

Exhibit No. 172

Staff – Exhibit 172
Testimony of Charles Tyrone Thomason
Surrebuttal
File No. ER-2024-0261

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MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

CUSTOMER EXPERIENCE DEPARTMENT

SURREBUTTAL TESTIMONY

OF

CHARLES TYRONE THOMASON

**THE EMPIRE DISTRICT ELECTRIC COMPANY,
d/b/a Liberty**

CASE NO. ER-2024-0261

Jefferson City, Missouri
September 2025

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1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **CHARLES TYRONE THOMASON**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY,**
5 **d/b/a Liberty**

6 **CASE NO. ER-2024-0261**

7 Q. Please state your name and business address.

8 A. My name is Charles Tyrone Thomason. My business address is 200 Madison
9 Street, Jefferson City, Missouri 65101.

10 Q. Are you the same Charles Tyrone Thomason who filed direct testimony in this
11 case on July 2, 2025, and rebuttal testimony in this case on August 18, 2025?

12 A. Yes, I am.

13 Q. What is the purpose of your surrebuttal testimony?

14 A. The purpose of my testimony is to respond to the rebuttal testimony of various
15 The Empire District Electric Company d/b/a Liberty (“Empire”) witnesses in order to correct
16 inaccurate reinterpretations of Staff’s rationale for recommending several Customer First
17 related disallowances in this case. I will also correct or rebut several specific points made by
18 Empire witnesses, and address certain elements of Empire’s proposed alternative path forward.

1 **RELIABLE SERVICE**

2 **Response to Empire Witness Reed**

3 Q. Empire witness John J. Reed implies that Staff's definition of reliable service,
4 and Empire's failure to provide it, does not conform to proper regulatory principles.¹

5 Do you have a response?

6 A. Yes. Staff's argument rests on the premise that customer service is a vital part
7 of reliable utility service. To quote: "Utility customers should be able to trust that commodity
8 usage will be monitored regularly and estimated rarely. Utility customers should be able to trust
9 that bills for service will be accurate to their usage, reflect a similar period of usage, and be
10 timely delivered on a regular schedule. Customers should be able to trust that if they have
11 questions or if issues arise regarding their utility service, there are processes in place that specify
12 what will occur. All of these customer service functions are necessary to the provision of
13 reliable service because the continued provision of service depends on customers paying for it,
14 which is facilitated by predictable customer-utility interactions."²

15 Mr. Reed does not explain why the plethora of billing errors, rule violations,
16 tariff violations, and poor customer service decisions detailed by Staff in its direct and rebuttal
17 testimony³ do not, in his words, "equate to Liberty having violated its fundamental obligations
18 as a public utility."⁴

19 Q. Do other Empire witnesses appear to corroborate Staff's arguments regarding
20 reliable service?

¹ Rebuttal Testimony of John J. Reed, page 17, lines 15-24.

² Direct Testimony of Charles Tyrone Thomason, page 6, line 19 to page 7, line 3.

³ See the Direct and Rebuttal Testimony of Charles Tyrone Thomason.

⁴ Rebuttal Testimony of John J. Reed, page 17, lines 22-24.

1 A. Yes. While describing the purpose of her testimony, Empire witness
2 Amy M. Walt states that her testimony “supports performance tracking in areas such as billing
3 accuracy and timeliness, which are critical to delivering reliable service to our customers.”⁵
4 This statement would suggest Empire is in agreement with Staff that billing accuracy and
5 timeliness are important aspects of reliable utility service.

6 Q. Does Mr. Reed dispute that Empire has had billing issues?

7 A. No, he does not.

8 Q. As part of his argument against Staff’s proposed disallowances, Mr. Reed states:
9 “The billing mistakes happened, the bills have been or are in the process of being fixed, and
10 Liberty has been forthright in admitting that these errors are not consistent with the expected
11 levels of service for its operations in Missouri and there have been changes at the highest level
12 of the parent company to bring more focus to these issues.”⁶ Does Staff have a response to this
13 statement?

14 A. Yes. Staff notes this is another instance where Empire’s messaging differs
15 between witnesses. Mr. Reed’s statement implies that the billing mistakes are in the past.
16 This is not the case; Empire continues to find and produce new billing errors into the present,
17 as recently as July 2025. In her rebuttal testimony, Empire witness Candice Kelly describes two
18 issues recently discovered regarding demand charges, one of which resulted in an average
19 overcharge of \$185 for approximately 1,200 customers between April 2024 and July 2024,
20 and the other which resulted in approximately 142 customers being overcharged an estimated

⁵ Rebuttal Testimony of Amy M. Walt, page 7, lines 12-14.

⁶ Rebuttal Testimony of John J. Reed, page 17, line 22 to page 18, line 3.

1 \$352,000 from April 2024 to July 2025.⁷ In the latter case, which affects demand-billed
2 customers during a meter exchange, a permanent solution has yet to be implemented.

3 Furthermore, contrary to Mr. Reed’s statement, billing mistakes will likely continue to
4 happen in the future. On page 12 of her testimony, Ms. Walt explains Empire is in the process
5 of deploying new metrics, reviewing end-to-end processes, and updating system configurations
6 and integrations. However, at no point in Ms. Walt’s testimony does she indicate that this effort
7 is more than a work in progress at this time. To the contrary, she states that “meaningful and
8 lasting improvement will take time” and describes such efforts as a “journey.”⁸ Ms. Walt’s
9 testimony indicates Empire is still at the preliminary stage of attempting to ascertain the root
10 causes of the problems, not at a stage where it can say that the root causes have been resolved.

