the account notes that should have coincided with the phone calls. Staff noted that the amount of detail provided in the account notes did not match the issues discussed on the call.

Staff believes CSRs would benefit from additional training and monitoring to sufficiently capture what occurs between the customer and the representatives when calls come into the contact center for any reason. Account notes should include, at minimum, why the customer called, and what the CSR told the customer in response to an inquiry. There should be enough information recorded so that, if the customer calls back, the next representative can determine when the last time the customer called, why and what was said.

Staff reiterates the recommendation from Case No. EC-2025-0069 into this docket:

Staff recommends that Liberty puts processes in place to ensure that each CSR is trained to note account activities comprehensively. Liberty should also develop a quality assurance process to verify that CSRs are adhering to account notation guidelines.

¹⁵⁴ WR-2024-0104, *Stipulation and Agreement*, paragraph 13.

¹⁵⁵ ER-2024-0261, Charles Tyrone Thomason Rebuttal testimony, pages 20-25.

Quality Assurance

Quality Assurance in a call center is essential to ensure customers receive accurate information, consistent service, and a positive overall experience. A QA program can identify knowledge gaps, coaching needs, and communication issues that may affect how representatives handle customer concerns. It also ensures compliance with company policies, regulatory requirements, and expectations for professionalism.

Liberty made the decision to postpone call quality monitoring with the implementation of C1 to allow customer service representatives time to get comfortable with the new system. For MNG, the implementation occurred in October 2023, and for Empire (electric and gas) and MO Water in April 2024.

Pausing QA during a billing conversion is not uncommon for call centers to give CSRs time to get accustomed to the system. However, the length of time Liberty paused QA is unusual. Call quality monitoring resumed in July 2024 for MNG, after a nine (9) month pause. For Empire (electric and gas) and MO Water, call quality training occurred in August 2025; and in September 2025, quality agents began listening to CSR calls after a seventeen (17) month pause.

In a call center, monitoring calls is the only way to know what CSRs are communicating to customers. After C1, customers consistently voiced issues with the messaging of CSRs such as not getting resolutions or questions answered, not getting a callback and inconsistent or wrong information.

Staff would find it concerning if Liberty paused its QA program for so long under normal circumstances, but to pause its QA program for over a year when customers were voicing their concerns through informal complaints, news media, Town Halls and legislators, seems careless. Instead, Liberty should have listened to more calls and implemented additional programs to ensure its customers were getting the help they needed.

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.

Specialized Representatives

A typical contact center for a business with hundreds of thousands of customers will have an IVR that routes calls to representatives and departments that can handle the customer's concern based on the option the customer chooses. If the IVR cannot determine the concern or is not equipped to send the call to more than the general call center, the call is delivered to the CSR. From that point, a CSR will determine what the concern is and either attempt to resolve the issue or forward the customer to the appropriate specialist to handle it. Typically, for large customers and specialized customers, there are individuals that are separate from the contact center whose only job is to focus on these large or specialized customers.

Examples of groups that have specialized representatives are large customers such as municipals and state agencies, businesses and hospitals. Other specialized groups may include the Better Business Bureau, construction companies, and other customers whose issues involve more time and expertise. Even when there are no systemic issues occurring like the ones that occurred after the C1 launch, large customers may require extensive time to address issues that arise.

Staff has heard from numerous Liberty large customers, including municipals, state agencies and businesses, who have had similar difficulties obtaining resolution for their billing and fee issues. In Liberty's contact center, rather than having a specialist for large customers, a customer with one account and a customer with hundreds of accounts is funneled to the same CSR group. Staff believes this call center structure only exacerbates customer issues.

Staff reviewed one solar customer's issue during this investigation and from March 3, 2025, through April 10, 2025, the customer and Liberty participated in six phone conversations¹⁵⁶ that totaled over two hours in duration. Staff noted that more than one CSR was not familiar with the layout of the bill and the customer was provided incorrect information on multiple phone calls. A customer with multiple accounts is exponentially more difficult to resolve if the CSR does not specialize in handling those types of customers. More information concerning the solar/net metering issues customers experienced can be found in the Net Metering section.

¹⁵⁶ OO-2025-0233, Liberty response to Staff DR No. 0105.3.

Liberty communicated to Staff on January 22, 2026, that it recognizes the need to have specialized agents with seasoned knowledge handling calls for a specific group of its customers and it plans to implement a plan to design a team for specialized needs. Staff believes this is necessary to help eliminate frustration for the customers seeking assistance as well as the CSRs attempting to navigate those types of calls. These specialized agents should at minimum include specializations for large customers and solar customers.

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, that need assistance.

In-person Presence

Immediately after the C1 go-live, Liberty's walk-in offices in Bolivar, Branson, Joplin, Neosho and Ozark were closed to walk-in and drive-through traffic from April 8, 2024, through April 19, 2024, to temporarily reassign staff who normally provided in-person service to answer customer phone calls. Due to staffing constraints, the Bolivar office remained closed until May 18, 2024.¹⁵⁷

Although it is not uncommon for utilities to close local business offices if there is no need for a presence in a particular area, Liberty and MNG closed some of its local business offices that once allowed walk-in traffic and provided customers with a physical means to receive assistance with issues within their communities. While the issues mounted due to C1, customers found it difficult to get answers to their questions and grew more frustrated. During the Town Hall meetings and local public hearings, customers expressed frustration with not being able to talk to someone in person. Customers were vocal about the desire to have local offices available for assistance and many customers referred to having that ability in the past. Whether the questions could be answered or resolved, it was apparent Liberty customers wanted the ability to physically walk in and speak with someone about their billing issues.

On December 9, 2025, Liberty notified Staff that beginning December 16, 2025, it would open a walk-in office to assist customers with billing inquiries in Aurora. The location would be staffed

¹⁵⁷ EE-2024-0232, (Variance Case) Report Regarding Customer First Implementation, August 6, 2024, pages 13-14.

on Tuesdays and Thursdays from 9:00 A.M. to 3:30 P.M. Team members from the Customer Care team in the Joplin location would be available for support in the new Aurora service center location at 509 E Church Street. According to Liberty, the volume of utilization would be monitored to ensure the approach is providing value to its customers. At the monthly meeting with Liberty on December 16, 2025, Staff was informed the office location opened as scheduled.

Self-Service Options

A self-service option for utilities refers to a system or platform that allows customers to manage their accounts and services independently. This includes accessing account information, paying bills, reporting issues, and exploring energy-saving programs. Self-service options are designed to be convenient, personalized and accessible to allow customers the ability to handle their utility needs. Most utilities are offering more options for their customers as modern technology allows for self-service options. Liberty customers have vocalized self-serve issues to the Commission during the Town Hall meetings and through public comments and informal complaints. Staff has expressed concerns with Empire Electric's self-service options in detail in rate case testimony.¹⁵⁸

All of the issues discussed below led to an increase in customer calls to Liberty's call center. Customers reported being transferred to multiple representatives with no resolutions. With multiple problems creating discrepancies in different areas, Liberty was unable to identify a clear solution. Some issues received manual fixes while others seemed to continue. By Liberty not addressing the problems, the result was repeated phone calls which left customers extremely frustrated.

My Account Website

As a part of the C1 conversion, Liberty implemented a new version of its online self-service platform, My Account. Among other features, My Account allows customers to make payments, initiate service requests, receive outage and billing alerts, and view their usage if they have an AMI meter.¹⁵⁹ Staff's review of customer survey feedback, public comments, and local public

¹⁵⁸ ER-2024-0261, Charles Tyrone Thomason Rebuttal testimony, pages 28-36.

¹⁵⁹ ER-2024-0261, Candice Kelly Direct testimony, page 3.

hearing testimony post-C1 implementation indicates some Liberty customers are having issues with utilizing My Account. Some of the common themes observed include:

- Difficulty with creating an account;
- Difficulty logging on to an existing account;
- Not being able to make payments online;
- The system not recognizing the e-mail or phone number on file;
- Reconciling amounts owed on billing statements with the balance owed on My Account; and
- Usage displayed during outages different than actual usage.¹⁶⁰

For example, **

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **

Staff has also reviewed several public comments, as well as testimony from customers at the Town Halls and post-call survey feedback, indicating that customers are seeing different amounts when they look on My Account versus their paper bill. Liberty did not have an explanation as to why this may have occurred for customers, and believes My Account should be displaying the customer's balance in real-time. However, Liberty has not performed any type of audit or review to verify accuracy of the display of My Account since first going live with the portal for MNG in October 2023.¹⁶¹

After customers have experienced a power outage from storms, customers have logged onto My Account and seen that the graphs showed electricity usage during the outage. According to Liberty, this occurs because the system estimates usage when it does not receive data from the AMI meter during an outage if it is not aware that an outage has occurred. The data is later updated

¹⁶⁰ More examples of feedback Staff heard through town halls, Empire customer surveys and as recently as listening to April 2025 phone calls can be found in ER-2024-0261, Charles Tyrone Thomason Rebuttal testimony, pages 31-32.

¹⁶¹ OO-2025-0233, Liberty response to Staff DR No. 0068.

with the actual reads in SAP for billing purposes. However, My Account does not automatically receive the updated information and consequently continues to display estimated data. Although customers are not billed based on the usage data found on My Account, customers were not aware of this distinction which caused confusion and anger. In response to Staff inquiries regarding the complaints, Liberty stated it resolved the immediate issue by gathering actual usage and updating My Account through a manual process. Liberty plans to automate the process in the first quarter of 2026 to prevent the display of estimated reads on My Account during outages.¹⁶²

During the November 20, 2025, C1 meeting, Liberty provided a demonstration of the My Account app and acknowledged that improvement opportunities exist to address customer feedback. In addition to the more common customer feedback, Staff noted the current experience for a Liberty customer to get to the sign in portal requires multiple steps of selecting the correct utility company and service area. Further, Staff noted improvements could be made to My Account to clarify the effects of generation on net usage for net metering customers. For further discussion of customer confusion regarding net metering, please refer to the Net Metering section of this report.

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
- The display of estimated usage on My Account during power outages

My Account Mobile App

According to Liberty, through customer surveys,¹⁶³ and customer testimonies at Town Hall meetings, customers have expressed frustration with the My Account mobile app. Customers had trouble accessing the app and had issues with its functionality. Customers also reported that their balance on the app often did not match the balance they were able to see if looking at the paper

¹⁶² OO-2025-0233, Liberty response to OPC DR No. 0120.

¹⁶³ ER-2024-0261, Liberty response to Staff DR Nos. 0200 and 0200.1.

statement. Some customers stated that information they could see on the app did not match the bill they could see on a PC. Other customers stated they were unable to access the app. Many customers in rural areas attempted to utilize the app after C1 because they were not receiving their paper statements. If a customer was able to access their bill at all, this did not always provide a feasible option for them due to slow internet and because customers often felt the app was too complicated to use.

