

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire)
District Electric Company's Proposed Tariff Revision) Docket No. 21-EPDE- 134 -TAR
of the Credit/Debit Card Transaction Amounts)

APPLICATION

The Empire District Electric Company (Liberty-Empire or Company), pursuant to K.S.A. 66-117, submits to the Kansas Corporation Commission (Commission) this Application to revise the authorized one-time charge for credit and debit card transactions and Automated Clearing House (ACH) transactions by customers.

In support of its Application, Liberty-Empire submits the following to the Commission:

I. INTRODUCTION

1. The names, addresses, phone numbers and electronic mailing addresses of the persons authorized to receive notices and communications with respect to this Application on behalf of Liberty-Empire are as follows:

Christy Londerholm
Senior Regulatory Analyst,
Rates and Regulatory Affairs
602 S. Joplin Ave., P.O. Box 127
Joplin, Missouri 64802-0127
Christy.Londerholm@libertyutilities.com

Greg Tillman
Senior Manager, Rates and Regulatory Affairs
Liberty Utilities (Central Region)
602 S. Joplin Ave., P.O. Box 127
Joplin, Missouri 64802-0127
Greg.Tillman@libertyutilities.com

Sheri Richard, Director
Rates and Regulatory Affairs
Liberty Utilities (Central Region)
602 S. Joplin Ave., P.O. Box 127
Joplin, Missouri 64802-0127
Sheri.Richard@libertyutilities.com

Angela Cloven
Coordinator, Rates and Regulatory Affairs
Liberty Utilities (Central Region)
602 S. Joplin Ave., P.O. Box 127
Joplin, Missouri 64802-0127
Angela.Cloven@libertyutilities.com

James G. Flaherty
ANDERSON & BYRD, LLP
216 S. Hickory, P.O. Box 17
Ottawa, Kansas 66067
(785) 242-1234
jflaherty@andersonbyrd.com

2. Applicant is an electric public utility operating in the State of Kansas pursuant to certificates of convenience and necessity issued by the Commission. Applicant's principal place of business is located at: 602 S. Joplin Ave., Joplin, Missouri 64801. Applicant serves approximately 10,000 customers located in southeast Kansas.

3. On December 6, 2004, in Docket No. 04-GIMX-651-GIV (651 Docket), the Commission issued an Order revising the Commission's Minimum Standards for Payment (Payment Standards) to allow utilities to charge for credit, debit, and ATM card payments made by Customers. Subsequent Orders in the 651 Docket maintained the original revision to the Commission's Payment Standards, with some clarifying statements, relating to treatment of credit card payments.

4. On June 1, 2006, the Commission issued in Docket No. 06-EPDE-661-TAR (661 Docket) its Final Order approving the changes to Liberty-Empire's Rules and Regulations by allowing its electric customers the opportunity to pay their monthly bills by credit card. Empire's payment methods are in compliance with the Minimum Standards and the Commission's existing Electric, Natural Gas and Water Billing Standards (Billing Standards). The Minimum Standards, Section I, states that the utility shall make a diligent effort to provide customers with a reasonably cost effective means of utilizing such payment methods.

5. In a recent review of its Kansas tariff sheets Liberty-Empire discovered that the fee customers pay to a third party to use a credit/debit card to pay their electric bill approved in 2006 by the Commission in the 661Docket was not changed to reflect the third party fee that went into effect in 2013. The customers have paid the new third party fee since 2013. The third party fee for

residential customers was reduced from \$3.95 to \$2.25 and the utility arranged for commercial customers to pay by credit/debit card for a third party fee of \$13.00. On May 8, 2020, Liberty-Empire filed an application in Docket No. 20-EPDE-459-TAR to update its tariffs to reflect the updated third party fees (459 Docket). The tariff changes filed in the 459 Docket are pending approval by the Commission.