11 Q. Mr. Reed states, “using the best data it had available at the time Liberty had
12 estimated that approximately 10% of its customers experienced billing errors over the period
13 since the implementation of the new system began.”⁹ Does Staff concur with this estimate?

14 A. No. Although Empire witness Timothy N. Wilson gave the same statistic to
15 customers during the Town Hall meetings that occurred as a part of the Case No.
16 OO-2025-0233 investigation,¹⁰ Staff believes that 10%, or 19,000, affected Empire customers
17 is a gross underestimation of the number of customers negatively impacted by the
18 Customer First conversion to SAP for multiple reasons.

⁷ Rebuttal Testimony of Candice Kelly, page 3, line 18 to page 4, line 2, and Empire’s response to Staff DR Nos. 0477 and 0478 requesting more detail about these issues. The DR responses are included in Schedule CTT-s1.

⁸ Rebuttal Testimony of Amy M. Walt, page 12, lines 15-18.

⁹ Rebuttal Testimony of John J. Reed, page 16, lines 5-8.

¹⁰ See Case No. OO-2025-0233:

Transcript-Volume 1 (Town Hall - Aurora, MO - June 10, 2025), page 9, line 2-4;

Transcript-Volume 2 (Town Hall - Branson, MO - June 11, 2025), page 9, lines 9-11;

Transcript-Volume 3 (Town Hall - Ozark, MO - June 11, 2025), page 11, lines 7-9; and

Transcript-Volume 4 (Town Hall - Joplin, MO - June 12, 2025), page 8, line 10-12.

1 Staff requested the criteria used to classify a customer as one who had experienced a
2 billing error. In response, Empire explained that the statistic was in reference to the number of
3 customers who had received an incorrect bill amount that was subsequently cancelled and
4 rebilled with an adjusted correct amount. Empire took the total number of customers who had
5 a bill cancelled and rebilled with a different billed amount, from April 2024 to July 2025,
6 and divided it by the total number of customers as of July 2025. The underlying data was
7 provided in response to Staff DR No. 0473, which is attached to this testimony as a part of
8 Schedule CTT-s1. Staff's first dispute with this statistic is that it underrepresents the number of
9 customers who have been incorrectly billed, because the definition would exclude cases where
10 Empire chose to credit customers for mistakes on a subsequent bill instead of rebilling them.
11 For example, Empire credited, instead of rebilled, 3,915 customers after they were charged
12 incorrect late fees in July 2024.¹¹

13 Second, other numbers Empire has provided to Staff would seem to indicate that more
14 than 10% of customers have experienced billing issues since the implementation of
15 Customer First. As shown in Tables 1, 3, 4, and 6 in my direct testimony, Empire has had a
16 total of 130,555 delayed bills, 62,708 no bills, 82,314 rebills, 16,143 estimated bills, and 76,247
17 bills outside of a 26-35 day billing period from April 2024 to April 2025. In the month of
18 March 2025 alone, Empire had 10,116 customers with a delayed bill, 3,196 customers that did
19 not receive a bill, 27,574 customers that were rebilled, and 455 customers that received an
20 estimated bill.¹² Staff has also recently learned that Empire sent a total of 85,554 bills with a
21 due date less than twenty-one days after the billing date from April 2024 to July 2025, excluding

¹¹ OO-2025-0233, Empire response to Staff DR No. 0065. For discussion of this issue, see the Direct Testimony of Charles Tyrone Thomason, page 63, lines 10-15.

¹² OO-2025-0233, Empire response to Staff DR No. 0054.

1 customers with a Preferred Payment Date. 20,391 of those bills were issued in June 2025
2 alone.¹³ Per Commission rule¹⁴ and Empire's tariff,¹⁵ monthly-billed customers must be
3 allowed at least twenty-one days from the rendition of the bill to pay the charges before the bill
4 can be considered delinquent. Although there is undoubtedly some overlap for customers who
5 experienced multiple issues at once or multiple issues over multiple months, Staff does not
6 believe these numbers reflect the experiences of only 19,000 Empire customers.¹⁶

7 Finally, the 10% statistic does not account for all issues Empire's customers have
8 experienced in the wake of the Customer First conversion. A non-exhaustive list of issues that
9 arose directly as a result of the conversion, along with the number of affected customers,
10 is below. This list only includes issues discussed in direct or rebuttal testimony in this case with
11 a known tally of affected customers:

- 12 • Budget Billing: All customers on budget billing are being charged based on a
13 budget billing calculation not found in Empire's tariff. **17,751** Empire customers
14 as of May 2025.
- 15 • Collective Bill Multi-print Incident: According to Empire, 10,000 customers
16 across all utility types received 8-11 bills in a 10-day span between
17 March 31, 2025, and April 9, 2025. Over 50% of all of Liberty Utilities
18 Company's Missouri customers are electric customers, so Staff will approximate
19 **5,000** Empire electric customers affected for the purposes of this tally.

¹³ OO-2025-0233, Empire response to Staff DR No. 0171. Included in Schedule CTT-s1.

¹⁴ 20 CSR 4240-13.015(1)(J)- Definitions and 20 CSR 4240-13.020(7)- Billing and Payment Standards.

¹⁵ P.S.C. Mo. No. 6, Sec. 5, Original Sheet No. 2 and P.S.C. Mo. No. 6, Sec. 5, Original Sheet No. 25.

¹⁶ Spread out over 19,000 customers, each customer would had to have experienced one of these six issues an average of 23.87 times over 13 months (453,521 total /19,000 customers).