IVR Issues

IVR systems are typically meant to automate some or all of the company's interaction with customers who choose to call the company's call center. Depending on the sophistication of the IVR, its duties could include collecting preliminary information about the customer, routing the customer to a CSR qualified to address the customer's issue, providing requested information, or even completely resolving the customer's issue without the need to speak to a live CSR. An effective IVR serves as a workforce management tool that allows call centers to focus time and effort on customers who need or prefer to speak to a live CSR. Conversely, an IVR that does not facilitate automated transactions can place additional, unnecessary workload on CSRs.

Liberty's customers have encountered significant difficulties interacting with the IVR, particularly in the areas of account validation and making payments. Liberty's IVR attempts to validate customer identity through either the customer's account number or the customer's phone number. However, customers have reported instances where their account number or phone number were not recognized and have also complained that the IVR timed out before the account number could be entered. Customers unable to have their account number verified are unable to self-serve, thus requiring the customer to wait for an available live CSR. In some cases, as when a customer needs to pay a bill, the CSR may transfer the customer back to the IVR after providing or verifying the account number, thus creating the potential for a continuous loop.

One specific known issue is related to collective accounts. As early as the *Interim Update* (Attachment 2) filed on June 7, 2024,¹⁶⁴ Liberty has been aware of IVR issues affecting account number validation for collective account customers. Collective accounts have account numbers for each child account as well as the parent account. Beginning with the C1 implementation and as of

¹⁶⁴ Case Nos. EE-2024-0232, GE-2024-0201, WE-2024-0202, and SE-2024-0203.

the *Interim Update*, collective account holders were unable to make payments through the IVR because they possessed multiple account numbers. Those customers had to be transferred to Kubra (the third party provider for payments) by a Liberty CSR to make a payment. Liberty stated at the time that it was evaluating the possibility of streamlining the process. During the November 20, 2025, C1 meeting, Liberty disclosed that the IVR is still having issues taking account numbers from collective account numbers.

Customers have also complained that there is a \$600 limit on single payments made through the IVR. This limit requires customers who need to make larger payments to call multiple times to pay their balance. Although this limit existed prior to the implementation of C1, the number of customers who have become aware of this limit has likely increased after the C1 implementation. As more customers have experienced delayed billing, more customers have had to pay balances reflecting multiple months of usage. Liberty has stated it is evaluating options to increase the limit.

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

Payment Agreements

Commission Rule 20 CSR 4240-13.025(1)(B) states:

In the event of an undercharge, an adjustment shall be made for the entire period that the undercharge can be shown to have existed not to exceed twelve (12) monthly billing periods or four (4) quarterly billing periods, calculated from the date of discovery, inquiry, or actual notification of the utility, whichever was first;

This rule allows utilities to rebill customers in cases of undercharge up to a year after the undercharge took place. After Liberty's C1 implementation, the rule has allowed Liberty to retroactively bill customers for months where Liberty did not send a bill and thus did not charge the customer. However, Commission Rule 20 CSR 4240-13.025(1)(C) further states:

In the event of an undercharge, the utility shall offer the customer the option to pay the adjusted bill over a period at least double the period covered by the adjusted bill;

This rule requires utilities correcting a prior undercharge to proactively offer the customer the option of paying the new bill over a period of twice the duration of the undercharge. Thus, when Liberty resolves a customer's delayed billing situation and sends all prior months' bills, Liberty is required to offer the customer a payment agreement to pay for the charges over twice the period of time the customer did not receive bills.

However, Staff believes that many of Liberty's customers, particularly during the first year after the C1 conversion, were not offered nor aware of this option. Prior to February 22, 2025, customers would only have been informed of the option if they contacted the call center. When Liberty resolves a customer's account, the customer receives bills for all missing billing periods. All of those bills would reflect the due date of a standard bill,¹⁶⁵ and nowhere on the bills is the customer informed of the option to pay the delayed bills over twice the duration of the delay. Starting on April 26, 2024, Liberty began sending "bill-up" letters simultaneously with the delayed bills. However, rather than offering the precise terms required by 20 CSR 4240-13.025(1)(C), the letter simply offered to establish a payment arrangement.¹⁶⁶ Liberty's bill-up letters did not convey the option required by the rule until Liberty modified them on February 22, 2025.¹⁶⁷ Any customer affected by delayed billing who did not call the call center prior to February 2025 would not have known about nor taken advantage of the payment arrangement option.

Even if a customer did contact Liberty's call center, the customer may not have been offered the option required by the rule. Beginning in July 2024, CSD reported receiving complaints from Liberty customers that included accusations that Liberty CSRs were not offering customers twice the duration of the undercharge to pay. This prompted discussion during an August 14, 2024, meeting between Liberty and Staff and a commitment by Liberty to provide a "reminder" to CSRs about the requirement. However, CSD has continued to find instances of Liberty CSRs violating the Commission rule in 2025.¹⁶⁸ In CI202600898, Liberty stated in its January 15, 2026, response that "Follow-up training has been put in place to ensure that all representatives understand the correct procedures to set up installment plans for accounts that have experienced billing delays."

¹⁶⁵ With the exception of the billing due date issues described in the Billing Issues section of this report.

¹⁶⁶ OO-2025-0233, Empire response to Staff DR No. 0063.

¹⁶⁷ ER-2024-0261, Liberty response to Staff DR No. 0352.

¹⁶⁸ For example: CI202501653, filed April 29, 2025; CI202501942, filed June 13, 2025; CI202600353, filed October 15, 2025; CI202600898, filed December 29, 2025.

This was after Liberty admitted that its CSR erred by requiring a 33% down payment to establish the installment plan for a customer who had experienced delayed billing for four months.

Additional Communication Shortfalls

Transaction Fee Free Program

In Case No. WR-2024-0104, MO Water requested and received permission to implement its Transaction Fee Free Program, which was designed to incorporate credit and debit card transaction fees into base rates instead of charging the fee to customers per transaction. The Commission approved the Stipulation and Agreement in that case on January 23, 2025, with rates that went into effect on March 1, 2025. Although not specified in the Stipulation and Agreement, it was Staff's anticipation and belief that the Transaction Fee Free Program had taken effect with the onset of new rates.

On May 22, 2025, the Commission received a public comment from a MO Water customer who indicated MO Water was still assessing the fee despite having stated online that the fee would be waived. Liberty's response to Staff's emailed inquiry about this issue explained there had been difficulties encountered that delayed implementation of the Transaction Fee Free Program. MO Water completed implementation of the Transaction Fee Free Program on July 23, 2025. Any customer who had paid a transaction fee from March 1 through July 23, 2025, was issued a refund credit on their August bill. According to Liberty, 1,516 contract accounts were credited a total of \$37,553.25.

For context, Staff notes that Empire Electric implemented a virtually identical Transaction Fee Free Program for its customers after requesting and receiving permission to do so in Case No. ER-2019-0374. The effective date of rates in that case was on September 16, 2020. Empire Electric implemented its Transaction Fee Free Program on September 30, 2020. Customers who paid a transaction fee in the intervening fifteen days were issued a total of \$3,434.50 in refunds.¹⁶⁹

For MO Water's Transaction Fee Free Program, Liberty did not make Staff aware it was experiencing delays in implementing the program until Staff made inquiries in reaction to the

¹⁶⁹ OO-2025-0233, Liberty response to Staff DR No. 0160.

public comment. As far as Staff is aware, Liberty did not take proactive steps to inform customers of the delay either.

Disconnection Notices

Liberty voluntarily suspended disconnections for non-payment as a part of its C1 implementation.¹⁷⁰ As of February 2026, Liberty has not resumed disconnections for any of its Missouri customers. However, Liberty began sending disconnection notices in June 2024 with the purpose of enabling customers who need energy assistance to apply for those benefits.¹⁷¹ When it began doing so, Liberty did not contemplate clarifying the purpose of the disconnection notices with an additional insert.¹⁷²

Over the past year, Liberty customers have raised concerns regarding disconnection notices received before billing statements have been sent. Staff is aware of one confirmed incident in 2024 where this occurred for multiple customers. In this instance, Liberty employees incorrectly used past dates on billing statements as the invoice date while doing manual work to reverse and invoice accounts, which resulted in those accounts being treated immediately as past due. Liberty was unable to provide the number of affected customers.¹⁷³ As the only remedies for this issue were related to training, and Liberty had no way to track how many times this had occurred, Staff cannot state with confidence that this was the only occasion.

Staff's observation has been that Liberty's communications with customers regarding the moratorium on disconnections have been inconsistent. Representatives of Liberty have publicly stated that there is a moratorium during Town Halls and local public hearings. In response to these statements customers at multiple Town Hall meetings said they were told by CSRs, both over the phone and in person, that service would be disconnected if full payment was not made, with no mention of a moratorium. Staff's review of dozens of phone calls that have taken place since April 2024 between Liberty and its customers has found that CSRs did not have a consistent message when customers called after receiving a disconnection notice. Often times, customers were not informed that a disconnection would not take place. Sometimes, particularly if prompted,

¹⁷⁰ See EE-2024-0232, *Application for Temporary Variances, Request for Waivers, and Motion for Expedited Treatment*.

¹⁷¹ EE-2024-0232, Report Regarding Customer First Implementation, paragraph 20.

¹⁷² ER-2024-0261, Liberty response to Staff DR No. 0198.

¹⁷³ ER-2024-0261, Liberty response to Staff DR No. 0199.

customers were informed they would not be immediately disconnected but without mention of the moratorium. On rare instances, the customer was informed there was a moratorium in place. The information given to the customer seemed to depend on the CSR giving the information, rather than the customer's ability to pay or the customer's desperation.

Paragraph 41 of the Non-Unanimous Global Stipulation and Agreement in Case No. ER-2024-0261 states Empire Electric will work with parties to develop targeted customer messaging regarding the disconnection moratorium, and collaborate with the parties and the Commission to establish a communication plan and approach for when disconnections for nonpayment resume. Staff recommends the Commission order this provision to apply all Liberty utilities including Empire Gas, MNG, and MO Water.

Rights and Responsibilities Brochure

Commission rule requires that Missouri utilities prepare a written document for residential customers that summarizes the rights and responsibilities of the utility and its customers. That information, which includes billing and estimated billing procedures, methods for customer verification of billing accuracy, conditions of termination, discontinuance, and reconnection of service, complaint procedures, contact information for the Missouri Public Service Commission and the Office of Public Counsel and other information detailed in Commission Rule 20 CSR 4240-13.040(3),¹⁷⁴ is required by Commission rule to be mailed to each new customer upon commencement of service. Liberty's practice for satisfying this regulation is to include this information in a new customer booklet that is mailed to each customer when new service is established.

From the C1 implementation date of April 8, 2024, to June 28, 2024, Liberty did not mail new customer booklets to customers who initiated service. Prior to C1, the customer service team mailed the booklets manually. When C1 was implemented, the customer service team stopped mailing the booklets because of a miscommunication that the conversion had automated the process. After the issue was discovered, Liberty generated a list of impacted customers and sent

¹⁷⁴ OO-2025-0233, Liberty response to Staff DR No. 0048.

those with an email address on file an email with a link to an electronic copy of the booklet on August 29, 2024. Liberty mailed all affected customers the booklets in October 2024.¹⁷⁵

Customers Impacted - (Empire Electric, Empire Gas, MO Water)

From April to June 2024, 5,736 new Empire Electric customers did not receive the booklet, 1,568 new Empire Gas customers did not receive the booklet, and 2 new MO Water customers did not receive the booklet.