II. RECENT CHANGE IN THIRD PARTY VENDOR

6. In August 2018, Liberty-Empire began a request for proposal (RFP) process seeking a vendor for "Printing/Paperless Bills and Payment Services." A copy of the RFP is attached to this application as **Exhibit A** and is incorporated herein by reference. One of the many requirements of the RFP was to provide a robust payment processing platform. The process for the RFP included sending vendors the RFP and attachments for a Price List, Questionnaire, Cyber Security Impact Form, Incident Priority Schedule, Service Level Agreement, Service Level Schedule, and a Vendor IT Questionnaire. Upon return of the all the documents, it was necessary to determine a method to evaluate on a level field as vendors have different approaches to the various required components.

7. Pertaining to Credit Card, Debit Card, prepaid card, automated clearing house (ACH), & electronic funds transfer (EFT), vendors were required to submit their solution for the areas listed below:

3.3 Payment Processing

3.3.b. Accommodate credit card process fees on an "absorb" and "non-absorb" fees bases;

3.3.d. Support smart chip credit card and debit cards, branded prepaid cards, ACH, and EFT;

3.3.j. Permit real time processing through: authorized credit/debit and prepaid card transactions in real time.

3.3.1 Acceptance of Credit Card/Cash Payments at Retail Stores

3.3.3 Online / IVR / Local Office

- a. Processing of credit card payments must meet PCI compliance;
- c. Customer service agents accept credit card payments at local offices.

3.3.5 Payment Kiosks

A machine that accepts bill payments through cash, credit card and debt.

3.5.2 Customer Account Option

- a. Provide the ability for the customer to establish a login account and store credit card / bank routing data for recurring future payments.

3.5.3 Email / Text Notifications (SMS)

The solution should provide the ability to send email notifications to customers who have established accounts with the online billing system. Email notifications could be sent for:

- a. Credit card expiration reminder.

3.6 Financial Processing and Funds Settlement

- a. Batch processing: Transactions will be processed in real time and all batches including web ACH, web Credit Card payments, EFT, and IVR, will close at 5:00 pm on a given business day (Monday - Friday)

3.7 Administrative Tools and Reporting

Solution must be able to:

- a. Allow LU to consult any customer transactions (e.g. search by account #, checking account #, Credit card # etc.) through a secure web-portal (including e-bills and paper bills).

3.8 Cyber Security and Compliance

- r. Level-1 Payment Card Industry (PCI) standards - certification of compliance with these standards is required:
 - a. The proposed system must ensure the security, confidentiality, and integrity of electronic personal data and personal information by meeting all PCI Level 1 requirements;
 - b. The proposed system must prevent interception and manipulation of data during transmission to and from any servers;
 - c. The system must prevent unauthorized access to electronic personal data or personal information or any other data from any public or private network;
 - d. No customer electronic personal data will be stored within LU's billing systems.

- 8. On October 1, 2019, Liberty Utilities Service Corp. entered into an agreement with

KUBRA Data Transfer Ltd. (KUBRA) as its new third party vendor or Authorized Pay Agreement (Agreement). A copy of the Agreement with KUBRA is attached hereto as **Exhibit B** and is incorporated herein by reference. A copy of the Scope of Work Agreement between Liberty Utilities and KUBRA dated February 20, 2020, is attached to this Application as **Exhibit C** and is incorporated herein by reference.

9. Under the Agreement, KUBRA will charge residential customers a \$1.75 fee per transaction (transaction limit \$600.00) for making payment using a credit card, debit card, prepaid cards or ACH. This is a decrease in the current third party fee of \$2.25. Commercial customers will be charged a \$7.95 fee per transaction (transaction limit \$1,200). This is a decrease in the current third party fee of \$13.00.

III. TARIFF CHANGES

10. Attached to this Application as **Exhibit D** are the tariff changes to reflect the new third party vendor fees and to clarify some of the language in those tariff sections.

(a) Sheet 15 of 32, Payment Standards, General Payment Provisions, No Separate Fees section includes language that clarifies that no separate fee for using any method of payment will be charged except for one-time credit cards, debit cards, prepaid cards and ACH. A footnote is added to clarify that electronic checks are considered the same as ACH.

(b) Sheet 15 of 32, Payment Standards, Methods of Payment, subsection (b) is added to include automatic payments at no fee; renumbered subsection (d) is changed to add debit card and ACH payment options as methods of payment; and renumbered subsection (e) is changed to reflect the new third party vendor fees.