- 1 • Rights and Responsibilities Brochure: New customers not mailed this document
2 upon commencement of service. **5,736** Empire customers.
- 3 • Three Months' Consecutive Estimate Letter: Customers not mailed this
4 document upon receiving a third consecutive estimated bill.
5 **156** Empire customers.
- 6 • Incorrect Late Fees: **3,915** Empire customers.
- 7 • Incorrect State Taxes/Franchise Fees: **11,312** Empire service tickets
8 entered/manual tax jurisdiction changes made April 2024-May 2025. This is not
9 a full count of affected customers.
- 10 • Incorrect Customer Charge: **51,000** Empire customers.
- 11 • Incorrect minimum demand threshold charges: **1,200** Empire customers.
- 12 • Excess generation under-credit: **298** Empire customers.¹⁷
- 13 • Winter excess generation rate applied to summer usage: **6** Empire customers.¹⁸

14 The tally of affected customers from the list above is 96,374, which would be 50.7% of
15 Empire's 190,000 customers. Staff cannot account for overlap between affected customers,
16 so this number is imprecise. However, Staff believes this exercise is sufficient to demonstrate
17 the disingenuousness of the 10% claim.

18 **Response to Empire Witness Kelly**

19 Q. On page 6, line 11 through page 7, line 16, of Ms. Kelly's rebuttal testimony,
20 she discusses and responds to Staff's concerns regarding "timely" billing. On page 7,
21 lines 10-16, she addresses Staff's recommendation that Empire reduce the number of bills

¹⁷ See Surrebuttal Testimony of Staff Witness Claire M. Eubanks, P.E., page 2, lines 12-20.

¹⁸ See Surrebuttal Testimony of Staff Witness Claire M. Eubanks, P.E., page 3, lines 1-2.

1 outside of the 26-35 day billing period as required by Commission rule by stating,
2 “Every day, dozens of Liberty employees are committed to increasing the timeliness of the
3 Company’s billing process.” Do you have a response?

4 A. Yes. Ms. Kelly’s references to timeliness, her reference to Commission Rule 20
5 CSR 4240-13.020(6),¹⁹ and her characterization of statements which is that they “were issued
6 less than 26 days apart or more than 35 days apart” indicates there is a misunderstanding
7 regarding Commission rules and this recommendation. The recommendation Ms. Kelly is
8 referencing from my direct testimony was in relation to Empire’s violations of Commission
9 rule 20 CSR 4240-13.015(1)(C)²⁰ and Empire’s tariff sheet P.S.C. Mo. No. 6, Sec. 5,
10 Original Sheet No. 1, both of which specify that customer bills must be for a usage period of
11 no less than twenty-six days and no more than thirty-five days, excluding initial, corrected,
12 or final bills. This is unrelated to the amount of time it takes for the utility to send that bill to
13 the customer.

14 Commission Rule 20 CSR 4240-13.020(6) requires customers who are billed on a
15 cyclical basis to be billed on or around the same day of each billing period. Staff argues that
16 Empire is violating 20 CSR 4240-13.020(6) as well, but this is a separate issue from the billing
17 period violations.

¹⁹ Billing and Payment Standards- “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 period.”

²⁰ Definitions.

1 **JUST AND REASONABLE RATES**

2 **Response to Empire Witness Westfall**

3 Q. On page 8, line 20 to page 10, line 15, of Empire witness Jeffery Westfall's
4 rebuttal testimony, he details the issues that Empire has had with new meter sets and the efforts
5 undertaken to resolve those issues. Does Staff have any observations regarding his explanation?

6 A. Yes. The new meter set discussion should be returned to its original context.
7 Staff's objective in bringing this issue to the Commission's attention, in addition to pointing
8 out the customer service issues that resulted from the Customer First transition, was to note that
9 Empire incurred additional costs to resolve the issue that Customer First created,
10 particularly with the addition of new employees, that presumably will be passed
11 on to ratepayers.

12 Q. Does Mr. Westfall address any additional costs, labor or otherwise, incurred by
13 Empire in its efforts to reduce new meter set timelines?

14 A. No, he does not.

15 **Response to Empire Witness Kelly**

16 Q. On page 11, lines 7-9, of Empire Witness Candice Kelly's rebuttal testimony,
17 the witness is asked to respond to the statement, "Mr. Thomason alleges that the benefits of
18 Liberty's rollout of Advanced Metering Infrastructure ("AMI") have been 'diluted or outright
19 negated' by the issues with Customer First implementation." Is this characterization of your
20 testimony accurate?

21 A. No, it is not. This phrasing incorrectly implies I made a general critique about
22 Empire's AMI meters. To be precise, my observation was that several benefits of AMI
23 functionality in particular, all touted by multiple Empire witnesses to the Commission during

1 the ER-2021-0312 rate case to support cost recovery of AMI meters, have been diluted or
2 negated by the Customer First implementation. Those benefits were a reduction of estimated
3 reads, improved bill timeliness, improved bill accuracy, increased customer flexibility for
4 payment due dates, and reduction of bills with a billing period of less than 26 days or more than
5 35 days. I further explained how each of these have worsened after the implementation of
6 Customer First.

7 Q. In Ms. Kelly's testimony, did she refute any of the negated benefits specified in
8 your direct testimony?

9 A. No, she did not.

10 **USED AND USEFUL**

11 Q. Several Empire witnesses²¹ assert in rebuttal testimony that SAP is "used and
12 useful" on the grounds that the system is currently in-service supporting utility operations,
13 producing bills, and providing benefit to customers. Does Staff have a response?