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.040(3) states:

A utility shall prepare, in written form, information in plain language, which summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. The form shall be submitted to the consumer services department of the commission, and to the Office of the Public Counsel. This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each of the utility's residential customers upon request. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request.

The failure to send the new customer booklet, and therefore the rights and responsibilities information detailed in the above rule, constitutes a violation of the rule and the similar language found in each company's respective tariff.

Third Consecutive Estimate Letter

In circumstances where a residential customer receives a third consecutive estimated bill, Missouri utilities are required by Commission rule to send a letter to the customer by first-class mail. That letter should notify the customer that the bills have been estimated, that estimation may not reflect actual usage, and the means by which the customer may read the meter and self report the actual usage.

¹⁷⁵ OO-2025-0233, Liberty response to Staff DR Nos. 0084 and 0084.1.

From the C1 implementation date of April 8, 2024, to August 2024, Liberty did not mail these letters to customers. After the C1 conversion, Liberty incorrectly believed that the letter had been converted to a Kubra-generated automatic letter. In August 2024, Liberty resumed manually mailing the letters, and in March 2025 the process was automated. Customers who did not receive the letter between April and August 2024 were retroactively sent letters.

Customers Impacted - (All Missouri Utilities)

According to Liberty, this issue impacted less than 1,000 customers across the Liberty utilities.¹⁷⁶ However, Liberty has indicated more recently that it does not have confidence in the accuracy of its estimated billing counts, which calls into question the number of customers who have received three consecutive estimated bills.¹⁷⁷ Staff has previously noted that the estimated bill counts provided by Liberty appear to be unreliable¹⁷⁸ and anticipates the number provided may need to be revised.

Rule or Tariff Violations

Commission Rule 20 CSR 4240-13.020(3) states:

If a utility is unable to obtain an actual meter reading for three (3) consecutive billing periods, the utility shall advise the customer by first class mail or personal delivery that the bills being rendered are estimated, that estimation may not reflect the actual usage, and that the customer may read and report their electric, gas, sewer, or water usage to the utility on a regular basis. A utility shall explain to the customer the procedure by which this reading and reporting may be initiated.

Neglecting to send the letters upon failing to obtain an actual meter read for a third consecutive month constitutes a violation of the rule and the similar language found in each company's respective tariff.

¹⁷⁶ Liberty Billing and Customer Service Update meeting, February 25, 2025, slide 10.

¹⁷⁷ OO-2025-0233, Liberty response to Staff DR Nos. 0054.3 and 0046.4.

¹⁷⁸ ER-2024-0261, Direct Testimony of Charles Tyrone Thomason, page 49, line 10 to page 50, line 12.

Payment Issues

After the rendition of a bill, the final step in the cycle is for the customer to pay that bill. Typically, utility companies strive to make the process of receiving money for service as convenient and transparent as possible to facilitate revenue flow into the company. They do so by offering a variety of payment methods and opportunities to suit the preferences and situations of their customers. Issues that present obstacles to customer payment, create confusion regarding amounts paid and unpaid, or otherwise disrupt the process of payment tend to frustrate customers and impact utility revenues. It also presents a potential financial cost for the customer if late fees are applied as a result.

The C1 implementation introduced several changes to how customers could view and pay their bills. The bill was redesigned, all customers were given a new account number, some over-the-counter third payment locations were added while others were removed, the Liberty bank account that payments could be sent to for direct deposit was changed, and the mailing address for payments was changed.¹⁷⁹ Within the context of this environment, Staff's investigation has found that, in addition to the billing issues that have received a lot of customer attention following the C1 implementation, Liberty customers have reported various issues with making payments to Liberty.

General Payment Difficulties

Staff's review of sample phone calls, Town Hall testimony, and customer survey feedback has found a recurring theme of customers having difficulties paying their bills through the IVR system, online, and at third party payment centers. One of the main issues seems to be that customers have difficulty with customer account number verification. If customers are unable to pay their bill because of an account number verification issue, one of the alternatives (besides mail or drop-box) is for the customer to call into the call center, request to speak to a Liberty CSR, and then have that CSR transfer the customer to a live Kubra agent to accept the payment. Based on Staff's review of random phone calls and wrap-up codes,¹⁸⁰ this appears to be a relatively frequent occurrence.

¹⁷⁹ ER-2024-0261, Liberty response to Staff DR Nos. 0179 and 0202, OO-2025-0233, Liberty response to Staff DR No. 0066.1.

¹⁸⁰ ER-2024-0261, Liberty response to Staff DR No. 0196. Calls marked "Transfer to Payment Provider" make up 15-20% of categorized calls, excluding uncategorized calls marked "Other" or "None."

Missing Payments

Staff has also heard concerns from customers regarding missing payments. Across all Liberty utilities, there has been a significant increase in the number of missing payment inquiries. In 2023, there were 259 inquiries. In 2024, there were 1,051 inquiries. From January-April 2025, there were 601 inquiries. According to Liberty, the increase can be attributed to the change in customer account numbers, payments sent to the wrong address, payments lost in the mail, and Liberty's lockbox processor experiencing scanning issues.¹⁸¹ Staff was also informed by Liberty during Summer 2025 that payments made at Wal-Mart(s) were not being displayed in the payment history section of My Account. The payments were correctly applied to the balance owed but were not shown in the list of payments made. This was likely the case since the implementation of C1 and may also have contributed to the number of inquiries.

Autopay

If an Autopay customer has experienced untimely billing for one or more months, Autopay will not draft any money from the customer's account until the customer receives bills. By the time that occurs, several months may have passed since the customer last received a bill, resulting in a substantial balance. Absent intervention, Autopay would draft that entire owed balance on the next draft date, a scenario which produced customer complaints.¹⁸²

In February 2025, Liberty instituted a new policy of locking Autopay accounts in cases where the customer's account was impacted by untimely billing for more than 35 days.¹⁸³ Customers impacted by the policy are sent a Bill-Up letter informing them they will need to call Liberty to get their Autopay unlocked. Until they do so, Autopay will not draft the immediate balance owed or any subsequent bill balances from the customer's account. At Staff's suggestion,¹⁸⁴ Liberty began calling affected customers around September 2025.¹⁸⁵ As part of this investigation, Staff inquired whether all customers eligible for the Autopay lock

¹⁸¹ OO-2025-0233, Liberty response to Staff DR Nos. 0066 and 0066.1.

¹⁸² For example, CI202501088.

¹⁸³ ER-2024-0261, Liberty response to Staff DR No. 0350; OO-2025-0233, Liberty response to Staff DR No. 0067.

¹⁸⁴ ER-2024-0261, Rebuttal Testimony of Charles Tyrone Thomason, page 34, line 12.

¹⁸⁵ ER-2024-0261, Surrebuttal Testimony of Candice Kelly, page 8, line 10.

had their accounts locked and a Bill-Up letter sent to them. Liberty's response appears to indicate there were customers who may have been missed for one or both.¹⁸⁶

A recent informal complaint, submitted November 25, 2025, validated Staff's concerns that not all customers have been covered by the Autopay lock. In the complaint, a MO Water customer did not receive any bills from October 7, 2024, to October 6, 2025. According to the complaint response, the meter was not read during this time "due to meter reader scheduling and availability." Liberty sent the first nine of the missing twelve bills to the customer on October 6, 2025, while the remaining three remained delayed. The combined balance of those nine bills were drafted from the customer's account by Autopay on November 5, 2025, for a total of \$968.93. Liberty sent the Bill-Up Letter, and locked the customer's Autopay, on November 21, 2025, which is the day the remainder of her delayed bills were sent to her.¹⁸⁷

This informal complaint suggests a customer is only considered "affected" at the time the last delayed bill is sent, which excludes instances where Liberty fixes the first delayed bill but another issue arises on a subsequent month's bill. This is a process gap that Staff recommends Liberty address.

Preferred Payment Dates

Prior to the C1 implementation, Empire Electric, MO Water, and Empire Gas allowed customers to choose an Autopay draft date for their bills from several possible options. However, SAP does not allow for the meter read cycle to be distinct from the billing and invoicing cycle, which eliminated the flexibility required in the bill date to offer multiple Autopay draft dates. As such, Liberty has ceased offering this option to new customers since the implementation of C1. However, for customers who had a preferred payment date prior to the C1 implementation, Liberty kept those arrangements in place.¹⁸⁸

In some cases, the billing cycle changes that accompanied the C1 transition interacted with preferred payment date customers in an unexpected manner. Those customers may be issued bills with a draft date less than ten days after the bill date. In those situations, Autopay would not draft

¹⁸⁶ OO-2025-0233, Liberty response to Staff DR No. 0067.1.

¹⁸⁷ See informal complaint CI202600809.

¹⁸⁸ OO-2025-0233, Liberty response to Staff DR No. 0056.

the owed bill on that date. It would instead wait until the following month to draft the balance owed on that bill, an issue that may compound over time. From the customer's perspective, this appears to be Autopay not functioning correctly, resulting in customer confusion. An example scenario is below:

- July 1: Bill invoiced for an owed amount of \$100, covering June usage.
- July 5: Draft date is too close to invoice date, Autopay does not draft.
- August 1: Bill invoiced for an owed amount of \$250, covering \$150 of July usage and unpaid balance of \$100 from June usage.
- August 5: Autopay drafts \$100 to pay July bill. Draft date is too close to August bill invoice date, so August draft is deferred until September.
- September 1: Bill invoiced for an owed amount of \$275, covering \$125 of August usage and unpaid balance of \$150 from July usage.

Alternatively, if the subsequent bill is issued early enough so that the draft occurs on time, then Autopay would draft the prior month's bill and the current month's bill, two months' worth of charges, on the same date.

Under certain circumstances, the customer may not have their Autopay draft until more than 35 days after the bill date. Empire Electric's tariff states: "A Customer who has specified a preferred payment date shall have a maximum of thirty-five (35) days from the normal billing cycle date to pay the utility charges. No deposits or late payment charges will be assessed as a result of Customer's participation in a preferred payment date plan."¹⁸⁹ Consequently, any instance where a customer Autopay draft occurs more than 35 days after the billing date is not in line with the procedures spelled out in Empire's tariff. Staff is aware of three instances where this has occurred.¹⁹⁰

For this issue 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.

¹⁸⁹ P.S.C. Mo. No. 6 Sec. 5 Original Sheet No. 26.

¹⁹⁰ CI202500765, CI202500711, and CI202500734.

Net Metering

Background

The Net Metering and Easy Connection Act, 386.890 RSMo., is implemented by Commission Rule 20 CSR 4240-20.065 and Empire District Electric Company's tariffs. Net metering is available to Empire Electric's customers who have, on their premises, renewable energy resources that are sized less than 150 kilowatts¹⁹¹ ("kW") and are interconnected with Empire Electric's system. While customers with other types of renewable energy resources are also allowed to net meter, most customer-generators install solar photovoltaics. Net metering is available for customer-generators whose systems are designed primarily to offset part or all of the customer's own electrical energy requirements.