(c) Schedule CA Sheet 1 of 1, Charges Related to Customer Activities, includes changes to the charge for the one-time payment processing by third party vendor for credit card, debit card, prepaid card or ACH.

IV. INTERIM APPROVAL OF WAIVER OF THIRD PARTY VENDOR FEES DURING COVID-19 PERIOD

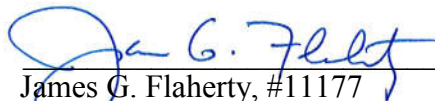
11. As part of this Application, and as part of its response to COVID-19, Liberty-Empire

is seeking interim approval to waive payment of the third party vendor processing fees requested in this Application at least through the end of 2020, and defer potential recovery of those waived fees under the authority accounting order that was approved by the Commission for Empire in Docket No. 20-EPDE-427-ACT. Attached to this Application as **Exhibit E** and incorporated herein by reference is an update to the narrative describing COVID-19 customer programs and protections to include waiver of the processing fees. In the alternative, Liberty-Empire would request to place the lower third party vendor fees into effect on October 16, 2020, on an interim basis, to reduce cost to customers.

V. CUSTOMER INFORMATION RELATING TO PAYMENT OPTIONS

12. In addition to providing customers notice of the changes to the third party vendor fees once they are approved by the Commission, Liberty-Empire has updated its website to explain the different payment options customers have to pay their utility bill. A copy of the information provided to customers on the webpage is included as **Exhibit F** to this Application and incorporated herein by reference.

WHEREFORE, Liberty-Empire respectfully requests the approval of this Application as requested herein and for such other relief as the Commission should deem just and reasonable.



James G. Flaherty, #11177
ANDERSON & BYRD, LLP
216 S. Hickory ~ P.O. Box 17
Ottawa, Kansas 66067
(785) 242-1234, telephone
(785) 242-1279, facsimile
jflaherty@andersonbyrd.com

Diana C. Carter
Liberty Utilities - Empire District
428 E. Capitol Ave., Suite 303
Jefferson City, Missouri 65101
Phone: (573) 289-1961
Email: Diana.Carter@libertyutilities.com

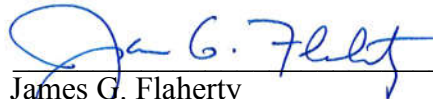
Attorneys for The Empire District Electric Company

VERIFICATION

STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

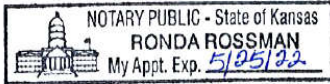
James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for The Empire District Electric Company named in the foregoing Application and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.



James G. Flaherty

SUBSCRIBED AND SWORN to before me this 1st day of October, 2020.





Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail this 1st day of October, 2020, addressed to:

Terri Pemberton
t.pemberton@kcc.ks.gov

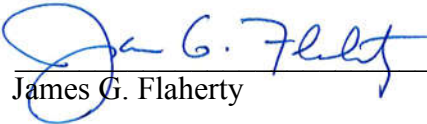
Jeffery McClanahan
j.mcclanahan@kcc.ks.gov

Cole Bailey
c.bailey@kcc.ks.gov

David W. Nickel
d.nickel@curb.kansas.gov

Della Smith
d.smith@curb.kansas.gov

Shonda Rabb
s.rabb@curb.kansas.gov



James G. Flaherty

EXHIBIT A
CONFIDENTIAL

EXHIBIT B
CONFIDENTIAL

EXHIBIT C
CONFIDENTIAL

EXHIBIT D

THE EMPIRE DISTRICT ELECTRIC COMPANY
 (Name of Issuing Utility)
 ALL TERRITORY
 (Territory to which schedule is applicable)

SCHEDULE: RULES AND REGULATIONS

Replacing Schedule Rules And Regs Sheet 15
 which was filed June 27, 2000

RULES AND REGULATIONS

Sheet 15 of 32 Sheets

Commission. After disconnection of service for non-payment of a bill should service be reconnected in accordance with the appropriate provisions of the Company's rules, regulations and tariffs, a reconnection charge shall be applied. Such reconnection charge shall be as provided in rules and regulations filed with and approved by the Commission.

g. A charge, as stated in Schedule CA, will be charged for each insufficient funds check.