14 A. For discussion regarding the numerous rule and tariff violations,
15 billing inaccuracies, and process collapses that have occurred subsequent to the implementation
16 of SAP, please see my direct testimony in this case. For discussion specific to the current
17 limitations on the usefulness of SAP, including the fact that Empire has had to manually
18 generate the bills of over 15,565 collective account customers every month since the
19 implementation of Customer First,²² please see pages 66-71 of my direct testimony.

²¹ Rebuttal Testimony of John J. Reed, page 20, lines 4-7; Rebuttal Testimony of Timothy N. Wilson, page 5, lines 17-21; Rebuttal Testimony of Amy M. Walt, page 28, line 23, to page 29, line 7; Rebuttal Testimony of Charlotte T. Emery, page 5, line 1-10 and page 26, line 21 to page 27, line 2.

²² Empire response to Staff DR No. 0226.1.

1 Q. In her rebuttal testimony, Ms. Walt states, “Although Staff and OPC are focused
2 on the technology of Customer First, SAP is a state-of-the-art system utilized by many top
3 performing companies across the world. The challenges we have experienced fall across people,
4 processes and technology. We have failed to recognize how interrelated the processes are with
5 an integrated system, with one error flowing through all systems.”²³ Does Staff agree with this
6 characterization of Staff’s focus?

7 A. No. In my direct testimony, I stated the following: “Staff is not contending, at
8 least at this time, that SAP is a broken system. But it was a significant mismatch with Empire’s
9 existing processes, and Empire has failed to make the adaptations that would bring the system
10 fully to used and useful status.”²⁴ The focus of Staff’s used and useful argument is more akin
11 to Ms. Walt’s perspective: the technology of SAP and the processes of Empire were not
12 prepared for each other prior to implementation and are still not compatible today. As Ms. Walt
13 states earlier in her testimony, “The challenges our customers have experienced stem from
14 misalignment across people, processes, and technology. Sustainable improvement requires
15 coordinated action across all three.”²⁵

16 **CUSTOMER IMPACT MITIGATION**

17 Q. In rebuttal testimony, Ms. Kelly, Mr. Reed, Ms. Walt and Mr. Wilson describe
18 Empire’s efforts to “minimize” or “mitigate” financial harm to customers.²⁶ These four
19 witnesses emphasize the lack of disconnections, the offering of payment plans, and the waiving

²³ Rebuttal Testimony of Amy M. Walt, page 28, lines 11-15.

²⁴ Direct Testimony of Charles Tyrone Thomason, page 71, line 19 to page 72, line 2.

²⁵ Rebuttal Testimony of Amy M. Walt, page 12, lines 9-11.

²⁶ Rebuttal testimony of Candice Kelly, page 6, lines 6-9; Rebuttal testimony of John J. Reed, page 13, lines 7-12; Rebuttal testimony of Amy M. Walt, page 30, lines 8-12; Rebuttal testimony of Timothy N. Wilson, page 15, lines 22-24.

1 of interest and late fees in particular. Mr. Reed further notes that Empire has refunded or is in
2 the process of refunding all known overcollections due to billing errors. Does Staff have a
3 response to this?

4 A. Please see my direct testimony²⁷ for discussion regarding Empire’s efforts at
5 customer impact mitigation, including customer communications regarding billing issues and
6 payment plan offerings. Please also see my rebuttal testimony for discussion regarding the
7 information conveyed to Empire customers by Empire CSRs²⁸ and disconnection notices.²⁹
8 Empire’s communications with customers have been lethargic, inconsistent, and a factor in
9 customer dissatisfaction. Staff has no confidence that all customers have been made aware of
10 their right to pay charges accumulated as a result of delayed billing over twice the duration of
11 the delayed billing, per 20 CSR 4240-13.025(1)(C)-Billing Adjustments.

12 Staff also notes that, in cases of overcharge, Empire is holding customer money it should
13 not have. This money is permanently applied to the customer’s account and the customer is
14 unable to use that money for other purposes, as “refunds” typically take the form of bill credits
15 on the following bill. Empire’s assertion that it is minimizing financial harm assumes that
16 customers have no other use for that money, an assumption at odds with local public hearing
17 testimony in this case from Empire customers, particularly low-income customers.

18 Q. Both Ms. Kelly³⁰ and Ms. Walt³¹ state that, in order to minimize financial impact
19 to customers, Empire is currently not charging interest on any amounts related to
20 Customer First billing issues. Is Staff aware of what these witnesses were referring to?

²⁷ Direct Testimony of Charles Tyrone Thomason, page 18, line 7 to page 22, line 13.

²⁸ Rebuttal Testimony of Charles Tyrone Thomason, pages 12-13.

²⁹ Rebuttal Testimony of Charles Tyrone Thomason, pages 25-28.

³⁰ Rebuttal Testimony of Candice Kelly, page 6, line 6-9.

³¹ Rebuttal Testimony of Amy M. Walt, page 25, line 14-17.

1 A. According to Empire’s response, the witnesses were referencing late payment
2 charges when they used the term “interest.”³² As such, when both witnesses stated Empire is
3 “not charging interest or late fees on any amounts related to Customer First billing issues,”
4 they were evidently referencing the same policy twice. Staff intends to continue investigating
5 this issue and may comment further in its Case No. OO-2025-0233 report.

6 Q. According to Ms. Walt’s rebuttal testimony, Empire has waived deposits.³³
7 Does Staff concur with this statement?

8 A. No. As far as Staff is aware, Empire is still assessing deposits. As part of its
9 investigation in the Case No. OO-2025-0233 docket, Staff has reviewed the initial and second
10 billing statements for 180 new Empire customers from the months of May 2024, October 2024,
11 and April 2025.³⁴ Of those customers, Staff has counted 33 customers who were
12 assessed a deposit.