The energy a customer-generator's system produces rarely matches its usage. At times the system may supply more or less energy than needed for the customer's own use. Empire Electric is required to install metering sufficient to measure the customer-generator's net electrical energy produced or consumed. This can be done either with a single meter that measures bidirectionally or with two separate meters. Because the system is interconnected to the customer's home or business behind-the-meter, the net-meter is not measuring the total solar produced by a customer-generator's system. This is a common area of questions from customers. Additionally, customer-generators may have their own monitoring equipment provided by their solar installers that reports their system's total generation.

On a net-metered bill, Empire Electric reports the kilowatt-hours ("kWh") measured by the meter at the delivery point on two separate channels (i.e., bidirectional) and the net usage over the billing period. The amount "delivered" is the energy Empire Electric provided to the customer and the amount "received" is the amount of energy the customer-generator supplied to Empire Electric. If the delivered usage exceeds the received usage over the billing period, the customer is billed for the net electricity. If the received usage exceeds the delivered usage over the billing period, the customer receives an excess generation credit.¹⁹² Commission rules require Empire Electric to update the excess generation credit biannually on odd numbered years.¹⁹³ The excess generation

¹⁹¹ 393.1670 RSMo. and P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 12.

¹⁹² May also be referred to as parallel generation credit, cogeneration credit, or net-metering credit. Empire Electric's purchased rate for these credits is tariffed at P.S.C. Mo. No. 6 Sec. 4 3rd revised Sheet No. 13.

¹⁹³ 20 CSR 4240-3.155(3) and 20 CSR 4240-20.065(1)(B).

credit must be at least equal to the avoided fuel cost.¹⁹⁴ Excess generation credits are another common area of questions from customer-generators.

Summary of Net Metering Issues, Findings and Conclusions

During the Town Halls for OO-2025-0233, at least ten different customers questioned their billing and mentioned having solar. Additionally, the Commission received approximately 53 informal complaints that mentioned solar from Empire Electric's customers from April 1, 2024, through December 31, 2025.

Based on informal complaints and this investigatory docket, Staff identified issues with Empire Electric's provision of net-metered credits at the time of a Commission-authorized rate change and at the time of a season change. Additionally, Staff is concerned with Empire Electric's ** [REDACTED] ** and customer education on net metering.

An error occurred when new purchase rates for excess generation credits went into effect on February 14, 2025. Because the purchase rates changed in the middle of a billing period, Empire Electric prorated customers' bills to reflect the approved purchase rates before and after the February 14, 2025, effective date. Rather than applying a credit to bills for both time periods before and after February 14, Empire Electric applied a credit and a charge, resulting in customers receiving less credit for their excess generation than intended. Related to the proration of excess generation credits, Empire Electric noted the impact was to 298 customers with a total value of \$731.55.¹⁹⁵ Empire Electric initially anticipated that the correction to customer balances related to this proration issue would occur no later than late summer 2025. However, since the summer of 2025, Empire Electric has identified additional updates required for net-metered billing and reports the system updates and issuance of credits will be completed by the end of second quarter 2026.¹⁹⁶

Another issue is related to the winter excess generation rate being applied to summer usage. Empire Electric's approved net-metering rates provide a summer season credit for usage occurring in June through September and a winter season credit for usage occurring in October through May. In cases where a customer's bill was delayed, the system provided a credit based on the month of

¹⁹⁴ 386.890.5.(3) RSMo.

¹⁹⁵ OO-2025-0233, Liberty response to Staff DR No. 0197.

¹⁹⁶ OO-2025-0233, Liberty response to Staff DR No. 0096.1.

the bill issue rather than the month of usage as required by Empire Electric’s tariff.¹⁹⁷ Empire Electric initially noted the impact was to six customers and the value of credits was \$56.82.¹⁹⁸ However, Empire Electric is currently re-evaluating the total credits owed to impacted customers.¹⁹⁹

Staff requested additional details based on the Town Hall transcripts for each of the net-metered customers who testified. Generally, the DRs sought the approved interconnection application/agreement, bills, historical usage before and after the customer’s solar system was operational, and a description of actions taken by Empire Electric after the Town Hall. Additionally, Staff requested details on phone call scripts, call escalation procedures, a sampling of calls from net-metered customers, and whether Empire Electric conducts surveys or tracks metrics regarding its net-metered customer’s experience.

** [REDACTED]
[REDACTED]
[REDACTED] 200 [REDACTED]
[REDACTED] 201 **

The Call and Contact Centers Concerns section of this report further discusses instances across all of Liberty’s utilities where calls were not returned as promised and Staff’s recommendations.

Staff requested all training documentation, call scripts, and descriptions of Empire Electric’s call escalation procedures related to net-metering. Staff received little documentation in response. The Specialized Representatives subsection of this report further discusses similar issues for both net-metered and other unique customers and Staff’s recommendations.

Recommendations for Net-metering Issues

In addition to the recommendations in the Call and Contact Centers Concerns section, Staff recommends Empire Electric update Staff quarterly until the net-metering specific billing

¹⁹⁷ P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 12 and P.S.C. Mo. No. 6 Sec. 4 3rd Revised Sheet No. 13.
¹⁹⁸ OO-2025-0233, Liberty response to Staff DR No. 0097.
¹⁹⁹ OO-2025-0233, Liberty response to Staff DR No. 0198.
²⁰⁰ OO-2025-0233, Liberty response to Staff DR No. 0134.
²⁰¹ OO-2025-0233, Liberty response to Staff DR No. 0133.

issues in this section are resolved. Additionally, Staff recommends Empire Electric improve its customer-facing website materials.

Operational Concerns - Meters

Implementing a new billing system requires analyzing operations, procedures and policies to make certain accurate information is supplied to the billing system. Accurate and timely meter data is essential for billing. Liberty did not seem to implement a sufficient internal verification system to demonstrate function effectiveness before the SAP deployment. Liberty made various changes at different stages after becoming aware of the multiple system issues. But instead of making proactive efforts to determine what problems should be fixed, Liberty would respond to the next tranche of customer complaints and address them all individually. Worse, based on a response provided during an early C1 update meeting, Liberty was not attempting to make changes in the database's test environment. Instead, it was using the live database. Liberty did not attempt to analyze the outcome of changes before sending out bills. Thus, Liberty was experimenting in ways to properly operate a utility and relying on customer pain to determine success. The meter installation problems only exacerbated billing issues. When combined with Liberty's inability to generate bills and issuance of multiple bills as stated previously, it is clear Liberty has failed to provide adequate customer service.

Field Technician Training and Improper Meter Set-up

The meter is the basis for utility billing. Proper meter setting is accomplished by well-trained, procedure competent field technicians. Implementing a new system commonly requires updates to meter setting procedures and retraining and reevaluating field technicians for understanding of the new system requirements. A properly installed meter captures volume reads that determine customer usage over a period of time. The improper set up of a meter and the process for recording its readings can result in inaccurate data in the billing system which directly results in inaccurate customer bills and, ultimately, inaccurate data for a future rate case.

Liberty utilizes multiple meter types across their utilities. Due to what appears to be a lack of preparation prior to the implementation of the SAP system, several meter reading procedures were missed that affected specific meter types. Staff's discovery has identified multiple issues relating

to meter setting that resulted in billing issues for rate payers. The following list includes examples of four of the most impactful water meter issues that were identified from specific accounts:

1. Sensus iPERL ¾” meter ** [REDACTED] **
 - a. In response to Staff DR No. 0181, MO Water reported that a non-AMI Sensus iPERL ¾” meter “requires the application of a 66 code, which truncates the read by one digit to ensure accurate billing...Prior to the code being added, meter reads were recorded with an extra digit, resulting in inaccurate data.” The addition of an “extra digit” resulted in an inaccurate meter read by a single decimal placement (i.e., 45,000.00 gallons of water as opposed to 4,500.00 gallons of water). It is also possible that the decimal could potentially be moved in the other direction (i.e., 450.00 gallons in the previous example) but Staff’s public comment review has shown misreads that tend to benefit customers are less likely to be reported. Customers began seeing these meter read issues in April of 2024, when Liberty went live with the newly implemented SAP system.
 - b. According to MO Water, the need for configuration to resolve the decimal issue was communicated in November of 2024. Since that time, field technicians have been installing meters and correctly assigning the 66 code to applicable devices to prevent these billing discrepancies. Resolving issues with accounts that already had this issue, however, has taken significantly longer. The account specifically discussed in response to Staff DR No. 0181 began having issues in April of 2024 but was not resolved until **July of 2025**.
 - c. The customer impact of this issue is significant. When generating a customer bill, the extra digit issue either amplifies or decreases the actual volume of commodity used by a magnitude of x10. Some customers noticed the unusual usage volumes and contacted the Company to have their account corrected, but many did not. One comment often stated by Liberty customers at the Town Halls hosted for this investigation was that they simply paid their bills, even if the bills were unusually high, as they either felt they had no choice, they were frustrated from the lack of help/response from the company or they wanted to avoid disconnection.

2. Sensus iPERL ¾” meter (AMI water) ** [REDACTED] **
 - a. MO Water reported that an AMI Sensus iPERL ¾” meter “does not require truncation in SAP, as it is configured by default within the AMI system. However, the meter was incorrectly programmed in the field. The misconfiguration was subsequently identified and corrected by field personnel.”
 - b. While the cause of this billing issue is different than the manually-read meters described in 1. above, the effect on customer bills was similar. It was again a decimal issue but derived from the AMI meter installation process.
 - c. This issue seemed to be addressed on a case-by-case basis as customers called in with issues on their billing. In the specific case referenced in Staff DR No. 0181, the customer began having billing issues in June of 2024 which were corrected in March of 2025.
 - d. This issue resulted in inaccurate meter reads due to the incorrect initial configuration of the meter. The inaccurate reads produced inaccurate bills. According to the DR No. 0181 response, the account was re-billed in March of 2025 to reflect the correct usage from June through October of 2024. MO Water indicated that, due to this being a “field-related condition,” it was unable to quantify the number of customers impacted by this issue.
3. Sensus iPERL ¾” meter (AMI water) CI202401455 and CI202401463
 - a. During MO Water’s most recent rate case, Case No. WR-2024-0104, Staff inquired about several related informal complaints where customers were found to have been billed inaccurately. In response to Staff DR No. 0282, the Company stated the cause of the issue was:

a miscalibration between how the device attached to the utility meter to encode, record and transmit (ERT) consumption data and the Company’s meter data collection network. When a utility meter is connected to an ERT device for automated meter reading, different meter manufacture types sometimes need a calibration routine to match the configuration of the meter to the data collection equipment. The Sensus IPearl water meters have an Itron Type 11 ERT that is programmed to the 1/10 decimal point when installed in

the field. When the Field Collection System (FCS) meter reading system picked up the read for this type of meter, it did not recognize the decimal point and transmitted the information as if all the digits were full integers. For example, a meter reading that should have been 1234.5 was instead collected as 12345, and the water consumption reported would be ten times the actual consumption. At that time, the equipment used to collect meter readings from ERT equipped meters had no truncation option for Itron Type 11 ERTs, so the billings in the legacy system were handled as exceptions and corrected manually. The need to segregate and manually correct these readings was missed in the SAP conversion. After investigation, an Incident ticket was issued on May 16, 2024, with a list of 61 meters that required a custom endpoint translation code to be entered in the “Read Type Code” field in SAP. This would allow the meter readings to be correctly populated in the billing system. Also, a configuration was added to the FCS meter reading system which instructs it to perform an endpoint translation with a truncation of “1”. This will populate the route files that are loaded into FCS and is what triggers FCS to apply the custom translation of the ERT read.