13 Staff issued a DR requesting further elaboration of Ms. Walt’s claim. Empire verified
14 that Ms. Walt’s statement is incorrect; there was no change in deposit policy following the
15 Customer First conversion.³⁵

16 Q. According to page 13, lines 18-20 of Ms. Kelly’s rebuttal testimony, “As part of
17 its current practice, the Company already informs customers – especially those experiencing
18 billing issues-that they are not at immediate risk of disconnection when they contact customer
19 service.” Does Staff have a response to this statement?

20 A. Yes, as a point of clarification. As stated on page 27, lines 3-14, and mentioned
21 elsewhere, in my rebuttal testimony, Staff has reviewed several dozen random phone call

³² Empire response to Staff DR No. 0485. Included in Schedule CTT-s1.

³³ Rebuttal Testimony of Amy M. Walt, page 30, lines 9-10.

³⁴ OO-2025-0233, Empire response to Staff DR No. 0099.

³⁵ Empire response to Staff DR No. 0479. Included in Schedule CTT-s1.

1 recordings from Empire’s call centers that took place in 2024 and 2025. In those phone calls,
2 Staff has indeed heard multiple Empire Customer Service Representatives (“CSR”) inform
3 customers they were not scheduled to be “immediately” disconnected on the same day or within
4 the next few days, though this messaging was less consistent absent a direct question from the
5 customer. However, Empire CSRs rarely explained that this was because of the current
6 moratorium on disconnections.

7 **THE PATH FORWARD**

8 **Response to Empire Witnesses Walt and Reed**

9 Q. On page 25, line 20 of her rebuttal testimony, Ms. Walt states, “Liberty has
10 learned that technology alone is not a solution – it’s a tool that must be effectively owned and
11 operated by the business. Customer service leadership must take ownership of the SAP system,
12 with IT in a supporting role, to drive efficient and effective operations.” Does Staff have a
13 response to this statement?

14 A. Yes. Staff agrees with this statement, but Staff hopes that this is not a recent
15 discovery by Empire. Staff made a similar observation in testimony almost a full year ago.

16 To quote:

17 It is difficult for Staff to ascertain the precise issues at play, but the
18 common theme appears to be that Liberty Water struggles at times to
19 make decisions that fully take customer experience into account. This is
20 manifested particularly in its response to crises but also applies to putting
21 effective processes in place to prevent crises from occurring to begin with.
22 These are not technological problems, and will not be resolved solely by
23 transitioning to new operating systems. However, they do need to be
24 addressed. Having the foresight to limit the number of issues that
25 customers experience, and mitigate the impact of issues that do occur, is
26 an important component to putting customers first in customer service.
27 Captive ratepayers deserve that effort.³⁶

³⁶ WR-2024-0104, Rebuttal Testimony of Charles Tyrone Thomason, page 19, line 16 to page 20, line 2.

1 For context, this testimony was filed during the first rate case initiated by
2 Liberty Utilities (Missouri Water), LLC d/b/a Liberty's ("Liberty Water") since the conclusion
3 of the Case No. WO-2022-0253 Staff Investigation into Liberty Water's operations. Staff had
4 concerns Liberty Water was overly optimistic about Customer First being the solution to many
5 of the customer service issues Staff found during its investigation. Pertaining to the above
6 statement, Staff recommended the following in that case, which was embodied paragraph 21 of
7 the Stipulation and Agreement:

8 Liberty will accompany its Customer First transition with a modification
9 to its approach to customer service to be more proactive. This may include
10 stricter evaluation of new processes (and current processes that haven't
11 failed yet) to prevent issues from occurring before they arise, and
12 continuous evaluation of the customer experience to understand how
13 things may look from the customer perspective and acting with that
14 perspective firmly in mind.³⁷
15

16 Q. Do Ms. Walt's current responsibilities include Liberty Water?

17 A. My understanding is yes, they do.³⁸

18 Q. As part of Empire's alternative proposal to Staff's disallowances,
19 Empire suggests four metrics in particular that it could provide to the Commission in order to
20 track Empire's performance. According to Mr. Reed, "the Commission should approve
21 performance metrics related to billing accuracy, billing timeliness, call center responsiveness
22 and customer experience index that when met would authorize the Company to record a
23 monthly amount in a regulatory asset account – equal to the return on equity that would have
24 been earned on the asset balance. This recorded balance would then be eligible for recovery in

³⁷ WR-2024-0104, Stipulation and Agreement, page 6. Approved by the Commission with an effective date of February 2, 2025.

³⁸ See Rebuttal Testimony of Amy M. Walt, page 1, line 11.

1 a future rate case.”³⁹ These metrics are defined on page 29 of Ms. Walt’s testimony. Does Staff
2 have any feedback regarding these proposed metrics?

3 A. Yes. The proposed metrics, as defined, would be virtually useless to the
4 Commission if the intent is to ensure that ongoing billing and customer service issues stemming
5 from the Customer First implementation are addressed. They do not present a serious path
6 forward that would require Empire to address Customer First issues to earn its equity return on
7 Customer First. I will address each proposed metric in turn.

8 **“Billing Accuracy Rate”** is defined as the percentage of bills issued utilizing an actual
9 read. Staff believes that this metric could be useful to track changes in the number of estimated
10 customer bills, but otherwise sees little benefit to this metric. This metric would not address
11 any other inputs that have also resulted in inaccurate bills (incorrect commodity rate application,
12 incorrect taxes or franchise fees, incorrect customer charges, incorrect late fees) nor would it
13 address any other reason why Empire would need to rebill or otherwise credit a customer.
14 Bills would be presumed “accurate” as long as a register read was used, regardless of whether
15 the bill was later determined to be inaccurate. This metric, as currently written, also does not
16 appear to address estimated interval reads. Staff does not believe that this metric would assist
17 the Commission in ascertaining Empire’s progress toward accurately billing its customers.