- b. The result of this error was incorrect billing of the customers and another scenario where an incorrect decimal read occurred showing high usage.
 - c. Liberty conducted an investigation and identified 61 meters that required the custom endpoint translation code on May 16, 2024. This appears to be a potential “field-related condition” so Staff is skeptical of the reported number of impacted customers.²⁰²
4. Sensus Omni 2” meter ** [REDACTED] **
- a. MO Water reported that when using an Omni 2” meter, “the field technician was following a legacy meter reading practice that became outdated with the

²⁰² WR-2024-0104, Liberty response to Staff DR No. 0282.

implementation of the new CIS program.” The use of the legacy meter reading practice resulted in meter reads being incorrectly entered into the billing system.

- b. These human-caused errors began with the change over to the SAP system in April of 2024. Liberty did not provide a “retraining” of technicians until Q2 2025.
- c. The inaccurate reads entered into the system produced inaccurate bills. In response to Staff DR No. 0181, MO Water stated this issue impacted 12 customers across its service area. Since this was another field technician error, Staff is skeptical whether this is the actual number of customers this issue impacted.

5. Meter Install Settings WC-2025-0334

- a. When replacing a meter, a technician must set the new meter to the reading from the existing meter, so that the next bill reflects the actual usage. Failure to do so has serious impacts on the proper calculation of the next customer bill.
- b. When replacing a meter, it is also critical that the new meter, and the data being reported, is assigned to the correct customer. Staff found numerous instances of this step being performed incorrectly, causing inaccurate bills to be issued to customers.
- c. Improper meter assignment has been the cause of customer complaints, such as *Roger Dale Barber v. Liberty Utilities, d/b/a Liberty*.²⁰³ In his complaint, Mr. Barber’s billing statement claimed he used 32,643 gallons of water from 4/30/25 through 5/27/25. According to Liberty:

Mr. Barber’s meter has been read regularly and accurately over the last year. However, when the meter was exchanged in April 2024 it was not connected to the system for electronic reads and continued to be manually read and entered into the system. A year later, when the meter was connected to the system to send electronic reads, there was another error by the technician who put in a zero read. This zero read caused it to look like Mr. Barber used over 30K gallons of water in a month which is incorrect. Liberty has corrected the 0 read and rebilled Mr. Barber’s account.²⁰⁴

²⁰³ See *Roger Dale Barber, Complainant, v. Liberty Utilities, d/b/a Liberty, Respondent*, Case No. WC-2025-0334.

²⁰⁴ E-mail response from Candice Kelly, Liberty Customer Service Manager, to Staff on July 8, 2025.

- d. While the Barber case is a single complaint, this similar issue was voiced by multiple Liberty customers at the Town Hall meetings hosted for this case. Through discovery, Staff has learned of over 10,000 cases where customers' accounts were incorrectly linked to meters after field work, as demonstrated in Liberty's responses to Staff DRs 0176, 0180, 0181 and 0183.

All of these meter setting issues resulted in bills being generated improperly. While each represents a specific single case, they impacted far more customers than just the four listed. These issues led to inaccurate bills which then resulted in customer re-billing. Adjusted or re-billed accounts are often a cause of multiple bill generation. Those bills would be sent to customers with little or no explanation, which only added to customer distress and mistrust of Liberty. Customers would frequently have no way to tell which bill was accurate or conveyed the correct amount due.

According to Liberty:

** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **205

Reasonable minds would infer that the use of live readings, rather than controlled and known accurate data, may have identified some of these issues prior to the C1 launch. It would have tested how the system would respond to live meter read issues.

Staff requested a total impacted customer count for each of the incorrect billing issues. Staff was told that, with many of the issues being mistakes made by field personnel in meter set-up, impact lists cannot be generated. It is also possible that more issues related to meter communication or improper set up may exist.

Failure to Install/Remove Meters in a Timely Manner

Soon after Liberty deployed its SAP system, Staff began receiving comments and informal complaints from customers about delayed meter installations for electric and water utilities.

²⁰⁵ OO-2025-0233, Liberty response to Staff DR No. 0038.1.

Homebuilders, in particular, stated that, although their typical previous wait times were two weeks or less for a new electric meter setting, they were now waiting months.

For example, during the Aurora Town Hall meeting a Liberty customer reported an issue on his property in Marionville, Missouri.

- 1 In August of 2024, the customer contacted Liberty and requested the removal of electric meters from his business property. As of the June 2025 Town Hall meeting, the meters had not been removed.²⁰⁶
- 2 The customer, an electrician with 40 years of experience, had shut down all electricity coming out of the meters including turning off all breakers. The customer could not understand how the meters were showing usage when they were all shut down from electrical service on the customer side and nothing was in use.
- 3 Despite his August 2024 request for meter removal, the customer also continued to accrue service charges on each meter as well as late fees since he had discontinued payment. By the date of the Town Hall, he had accrued \$2,800 in charges on meters that were not generating any usage and which should have been removed ten (10) months prior.
- 4 Liberty staff at the Town Hall took the customer's contact information to address the issue.

Liberty does not have a designated formal turnaround time ("TAT") established for electric meter setting due to the likelihood of variables beyond Liberty's control (e.g., proper installation of equipment by customer, city inspections, etc.). Liberty does monitor timelines to identify any delays and has an internal review process for delayed sets. When questioned about meter setting lag post-C1 implementation in Staff DR No. 0118, Liberty responded that delays "were mostly due to integration complexity, resource alignment, and system refinement—challenges that have since been significantly mitigated."

With regard to water service, Liberty's TAT for water meter setting is defined in the current tariff:

The Company will construct the service connection, outdoor meter setting, and curb stop, as necessary, and make the connection to the main within three (3) business days of an application for service, or within the time-period specified in an

²⁰⁶ Aurora Townhall Meeting Transcripts pages 165-170.

application for service (See Rule 4). The Customer shall be responsible for payment of the New Service Connection Fee, as specified by or provided for in the Schedule of Service Charges.²⁰⁷

When questioned about water meter setting TAT in Staff DR No. 0114,²⁰⁸ Liberty stated that 89% of water meter sets take place on the date agreed upon by Liberty and the customer. 7% of meter sets take place more than three days after the scheduled date and 4% are delayed more than five days. According to Liberty, the timely water meter setting issues were based on meter inventory errors or homebuilder delays with no other significant concerns noted.²⁰⁹ However, this explanation does not align with customer complaints and Liberty’s statements to Staff that workorders were “touched by multiple departments delaying meter sets in the field and billing of customers.”²¹⁰ This internal company communication issue was eventually resolved, but Staff was not provided with a specific date of resolution.

In DR No. 0015, Staff asked for the number of work orders and their times for completion specific to meter sets from all of calendar year 2022 through March of 2025 across all utilities. This timeframe covered the final two years of the legacy system and the first full year of the new SAP system. Staff then requested updated numbers through the end of 2025 in DR No. 0015.1. The following charts demonstrate a similar comparison for other commodities²¹¹ from January 1, 2022 through December 31, 2025.

Liberty MO Water Meter Setting Data January 1, 2022, through March 31, 2025				
	Customer Watch		SAP	
Turn Around Time	# of Orders	%	# of Orders	%
Same Day	577	83%	92	79%
1-4 Days later	63	9%	13	11%
5+ Days Later	58	8%	12	10%
Total	698		117	

²⁰⁷ P.S.C. MO No. 22 Original Sheet No. R 5.1.

²⁰⁸ In Case OO-2025-0233.

²⁰⁹ OO-2025-0233, Liberty response to Staff DR No. 0114, Column N in spreadsheet.

²¹⁰ Liberty and Staff Billing Update meeting, 12/13/2024, slide 4.

²¹¹ OO-2025-0233, Liberty response to Staff DR No. 0015.1.

Empire Electric Meter Setting Data January 1, 2022, through December 31, 2025				
	Legacy System		SAP	
Turn Around Time	# of Orders	%	# of Orders	%
Same Day	5022	62%	2419	48%
1-4 Days later	1418	17%	1046	20%
5+ Days Later	1716	21%	1638	32%
Total	8156		5103	

Mid-State Natural Gas Meter Setting Data January 1, 2022, through December 31, 2025				
	Legacy System		SAP	
Turn Around Time	# of Orders	%	# of Orders	%
Same Day	284	80%	1448	85%
1-4 Days later	34	10%	166	10%
5+ Days Later	37	10%	86	5%
Total	355		1700	

Empire Gas Meter Setting Data January 1, 2022, through December 31, 2025				
	Legacy System		SAP	
Turn Around Time	# of Orders	%	# of Orders	%
Same Day	1310	92%	666	84%
1-4 Days later	95	6%	72	9%
5+ Days Later	22	2%	59	7%
Total	1427		797	

212

²¹² OO-2025-0233, Liberty response to Staff DR No. 0015.1.

These charts demonstrate the TAT for meter setting of all Liberty commodities. The gas and water commodities are averaging over 79% to 85% TAT for same day meter setting since the conversion to SAP while averaging 80% to 92% under the legacy systems. Empire Electric is well below that mark at 62% prior to SAP and 48% post SAP. The numbers provided by Liberty demonstrate that meter set timeframes for all Liberty affiliates have dropped several percentage points in same day meter sets and increased in both the 1-4 day and 5+ day installation categories, with the exception of MNG.

Liberty's records show that most of the aberrant sets are either a supply issue or due to the meter site not being properly prepared, which is likely beyond the control of the Company. In addition to customer's complaints to the PSC, some customers who attended the Staff hosted Town Hall meetings expressed frustration with Liberty related to meter setting TAT. In one specific case Staff conducted further discovery on, Staff found that Liberty's customer communication was the most significant barrier experienced.²¹³ Liberty provided documentation of issues experienced for the delay in the meter setting process (e.g., incorrect service equipment on the customer side, lack of breaker installation on the customer side, portable buildings in the way, etc.) but admitted the experience was not ideal for the customer. This customer reported waiting over a year for an electric meter set and claimed not to understand why the work had not been completed. Liberty reported the case is being used as an opportunity to learn how to improve coordination and communication with customers.

While some meter-setting issues are outside of Liberty's control, others are not. The Commission has also received customer complaints about meter set TAT directed towards Liberty's Empire Electric service. Most of these complaints were from contractors looking to establish service to complete work on new homes.