18 **“Billing Timeliness”** is defined as the percentage of bills issued within the expected
19 billing month. Taken literally, this would be the number of bills issued within the same calendar
20 month. This would mean that a bill with an expected bill date of September 30th would be
21 considered untimely if it is issued on October 1st, which would be an unhelpful tally. It would
22 also mean that a bill with an expected bill date of September 1st would still be considered timely

³⁹ Rebuttal Testimony of John J. Reed, page 23, line 16 to page 24, line 2.

1 if it is issued by September 30th. This would obfuscate the delayed billing metric even more so
2 than Empire has done up to this point,⁴⁰ because a bill that is issued up to 30 days behind
3 schedule could still be considered timely. Staff also notes that Commission Rule 20 CSR
4 4240-13.020(6) allows utility companies to bill customers cyclically only if the individual
5 customer receives each bill on or about the same day of each billing period. This metric would
6 not aid in enforcing compliance with this rule or in tracking Empire's progress toward billing
7 its customers on the target bill date.

8 Taken non-literally, Empire would have one month to issue a bill from the expected bill
9 date before it is considered untimely. This would eliminate the category of "delayed bill"
10 (9-30 days) entirely, leaving only "no bills" (+30 days) as a measure of billing timeliness.
11 Staff does not believe that eliminating, or obfuscating, the category of delayed bills would assist
12 the Commission in ascertaining Empire's progress with resolving untimely billing issues.

13 **"Call Center Responsiveness"** is defined as Average Speed of Answer ("ASA").
14 As discussed on pages 4 and 5 of my rebuttal testimony, Staff does not have significant concerns
15 with ASA at this time. Furthermore, Empire is already providing ASA to Staff in compliance
16 with a Commission order in Case No. ER-2004-0570. Staff receives and reviewed these and
17 other call center metrics from Empire on a monthly basis.

18 Staff has other concerns with Empire's call center, which are discussed in detail on
19 pages 12-25 of my rebuttal testimony. This proposed metric would not address any of those
20 concerns, nor would it directly address any of the issues brought forth by Staff in relation to
21 Customer First. Therefore, its relevancy to Empire receiving a return on equity for SAP as
22 recommended in Empire's rebuttal testimony is unclear.

⁴⁰ See Direct Testimony of Charles Tyrone Thomason, page 9, line 17 to page 11, line 15.

1 **“Customer Experience Index”** is described as post-interaction surveys and
2 benchmarks asking about ease, satisfaction and first call resolution. Staff is not opposed to
3 Empire continually providing these statistics for review, provided the format is consistent with
4 the graphs provided in response to Staff DR No. 0214, and not the 2025 graphs provided in
5 response to Staff DR No. 0214.1.⁴¹ However, this proposed metric would not address any of
6 the concerns raised by Staff in relation to Customer First, nor would it directly address the call
7 center concerns raised by Staff in rebuttal testimony.⁴² Therefore, its relevancy to Empire
8 receiving a return on equity for SAP as recommended in Empire’s rebuttal testimony is unclear.

9 Q. Has Staff proposed any recommendations in this case to increase the
10 Commission’s oversight of Empire’s customer service and billing issues?

11 A. Yes. As a result of the Stipulation and Agreement filed in Case No.
12 WR-2024-0104,⁴³ Liberty Water is required to meet with Staff on a monthly basis to discuss
13 issues germane to progress in resolving Customer First-related customer service issues for a
14 period of one year. During those meetings, Liberty Water is required to present the following
15 metrics: (i) the number of delayed bills for the prior month; (ii) the number of no bills for the
16 prior month, (iii) the number of estimated bills for the prior month, (iv) the number of re-bills
17 for the prior month, (v) the number and nature of complaints received by its Call Center for the
18 prior month, and (vi) call center metrics, such as staffing and call volume, for the prior month.

19 In this case, Staff recommended Empire be incorporated into those monthly meetings.⁴⁴
20 Staff would not be opposed to Empire presenting additional metrics to those currently provided
21 in these meetings. Given the absence of a resolution timeline for Customer First issues in

⁴¹ For illustration, please see Rebuttal Testimony of Charles Tyrone Thomason, pages 16-20.

⁴² Rebuttal Testimony of Charles Tyrone Thomason, pages 12-25.

⁴³ Paragraph 21.

⁴⁴ Direct Testimony of Charles Tyrone Thomason, page 72, lines 9-11.

1 Empire's rebuttal testimony, Staff suggests that these meetings continue indefinitely until both
2 parties file notice with the Commission indicating agreement that the meetings are no longer
3 necessary. Furthermore, if it sees fit, the Commission may order additional actions, such as
4 modifications to the meetings or formal presentations before the Commission. However, these
5 steps will not address the primary issue, which is Empire's efforts to recover costs and profit
6 from a billing system that has not been fully used and useful since implementation, to the
7 detriment of the customers who would pay for it.

8 Q. Have Staff's disallowance recommendations changed in light of Empire's
9 alternative recommendation?

10 A. No. Staff maintains its position that the implementation of Customer First,
11 specifically the SAP Customer Information System, has compromised Empire's ability to
12 provide reliable service to its customers and continues to do so. SAP was a significant mismatch
13 with Empire's existing processes, and Empire has failed to make the adaptations that would
14 bring the system fully to used and useful status. The principle of just and reasonable rates does
15 not support full cost recovery for a system that has been and still is unreliable, not fully useful,
16 and has negatively impacted other aspects of the cost of service calculation.