In one complaint, the customer reported a meter set for a single location taking over five weeks. The home was being sold and under contract and still had no electricity. In response to the complaint, Liberty wrote:

** [REDACTED]

²¹³ OO-2025-0233, Liberty response to Staff DR No. 0118.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **214

Another complainant voiced concerns about Liberty taking 3-4 weeks to install the meters on the homes they were building which was causing construction delays.²¹⁵ Liberty's response read:

On 4/8/24 Liberty converted to a new CIS system. As part of that transition, a new process was implemented for new meter installations related to build requests. With the new process, within minutes of a customer's service being turned on, that customer is present in all systems (such as the outage management system) and will receive the same customer experience as existing customers. During this transition, however, new meter installations have experienced a delay. The Company is evaluating the processes to determine where efficiencies can be gained to further improve the customer experience related to meter installations.

Additionally, as part of the response Liberty included a spreadsheet that showed current information on all meter installs requested by the complainant. The spreadsheet showed the records for 22-meter installations. Eight of these installations were requested under the legacy system prior to implementation of C1. Of those eight installations, seven were completed between one to three days after the request. One was completed 12 days later, but no reason was provided. The remaining 14 installations were all requested after C1 implementation. Of those 14, ten (10) orders were created greater than one month after the request, one was created 20 days after the request and three had aberrant data that showed the order was created prior to the meter request date. According to Liberty, three of these meter sets were delayed due to "premise not ready to have meter installed," meaning the customer did not have the location properly prepared for an installation. The spreadsheet did not provide any reasoning for the delay of the other meter sets. Liberty did not provide any explanation for the significant delays in 11 of the 14-meter requests

²¹⁴ CI202500107.

²¹⁵ CI202500077.

made after the implementation of C1 aside from the quote above stating “During this transition, however, new meter installations have experienced a delay.”

Complaint CI202500082, from another contractor, expressed a very similar experience with multiple meter requests for a multi-unit apartment complex construction project. Meter setting was needed to continue construction and after five weeks, the complainant was still without service.²¹⁶ In response Liberty provided the same quote as mentioned in the previously cited complaint and provided a status update on each meter request. One location was delayed due to the premises not being ready, the other was delayed due to a generated ticket not being assigned properly.

While some of the meter-setting delay issues were likely beyond the control of Liberty, as described previously, it is evident that the transition to C1 also generated internal challenges for Liberty. The Commission was made aware of these issues through customer complaints and comments, then repeated at the Town Halls for this investigation case. It also provided rationale for Commission Staff to conduct a site visit to Liberty’s Electric Meter Shop for observation.

Electric Meter Shop Visit

On June 6, 2025, Commission Staff conducted a site visit of Liberty’s electric metering shop located at 3400 Kodiak Rd, Joplin, Missouri 64804. On this visit, Staff was given a walkthrough of the meter setting process for electric meters that included an overview of the process from start to finish. This process included the work order process in the new SAP system, the new GIS mapping process, and the field meter installation process. Staff did not note any significant issues with current practices during this visit. Staff was told during the visit that when using the legacy system, and initially in the SAP system, for work order development, the process for meter ordering typically required 4-8 weeks for processing. Liberty further confirmed this in response to a DR.²¹⁷

The previous process for meter ordering and setting not only took time, but it also used analog practices. For example, paper copies of the orders and physical addresses were used and forwarded through the system. When each step was completed, paper copies were advanced for review and

²¹⁶ CI202500082.

²¹⁷ OO-2025-0233, Liberty response to Staff DR No. 0118.

approval prior to moving to the next step. This process was time-consuming and inefficient, resulting in a significant lag in meter setting/replacement. Liberty self-identified this inefficiency and has implemented improvements to the process. In response to Staff DR No. 0118, Liberty noted the implementation of a “Construction Planning Coordination Team.” This team developed a completely revamped system for meter ordering and setting. The new system allows for electronic communication, assigning tasks, establishing accountability, streamlining workflow and rapidly speeding up the entire process. Liberty reports that a process that took 4-8 weeks early on after C1 conversion has been trimmed down to 2-3 business days as of the June 6 site visit.²¹⁸ While Liberty reports the issue is improving, Staff received a few complaints regarding delays in electric meter setting after implementation of the Construction Planning Coordination Team.

Failure to Properly Address Issues

According to Liberty, its personnel had “various options and opportunities” to provide input regarding the transition prior to the C1 implementation. Liberty also provided a log of the issues raised.²¹⁹ Staff’s review of the reported issues found several entries that are covered in this report as post-C1 issues but were first raised by Liberty employees just months prior to the April 8, 2024, C1 launch. Some issues were marked “Completed” but have subsequently been shown to have been either not fully addressed or harbingers of what was to come. Some specific examples include:

- Concerns about AMI testing and verification, including the magnitude of changes made for AMI and the small sample size of test cases, were reported January 4, 2024. To quote: “A bill compare of approx. 11K was completed and it was successful. My issue it is [sic] just a small slice of our meters. (11K of 187K) and it was one cycle out of 21 and just one day. The AMI mesh network is a living item and varies from day to day on performance. So, we could likely get a very different picture with a broader test on a broader time period. We have also changed a lot of items with this project on how AMI works with the CIS. I not [sic] sure how much end-to-end testing have been done. It appears the testing might be in silos.”

²¹⁸ OO-2025-0233, Liberty response to Staff DR No. 0118.

²¹⁹ OO-2025-0233, Liberty response to Staff DR No. 0020.

- There was concern about franchise fees and proper bill testing in general. A log entry from February 22, 2024, states, “Franchise fees are not correct in SAP test and have not been tested.” It is related to a second log entry that notes: “We need to fully shadow settle all customer and charge types for all jurisdictions for multiple months. There are exactly 120 tariffs between MO, KS, OK, AR for the Team to verify. A second round of testing is being completed to do a full bill test that will include franchise fees and taxes.” Below that description are the following updates:
 - 1/15/24 - As of today, we have still not received any bills to test.
 - 1/16/24 - As of today, we have still not received any bills to test.
 - 1/17 and 1/18/24 - Obtained access and received test bills to start testing.
 - 1/19/24 - Just based on the small number of bills we have tested, we are seeing numerous issues. Communicating to the SAP/C1 team that it is not valuable for us to test until they have bills they think are accurate.
 - 1/23/24 - we still do not have data to test
 - 1/24/24 - Regulatory began testing Water bills yesterday. The SAP team has stated the Gas bills are ready to start testing. We are still waiting on Electric bills.
 - 1/29/24 - Regulatory tested all rate categories (bills) that were available over the weekend. There are still 309 rate categories that have not been tested. The same is true for comparing SAP bills to CW. There are issues in both forms of testing that have been communicated to the C1 team.
 - 1/30/24 - Only 43% of the tariff line items have been tested. Of the ones tested, the issues have been provided to the C1 team.

In the log, which was provided to Staff on April 15, 2025, this entry was still marked as “In progress,” with the last modification having taken place on March 12, 2024.

- There are three other log entries also related to sales tax or franchise fees, including a January 22, 2024, entry that states: “We still have cleanup on service addresses so they will have the correct FF and taxes, completion of service orders and clean up on water meter sizes and dial counts. Getting the numbers as low as possible will help with the conversion of data.” All three entries are still marked as “In progress.”

- There were concerns about the impact of collective billing. To quote from a January 22, 2024, entry: “Customer who are on collective billing will bill in cycle 21. All "child" accounts must be invoiced in cycle 20 in order to bill in cycle 21. If they miss the invoicing cycle, that account will not bill until the following month which causes double billing. The concern is whether the implausibles/exceptions can be worked before they bill. Another concern is any customer that is on autopay could draft before they receive their bill if their draft date is towards the beginning of the month. This could cause additional calls from the customer and possibly complaints to the commission.” This entry is marked as “Completed.”

Subsequent the C1 implementation, Liberty was confronted with a number of pressing issues. Some issues were only discovered over the course of time. Others, as demonstrated above, were known in advance of the transition. And some issues were known to Liberty during the first few months of the transition. For the known issues, in several cases Liberty ostensibly addressed the issue at the time, in early to mid-2024. If Liberty had implemented effective and lasting solutions to these issues, it may have been free to focus its efforts on locating and handling other concerns. Instead, Liberty opted to delay permanently addressing known issues by implementing inadequate and myopic problem resolution practices while presenting the appearance of resolving those issues. As a result, Liberty has struggled to contend with known issues and new issues simultaneously. The two examples of collective accounts and sales taxes/franchise fees epitomize this policy and the consequences.

Collective Accounts

A collective account is Liberty’s term for accounts that have multiple meters at different locations. Each individual meter, referred to as a “child account” is bundled together under one “parent account,” which receives one invoice containing all of the child account meters instead of several separate invoices.²²⁰ As of September 11, 2025, Liberty had 2,666 collective contracts for MO Water, 1 for MNG, 2,700 for Empire Gas, and 29,052 for Empire Electric. Liberty offered collective billing prior to the C1 conversion. However, the C1 implementation did not fully contemplate the collective bill scenario in use with the legacy billing systems.

²²⁰ ER-2024-0261, Liberty response to Staff DR No. 0226.2.

The legacy billing systems allowed for greater flexibility in separating meter read dates from bill invoicing dates. This facilitated Liberty's ability to have child accounts on separate billing cycles, and thus separate meter read dates. When the final child account meter read date occurred, the system automatically generated a parent account bill with all of the child account meter reads, even if those reads had occurred weeks prior.

SAP, however, requires a bill to be generated within three days of the meter read date, or else it will generate an estimated bill. This was incompatible with many of Liberty's preexisting billing cycles, including child account billing cycles. Liberty addressed the child account meter read issue by moving all collective accounts to manual billing, meaning that the batch process needs to be triggered by a Liberty employee for a bill to invoice for the parent account.²²¹ It also moved all collective account billing dates to the beginning of the following month to manage resources.²²² When Liberty filed its *Report Regarding Customer First Implementation* (Attachment 3) on August 6, 2024, it stated "Collective account bills are now largely on cycle and being released to customers on time, except for billing or meter reading investigations that may happen as part of normal monthly processes."²²³ However, in the same report Liberty indicated it was continuing to refine meter read schedules to bring child account meter read dates closer together. The report does not appear to have accounted for the fact that, if one of the child accounts generates a billing exception, the parent account is delayed until the billing exception is cleared. This has produced a significant number of delayed bills since April 2024.

The manual billing process for collective accounts was time consuming and prone to errors, prompting Liberty to ultimately decide to automate the process. For example, during Staff's investigation of informal complaint CI202500325, it noted a billing date error on the customer's collective account bill. Liberty explained that 15,060 out of 19,000 collective bills were impacted by this error in August 2024, which occurred because the individual implementing the manual process applied the incorrect date.²²⁴ In the January 30, 2025, response to the DR in which

²²¹ ER-2024-0261, Liberty response to Staff DR Nos. 0226 and 0226.1.

²²² ER-2024-0261, Surrebuttal Testimony of Amy M. Walt, page 4, line 23 to page 5, line 1.

²²³ In Case Nos. EE-2024-0232, GE-2024-0201, WE-2024-0202, and SE-2024-0203, paragraph 12.

²²⁴ ER-2024-0261, Liberty response to Staff DR No. 0226.

this issue was explained, Liberty indicated it was working on automating the collective billing process. This was over nine months after the C1 implementation.

Although Liberty indicated as early as January 2025 that it was pursuing the automation of collective billing, that automation was never completed. In a DR response dated March 6, 2025, Liberty indicated that the solution to automating collective billing was set to be delivered at the end of April 2025. During the April 10, 2025, C1 meeting, Liberty formally presented its future plans for collective billing to address manual time-consuming tasks. This plan included both automating the collective bill process as well as distributing parent collective bill due dates throughout the month.²²⁵ Notably, this plan would have reversed the changes Liberty made to collective billing when C1 was implemented. No update was given for when these changes would take effect. During the subsequent May 22, 2025, C1 meeting, Liberty indicated it still intended to proceed with the plan, but the implementation date had been moved to July 31, 2025.²²⁶

During the July 15, 2025, C1 meeting, Liberty informed Staff it was developing a new approach to addressing collective accounts. Instead of the prior plan, Liberty intended to align all of the child accounts under each parent account under the same billing cycle, so that all meter reads would take place at the same time, thus allowing the parent account bill to be generated shortly afterward. Liberty could then have SAP generate those bills automatically without the need for manual intervention. Liberty requested and was granted temporary variances from Commission rules to facilitate its efforts,²²⁷ and is currently implementing the plan. However, as of today this issue, first identified as early as October 2023, has not been fully resolved.

Sales Tax and Franchise Fees

As described in the Billing Issues section of this report, one of the issues Liberty has encountered with the C1 transition has been difficulty in applying the correct sales tax and franchise fees to customers' bills, an issue that is ongoing. Liberty's communications with Staff on this issue, starting in January 2024, has given an evolving impression of the severity and duration of the situation over time.

²²⁵ April 10, 2025 Billing and Customer Service Update presentation, slide 6.

²²⁶ May 22, 2025 Billing and Customer Service Update presentation, slide 15.

²²⁷ Case Nos. EE-2026-0065, GE-2026-0066, and WE-2026-0067.

Staff was first made aware of the issue in January 2024. When Liberty sought variances for its C1 conversions for MO Water and Empire Gas, Staff requested information regarding the status of the MNG conversion and lessons learned. Liberty responded that it had encountered issues with sales taxes, most of those issues had been resolved, and that it had made enhancements to prevent recurrence with the remaining utilities.²²⁸

When Liberty filed its *Report Regarding Customer First Implementation* on August 6, 2024, it disclosed that it had “anticipated some cleanup of local addresses and geographic records to take full advantage of the new software.” Further, Liberty explained that it had delayed bills for approximately 13,000 customers for data repair or correction related to sales tax and franchise fee investigations. According to the report, at the time Liberty had less than 8,000 customers left to validate and anticipated completion by mid-August 2024.²²⁹

As part of its investigation in this case, and in reaction to customer comments and informal complaints indicating that customers were still experiencing issues, Staff made further inquiries about sales tax and franchise fee issues. In its May 15, 2025, response, Liberty provided a detailed explanation of known issues and stated its belief that all sales tax and franchise fee issues had been resolved as of November 25, 2024. The response also explained that Liberty was unaware of the franchise fee issue prior to April 8, 2025, and unaware of the sales tax issue prior to October 2024. As Missouri was the last state to transition to C1, Staff finds it odd that similar issues did not arise elsewhere in the country.

Despite Liberty’s assurances that the issue has been resolved, Staff has continued to see customer complaints about inaccurate sales taxes and franchise fees.²³⁰ Although Liberty has stated that it has been conducting verification checks for addresses and associated taxes and fees, it is at least partially dependent on notification from either the taxpayer or the taxed that an issue exists. During a January 22, 2026, C1 meeting between Liberty, Staff, and OPC, Liberty explained it is still seeking internal approval for a project to validate all customer addresses down to the nine-digit zip code level. This would seem to be a prerequisite previously identified by Liberty for ensuring customer

²²⁸ WE-2024-0202, Liberty response to Staff DR Nos. 0005 and 0006. Also discussed during a January 22, 2024, meeting between Staff and Liberty to discuss the upcoming C1 conversions.

²²⁹ WE-2024-0202, Report Regarding Customer First Implementation.

²³⁰ For example, Informal Complaint CI202600477, initiated September 22, 2025, involved the incorrect application of sales tax to a customer. The complaint was resolved in the customer’s favor.

bills are reflecting the correct charges, and it concerns Staff that such a project has not yet been implemented after over two years of demonstrated issues.

Going Forward

Similar concerns exist with Liberty's treatment of other long-duration issues such as billing exceptions, new meter sets, AMI meter reads, joint billing, self-service options, and general billing accuracy concerns. Liberty's new management team has signaled an intent to pursue root-cause problem solving and transparency regarding problem resolution. Staff is cautiously optimistic that this will result in positive change.

Current Status of Liberty

As of the filing of this report, it has been almost two full years since Liberty completed its C1 implementation in the state of Missouri. Since that time, Liberty has indicated that it either has or will take steps to address some of the issues identified in this report and made representations before the Commission, most recently in Case No. ER-2024-0261, that improvements have been made. Staff does not dispute that Liberty has addressed some of the issues discussed in this report. If Staff was made aware of the efforts made, it has striven to incorporate those efforts into its findings. The following presents Staff's analysis of Liberty's current status, in light of past issues.

Recent Changes

Starting in Q1 2025, APUC began replacing and adding new executive-level positions. On March 7, 2025, Rod West became the new CEO of APUC. In Q2 2025, APUC appointed Noel Black as Chief Regulatory & External Affairs Officer and Amy Walt as Chief Customer Officer. Subsequently, APUC has reorganized departments, shifted leadership and responsibility roles, and changed personnel across the country to implement a new "nation-wide service delivery model."²³¹

In response to customer concerns about the accuracy of water meter reads that came to light during the June 2025 Town Halls held during this case, Liberty committed to implementing a "walk down" of all water meters in its service territory to ensure all of the meters are properly installed and configured. The walk down, which involves physically visiting and collecting data

²³¹ From a January 22, 2026, presentation by Liberty to Staff.

on each meter in the field, officially began on October 14, 2025. As of January 22, 2026, the field work had been completed and the analysis of the data was in progress. According to Liberty, one of the potential outcomes of the water meter walk down will be the identification of meters affected by decimal point discrepancy issues.²³²

As previously discussed, Liberty began implementing a new plan to resolve ongoing issues with collective and joint accounts by aligning all meter reads dates on the account to the same billing cycle and then automating the billing process for these accounts. As of January 22, 2026, Liberty reported that it was still on track to complete its efforts by the end of Q1 2026.²³³

Staff believes these recent events have the potential to have a positive impact on Liberty's direction going forward, but at this time it is too early to make definitive conclusions.

Ongoing Data Trust Issues

This report has made note of Staff's concerns regarding data validity, which started with information provided during Liberty's recent rate cases and has continued over the course of the present investigation. Liberty has revised data on many of the billing issues discussed in the report, in some cases multiple times, to correct inaccurate data and to revise the methodology and criteria used to capture the requested impact counts. As Staff is an outside party without access to Liberty's systems, it has limited ability to vet any data provided or any changes Liberty makes to previously provided data. Staff must take on faith that any numbers provided are the most accurate until those numbers are revised, at which point the new numbers become the most accurate.

Unfortunately, despite recent occasional effort on Liberty's part to preemptively explain changes, Staff's review of the most recent data revisions has only deepened misgivings about the nature and intent of Liberty's revisions. During a February 17, 2026, meeting between Staff and Liberty, Liberty informed Staff that it did not have records of the methodology used for any past billing issues data pulls ("old methodology") except for the more recent ones, because detailed logs were not taken or preserved at the time. Further, the personnel responsible for data pulls using the old methodology are no longer available because a new team has taken over as of

²³² OO-2025-0233, Liberty response to Staff DR No. 0181.

²³³ From a January 22, 2026, presentation by Liberty to Staff.

December 2025. Staff's perspective is that, at minimum, these issues result in the following limitations for this report:

- Liberty cannot reliably replicate or audit prior data pulls that used old methodology, including a substantial amount of data provided in prior rate cases and in this investigation. If Liberty were to provide the data again today, it is possible the results will differ for unknowable reasons. If Staff requests an explanation of how the old methodology data was calculated, an answer may not be available. This raises questions as to whether some of the older data used in this report accurately represents the scope of the issue, especially in cases where the issue was discovered and resolved more than a few months ago.
- Liberty cannot provide a complete log of any changes made between the old methodology and the current methodology because it does not have full knowledge of the old methodology. This makes it impossible for Staff to independently verify whether all changes in the data using the current methodology are valid and warranted, requiring Staff to trust that the current methodology is more accurate.

By replacing the data pull personnel without sufficient records of their prior activities, Liberty's decision has effectively made all data previously provided by that team inconsequential in favor of the current methodology. This is despite the fact "Liberty believes that the data provided in prior responses was accurate based on the system definitions and queries in place at the time those responses were prepared."²³⁴ Staff finds both the decision itself and the timing of that decision concerning. Per the Supplemental Stipulation and Agreement filed in Case No. ER-2024-0261, Empire Electric is required to show measurable improvement by eliminating or reducing instances of six Commission rule violations for three consecutive months to earn its revenue requirement rate increase. Those metrics were originally developed by Staff using old methodology data. That data was produced by a team that Liberty replaced in December 2025, a month prior to the Supplemental Stipulation terms taking effect in January 2026.

In addition, as previously noted in this report,²³⁵ Staff is aware of one instance where Liberty knowingly provided estimated bill information to the Commission that, at the time,

²³⁴ OO-2025-0233, Liberty response to Staff DR No. 0196.

²³⁵ See Billing Issues Section – Billing Accuracy – Estimated Bills.

Liberty did not trust. In its Initial Brief, Liberty claimed that “the number of customers receiving estimated bills for two or more consecutive months has decreased by 23.5% since SAP go-live” and “the record is clear that improvements have been made.”²³⁶ This is despite Liberty having told Staff six (6) days prior that the supporting data was under active review and thus unavailable.²³⁷ That data has yet to be provided to Staff.

For the reasons discussed above and elsewhere in this report, Staff remains concerned about the reliability of data provided by Liberty.