17 Q. Could SAP one day become fully "useful"?

18 A. Absolutely. When this billing system enables Empire to bill all of its customers
19 accurately, timely, and in full compliance with Commission rules and its tariff, without the need
20 for a prohibitive degree of manual intervention and without the perpetual possibility of a
21 catastrophic incident occurring, then SAP will be fully useful. Staff does not believe this is the
22 status quo today, as it has not been the status quo for 525 days as of the filing date of this
23 testimony.

Surrebuttal Testimony of
Charles Tyrone Thomason

1 Q. Does this conclude your surrebuttal testimony?

2 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF CHARLES TYRONE THOMASON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

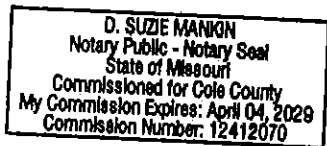
COMES NOW CHARLES TYRONE THOMASON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Charles Tyrone Thomason*; and that the same is true and correct according to his best knowledge and belief.

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 8th day of September 2025.



D. Suzie Mankin
Notary Public



Data Request Received: 2025-08-22
 Request No. 0473
 Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

Response Date: 2025-09-04
 Witness/Respondent: Amy Walt

REQUEST:

On page 16, line 6 of John J. Reed’s rebuttal testimony, he states Liberty estimated that “approximately 10% of its customers experienced billing errors over the period since the implementation of the new system began.”

1. Please provide the data used to determine that percentage and identify the source(s) of the data. Include in the data the total number of customers used (broken out by utility company and state if applicable) and the total number of customers that experienced billing issues (broken out by utility company and state if applicable).
2. Please define what is meant by “experienced billing errors,” including an explanation of what qualifies as a “billing error” in this definition.
3. Please provide the time period this statistic refers to (e.g., April 8, 2024 - May 31, 2025, April 8 - May 31, 2024, etc.)
4. Please provide each billing error used to calculate the “approximately 10%” statistic and the number of customers affected by each billing issue, broken out by utility company and state if applicable.

RESPONSE:

1. The following data table contains the monthly number of customers that experienced billing errors. The source of the data is our SAP billing system. This data is for all Empire Electric customers (not just Missouri jurisdictional).

	Cancel/Rebill Customers (Amount Change)	Total Accounts	Percent
Empire Electric			
Apr '24	1,254	191,115	0.7%

May '24	2,155	191,875	1.1%
Jun '24	1,210	192,152	0.6%
Jul '24	1,953	192,879	1.0%
Aug '24	1,640	193,104	0.8%
Sep '24	2,183	192,650	1.1%
Oct '24	895	192,883	0.5%
Nov '24	952	192,695	0.5%
Dec '25	983	193,312	0.5%
Jan '25	1,085	193,818	0.6%
Feb '25	974	193,607	0.5%
Mar '25	841	194,123	0.4%
Apr '25	1,409	194,235	0.7%
May '25	773	194,772	0.4%
Jun '25	315	195,063	0.2%
Jul '25	1,998	195,336	1.0%
Grand Total	20,620	195,336	10.6%

2. "Experienced Billing Errors" is defined as customers that had an incorrect bill amount that was subsequently cancelled and rebilled with an adjusted correct amount.
3. April 2024 to July 2025.
4. Billing errors are not categorized in the system. The table above was developed based on the number of corrected bills, i.e. original bill was cancelled, and new bill was re-issued to the customer for a different amount than the original bill.



The Empire District Electric Company d/b/a Liberty
Case No. ER-2024-0261
Missouri Public Service Commission Data Request - 0477

Data Request Received: 2025-08-22

Response Date: 2025-09-04

Request No. 0477

Witness/Respondent: Candice Kelly

Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

REQUEST:

On Page 3, lines 18-22 of Candice Kelly's rebuttal testimony, she discusses an error the Company in how minimum demand thresholds were applied. Please provide the following:

- 1) A detailed description of the issue and how it occurred. In that explanation, please include why this issue impacted only some customers.
- 2) The dates during which this issue impacted customer bills.
- 3) How did Empire detect this error?
- 4) When did Empire detect this error?

RESPONSE:

1. Per the tariff language for the rate classes listed below, the kWh tier energy calculations are to be based on hours of actual metered demand. Liberty identified that for customers that had metered demand below the minimum established in the tariff, instead of using the actual metered demand for the energy calculations, the system was incorrectly configured to use the minimum kW billing demand, which resulted in customer overcharges.
 - a. LP
 - b. NSLG
 - c. NSSP
 - d. TCLG
 - e. TCSP

When the actual metered demand was less than the minimum billing demand, the system compared both values and was programmed to apply the greater (minimum) demand to calculate the kWh tiers. When the actual metered demand exceeded the minimum billing demand, the system correctly used the metered demand as the basis for the usage tier calculation.

As a result, this issue did not affect all customers uniformly or at all times, but it did lead to inconsistencies and overcharges in certain cases.

2. April 2024 - June 2024 and December 2024 - July 2025

3. This was detected through the Company's daily bill validation process, which includes a recalculation and review of sample bills from each bill cycle by the Company's Billing and Regulatory departments.

4. May 30, 2025.



The Empire District Electric Company d/b/a Liberty
Case No. ER-2024-0261
Missouri Public Service Commission Data Request - 0478

Data Request Received: 2025-08-22

Response Date: 2025-09-04

Request No. 0478

Witness/Respondent: Candice Kelly

Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

REQUEST:

On Page 3, lines 23 to Page 4, line 2 of Candice Kelly's rebuttal testimony, she discusses an error the Company found in regarding the aggregation of demand readings. Please provide the following:

- 1) A detailed description of the issue and how it occurred. In that explanation, please include why this issue impacted only some customers.
- 2) The dates during which this issue impacted customer bills.
- 3) The number of customers impacted.
- 4) The amount of money that will need to be refunded to customers.
- 5) The date the issue was resolved (or is anticipated to be resolved).

RESPONSE:

- 1) The issue occurs during meter exchanges for customers with demand billing, when customers were transitioned between Time-Of-Use (TOU) and non-TOU billing. Due to a process gap, the SAP system was configured to treat the exchanged meters as separate billing meters within the same billing period. As a result, the demand values were summed rather than applying the correct methodology of taking the peak demand. This error occurred only for demand-billed customers undergoing meter exchanges, which explains the limited scope of impact. If the SAP meter exchange process was leveraged instead, this condition would have been prevented.
- 2) From system Go-Live in April 2024 through July 2025.
- 3) Approximately 142 customers.
- 4) The final amount is still being validated. Current estimates place the refunds at approximately \$352,000.

- 5) The process is currently under active monitoring to ensure no additional customer impacts occur. As a long-term corrective measure, a programmatic solution will be implemented to permanently address this issue.



The Empire District Electric Company d/b/a Liberty
Case No. ER-2024-0261
Missouri Public Service Commission Data Request - 0479

Data Request Received: 2025-08-22

Supplement Response Date: 2025-09-12

Request No. 0479

Witness/Respondent: Candice Kelly

Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

REQUEST:

On page 30, line 9 of Amy M. Walt’s rebuttal testimony, she notes that “We’ve provided long-term payment arrangements, waived late fees and deposits, paused disconnects since go-live, and offered in-person support at town halls hosted by both Liberty and Staff to help customers navigate these challenges.” For each of the actions taken by the Company in this statement, please provide the date the policy was implemented, and the date that the policy was halted (if applicable).

SUPPLEMENTAL RESPONSE 9/12/2025:

Liberty has always complied with the rule regarding offering at least two times the number of months due to the utility undercharging (delayed billing). However, with the implementation of the new CIS system in October 2023 for Midstates Gas and April 2024 for Empire District Electric, Empire District Gas, and Missouri Water, the number of agreements offered due to the utility undercharging (delayed billing) customers as well as the length of time for agreements has increased.

Late fees were waived for everyone from April 2024 to June 2024. In June, after resuming late fees, Liberty began adding late payment locks to accounts that experienced a billing delay. This action continues today.

The statement regarding deposits in testimony was in error. The witnesses will correct their statements. There was no change in the deposit policy with the Customer First conversion.

ORIGINAL RESPONSE 09/05/2025:

The Company offered, and is continuing to offer, long-term payment agreements to customers post go-live of Customer First. Late fees were waived from April 2024 and were resumed in June 2024 for

invoices that were not affected by the billing issues resulting from the SAP transition. The Company has continued to pause disconnects since SAP go-live. In addition to the town halls held in 2025, the Company hosted Open Houses in Bolivar on October 22, 2024 and in Branson on November 21, 2024.



The Empire District Electric Company d/b/a Liberty
Case No. ER-2024-0261
Missouri Public Service Commission Data Request - 0485

Data Request Received: 2025-08-22

Response Date: 2025-09-08

Request No. 0485

Witness/Respondent: Candice Kelly

Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

REQUEST:

On page 6 of Candice Kelly's rebuttal testimony, and on page 25 of Amy Walt's rebuttal testimony, both witnesses indicate the Company is not charging interest or late fees for amounts related to Customer First billing issues. Please explain what interest charges these witnesses are referring to, the circumstances under which these interest charges would ordinarily be applied, and the billing issue(s) that would warrant the Company waiving this charge.

RESPONSE:

The referenced "interest" charges are the same as the late payment charges assessed on accounts. If not paid on or before the due date, a late payment charge, pursuant to the tariff, will be applied to the unpaid balance. After the implementation of the new CIS system, some customers experienced billing delays. In the event a customer experienced a delay, late payment fee locks were applied to the account for twice the number of months of the delay.



Liberty Utilities

Case No. OO-2025-0233

Missouri Public Service Commission Data Request - 0171

Data Request Received: 2025-08-08

Response Date: 2025-09-02

Request No. 0171

Witness/Respondent: Candice Kelly

Submitted by: Tyrone Thomason, Tyrone.Thomason@psc.mo.gov

REQUEST:

This data request applies to all Empire/Liberty utilities.

For each company, for each month from April 2024 to present, please provide the number of bills sent to customers with a due date less than 21 days after the bill date, excluding customers participating in a preferred due date program.

RESPONSE:

The table below shows the number of bills sent to the customers with a due date less than 21 days after the bills and excludes customers under the preferred due date program.

Month	3106 - Missouri Water	3108 - Missouri Midstates Gas	3111 - Missouri Empire Electric	3112 - Missouri Empire Gas
2024/04	111	249	1,049	54
2024/05	390	180	770	138
2024/06	95	32	537	25
2024/07	599	21	5,242	415
2024/08	389	25	3,429	225
2024/09	419	200	1,694	222

2024/10	141	1	1,193	164
2024/11	364	-	1,307	197
2024/12	320	2	1,251	187
2025/01	1,978	8	21,668	2,200
2025/02	1,581	1	22,324	2,186
2025/03	261	-	1,751	177
2025/04	246	2	1,096	222
2025/05	172	3	1,239	111
2025/06	1,817	2	20,391	2,020
2025/07	153	5	613	4