Ongoing Operational and Compliance Concerns

As documented in this report, because of the far reaching impacts of the C1 rollout and resulting issues, Staff’s investigation involved most facets of Liberty’s operations. While Liberty appears to have rectified some of its issues, it is also important to note that Liberty continues to struggle with compliance with Commission orders. As part of the unanimous Stipulation and Agreement in WR-2024-0104, during which many of the billing and operational errors were coming to light, Liberty agreed to certain conditions and due dates. As of the date of this report, Liberty has failed to comply with the Stipulation and Agreement by failing to file an Inflow and Infiltration report on its Bolivar sewer system (Term 11.), has been unable to produce a water loss report that reflects their operations (Term 17.), and has failed to update its service area maps and legal descriptions (Term 18.). As noted in the WR-2024-0104 docket, Liberty most recently filed requests for extension of Term 18. on February 1st and March 2nd of 2026. These extensions are due to errors in the original submittal and Liberty’s work to ensure accuracy.

Staff has sent reminders and had several meetings with Liberty on the subject of compliance with the Stipulation and Agreement since the conclusion of the WR-2024-0104 rate case. This has resulted in some progress, but some issues are not yet nearing completion. For example, while a water loss report for 2025 was submitted to Staff, the report continues to include improbable results that Liberty admits does not reflect reality. Liberty has stated it is unable to produce a water loss report because of continued issues with data in the billing system.²³⁸ Understanding non-revenue water, including water loss, is a fundamental task for water utility systems and critical to both

²³⁶ ER-2024-0261, Liberty’s Initial Post-Hearing Brief, page 26.

²³⁷ OO-2025-0233, Liberty response to Staff DR No. 0046.4.

²³⁸ Meeting with Staff, February 27, 2026.

efficient operation and capital planning. As a result of its mapping efforts and investigations, Staff asked for the updated number of customers Liberty is serving without a CCN²³⁹ on February 3, 2026.²⁴⁰ Liberty failed to respond to this DR as of the time of drafting of this report, although it have verbally stated its belief that the number is three.²⁴¹ Finally, Liberty stated it has not yet completed the Preventative Maintenance Plans it agreed to prepare for its water and sewer systems (Term 20.)²⁴²

In addition, Staff has identified other compliance issues stemming from the WR-2024-0104 Stipulation and Agreement. Specifically:

- MO Water agreed to provide Staff with updates on Onsolve and measures of success (Term 13.a). Liberty failed to communicate with Staff that it was having difficulties implementing Onsolve until Staff requested information from Liberty following customer comments.²⁴³
- MO Water agreed to comply with its tariff Rule 10V6 when estimating bills (Term 21.f) As of April 15, 2025, it was not doing so for water customers with AMI meters.²⁴⁴

Therefore, it can be concluded that significant management issues remain a concern for Staff.

Ongoing Billing and Customer Service Issues

Just prior to filing this report, Staff conducted a final review of recent informal complaints submitted to the Commission and Liberty's responses. Most of the informal complaints below were filed with the Commission in January 2026, with one complaint filed in December 2025. Staff found that several issues, as discussed in detail in this report, are still being experienced and reported by Liberty customers within the past few months. For example:

²³⁹ Certificate of Convenience and Necessity (CCN).

²⁴⁰ WR-2024-0104, Staff DR No. 0313.

²⁴¹ Meeting with Staff, February 3, 2026.

²⁴² Meeting with Staff, February 27, 2026.

²⁴³ OO-2025-0233, Liberty response to Staff DR Nos. 0115 and 0120. Staff initiated this discovery following customer complaints at the Town Hall meetings of insufficient boil order notifications. See also ER-2024-0261, Rebuttal Testimony of Charles Tyrone Thomason, pages 37-38.

²⁴⁴ As of Liberty's April 15, 2025, response to Staff DR No. 0046 in OO-2025-0233.

- Delayed Billing
 - CI202600985- The customer did not receive a bill September-December 2025.
 - CI202601001- Liberty was unable to read the customer's meter in November 2025. As a result, the customer was not billed until January 29, 2026, despite Liberty receiving the subsequent two months' reads.
 - CI202600964- Because Liberty was missing a meter read for the prior customer, it did not issue bills for the new tenant from service initiation on October 27, 2025, until January 13, 2026.
- Meter Installation issues
 - CI202600985- Liberty identified that an incorrect ERT had been attached to the customer's meter. After the correct ERT was attached, the equipment was not updated in SAP for an additional 22 days.
- Meter Install/Decimal point issues
 - CI202601049- While investigating a separate meter, a field tech found a Liberty meter had been incorrectly programmed for at least 12 months, resulting in a decimal point difference that understated the customer's usage. After reprogramming the meter, the field tech failed to notify the billing department of his work, resulting in a bill with beginning usage at 437 (not corrected) and an end read of 4,859 (corrected).
- Incorrect information conveyed by CSRs
 - CI202600839- The CSR was unaware that 20 CSR 4240-13.020(7) excludes customers with preferred payment date plans from billing due date rules and removed the customer from his preferred payment date on those grounds.
 - CI202600995- Customer was incorrectly told by the CSR that a refund check for his deposit would be mailed to him and not the assistance agency that paid the deposit.
- Incorrect taxes/fees
 - CI202601041- Liberty confirmed that the customer's building was outside of the city of Richmond limits and should not have been charged \$19.45 in city tax over three bills. Service was initiated October 14, 2025.
 - CI202601045- Customer initiated service May 30, 2025. Since that time, he had been trying to get the city sales tax taken off his bill because he does not live within the

city of Bolivar. Liberty refunded \$8.97 in incorrect taxes charged between May 30, 2025, and January 8, 2026.

- My Account/Payment Issues
 - CI202601015- The customer made repeated attempts to pay online but was unable to do so. The customer then made three attempts to make a payment by phone but the payment processor did not recognize the account number.
- Preferred Pay Date Issues
 - CI202601003, CI202600839, and CI202600976- The customers' preferred pay dates were too close to the billing date, causing the draft date to be deferred to the following month.

As demonstrated in the above complaints, Staff considers many of the billing, customer service, and operational concerns brought about by the C1 implementation to be ongoing issues.

Conclusions and Recommendations

Staff's investigation into Liberty's customer service and billing practices has found sufficient evidence to validate the concerns brought forth by Liberty's customers to the Commission and to Missouri legislators over the past two years. In addition to finding significant deficiencies in billing accuracy and timeliness, communications, self-serve options, and service orders, Staff has identified violations of several dozen Commission rules and Commission approved tariff sheets since Liberty implemented its C1 transition. As such, Staff concludes that Liberty has failed in its obligation to provide adequate service to its customers.

Staff found that the implementation of C1, specifically the deployment of a new, integrated SAP-based platform, was flawed. Liberty's preexisting policies, procedures, and personnel were not adequately prepared for the SAP system. Furthermore, the SAP system was not adequately prepared to work with Liberty's preexisting policies, procedures, and personnel. The resulting mismatch created a cascade of failures and oversights, both direct and tangential, evident and inconspicuous, that Liberty has since struggled to address in piecemeal fashion.

Staff's view is that the implementation of C1 was a failure at the management level. Liberty made the decision to move forward with the C1 implementation before ensuring compatibility with its companies. Liberty made the decision to understate the significance and the chronic nature of the

resulting issues during the early post-C1 implementation period. Liberty made the decision to underemphasize engagement with its customers and other stakeholders. And Liberty has, to date, failed to design and implement a strategy that has successfully restored its billing and customer service operations to pre-transition levels.

Staff presents the following recommendations for Liberty's electric, gas, and water utilities:

- 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 a application to revise their tariffs.
- 2) Staff recommends Liberty work to reduce the number of estimated bills and rebills to pre-C1 levels for each utility.
- 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.
- 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.
- 5) Staff recommends that Liberty implement additional training for personnel (specifically but not exclusively field technicians) for new processes to preclude unnecessary errors.
- 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.
- 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.
- 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.
- 9) Paragraph 41 of the Non-Unanimous Global Stipulation and Agreement in Case No. ER-2024-0261 states Empire Electric will work with parties to develop targeted customer messaging regarding the disconnection moratorium, and collaborate with the parties and the Commission the establish a communication plan and approach for when disconnections for nonpayment resume. Staff recommends the Commission order this provision to apply all Liberty utilities including Empire Gas, MNG, and MO Water.

- 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
 - The display of estimated usage on My Account during power outages
- 11) Staff recommends Liberty review its IVR to identify and resolve issues with account identification/authentication and payments, particularly for collective account customers.
- 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.
- 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.
- 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.
- 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.
- 16) Staff recommends that Liberty take steps to prevent all recurring rule and tariff violations that have been noted in this report.
- 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.
- 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, currently reported monthly to Staff, should provide Missouri-specific metrics while continuing to report combined statistics (see paragraph 20 of the Unanimous Stipulation and Agreement in Case No. GR-2024-0106). Discussions of progress and anticipated implementation date should be included in the C1 meetings.

- 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.
- 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.
- 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.
- 22) Staff recommends Empire Gas propose an amended tariff sheet that sets out its proration process during its next rate case.
- 23) Staff recommends Liberty provide an update on the demand-proration issue, including detailed refund amounts, by end of Q1 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 of a representative sample of all meter types for all Liberty companies and be structured to identify potential field configuration errors.
- 25) Staff recommends Liberty investigate disputes in a prompt manner according to Commission Rule 20 CSR 4240-13.045 (2).
- 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. This policy should ensure that customers have their calls returned promptly and thoroughly according to Commission rule.
- 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) and ensuring that CSRs are implementing this training under the correct circumstances.
- 28) Staff recommends Liberty to put a process in place to ensure that each CSR is trained to note account activities comprehensively. Liberty should also develop a quality assurance process to verify that CSRs are adhering to account notation guidelines.
- 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.
- 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 offering such as solar that need assistance.

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

- 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.

Attachment 1 - Liberty's Customer Experience Update Meeting

Attachment 2 - Interim Update

Attachment 3 - Report Regarding Customer First Implementation

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KIMBERLY K. BOLIN and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Investigation Report*; and that the same is true and correct according to her best knowledge and belief.

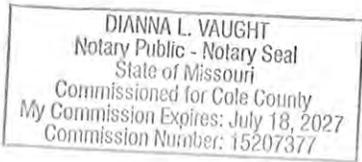
Further the Affiant sayeth not.

Kimberly K. Bolin
KIMBERLY K. BOLIN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of February 2026.

Dianna L. Vaughn
Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF RUSSELL DRURY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW RUSSELL DRURY and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Investigation Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Russell Drury

RUSSELL DRURY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of February 2026.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377

Dianna L. Vaughn

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF TAMMY HUBER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW TAMMY HUBER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Investigation Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

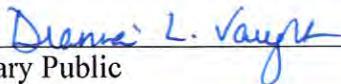


TAMMY HUBER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of February 2026.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF J LUEBBERT

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW J LUEBBERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Investigation Report*; and that the same is true and correct according to his best knowledge and belief.

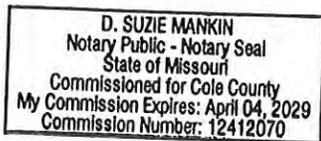
Further the Affiant sayeth not.



J LUEBBERT

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5th day of March 2026.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF CHARLES TYRONE THOMASON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CHARLES TYRONE THOMASON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Investigation Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Charles Tyrone Thomason
CHARLES TYRONE THOMASON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of March 2026.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377

Dianna L. Vaughn

Notary Public