B. Payment Standards:

1. General Payment Provisions

- a. No Separate Fees: The customer shall not be assessed a separate fee for using any method of payment other than one-time Credit Cards, Debit Cards, Prepaid Cards, and Automated Clearing House (ACH)¹.
- b. Authorized Pay Agents: The Company may contract with non-utility business partners and authorize them to accept payments directly from customers on the Company's behalf.
- c. Unauthorized Pay Agents: Unauthorized Pay Agents have no contractual or other requirements to operate under rules approved by the Commission. They may include but are not limited to banks and other financial institutions, retail stores with "drop boxes" and/or third party businesses or individuals. The Company's acceptance of payment from an Unauthorized Pay Agent on behalf of a customer shall not be construed as acceptance of such agent's assurance to the customer as to timeliness or accuracy.
- d. Notification: The Company shall provide an annual notice to customer's informing them of authorized bill payment options and where they can find a list of authorized payment centers. The Notice shall be provided to the Commission for review at least 30 days prior to mailing. The information contained in the notice will also be included on the Company's internet web site.

2. Methods of Payment

- a. Payment by Mail: Customers may pay by mail. Including an Electronic Check sent directly from their bank.
- a-b. Recurring Automatic Payments: Customers may sign up for Auto-Pay to have payments automatically deducted from their bank account for no fee.
- b-c. Pay in Person: Customers may make payments in person using a check, money order or cash. Payment may be made at a local Empire office or at an authorized pay station.
- e-d. Credit CCards & one-time ACH: The Company may contract or make other arrangements with an Authorized Pay Agent to provide credit card, debit card, ACH payment options.
- e. Credit Card, Debit Card, Prepaid Cards and ACH Fees: The Authorized Pay Agent may charge the customer an additional fee for the use of credit cards of \$3.95. The fees for payment by credit card will increase the customer's total responsibility above that of cash payment. The customer shall be advised, prior to providing the credit card number of the amount of any additional fee and must answer in the affirmative to proceed with the payment process. The Authorized Pay Agent shall be solely responsible for collecting the fee from the customer.

Customer Class	Transaction Limit	Fee per Transaction
Residential	\$ 600.00	\$ 1.75
Commercial	\$ 1,200.00	\$ 7.95

- d-f. Selection: The determination of credit card "brands" available for customers' payment shall be at the Company's sole discretion.
- e-g. Telephone: The Company shall ensure the toll-free telephone service is provided for customers to make credit card payment by telephone.

¹For the purposes of this tariff, electronic checks are considered ACH.

Commission File Number _____

Issued: _____
 Month Day Year

Filed: _____

Effective: October 16 2020
 Month Day Year

THE STATE CORPORATION COMMISSION OF KANSAS

By: Sheri Richard
 Signature of Officer Director, Rates & Regulatory Affairs
 Title

By: _____, Secretary

THE EMPIRE DISTRICT ELECTRIC COMPANY

SCHEDULE CA

(Name of Issuing Utility)

Replacing Schedule CA Sheet 87

ALL TERRITORY

(Territory to which schedule is applicable)

which was filed 069-018-200694

CHARGES RELATED TO CUSTOMER ACTIVITIES
SCHEDULE CA

Sheet 1 of 1 Sheets

AVAILABILITY:

This schedule is available to any customer requiring the special services listed below.

RATE:

Customer advance for temporary service line (per Rules and Regulations, Chapter III, Section B2c)	\$ 25.00
Charge for insufficient funds check (per Rules and Regulations, Chapter IV, A10g)	\$ 20.00
Customer charge for trip to premises to collect non-payment fee (per Rules and Regulations, Chapter IV, Section C9a)	\$ 15.00
Reconnection fee (per Rules and Regulations, Chapter IV, C10c)	\$ 20.00
Charge for meter reading (per Rules and Regulations, Chapter IV, Section A3a)	\$ 5.00
Charge for <u>credit card one-time payment processing with credit card, debit card, prepaid card or ACH transaction</u> , per transaction	\$ 3.95

Customer Class	Transaction Limit	Fee per Transaction
Residential	\$ 600.00	\$ 1.75
Commercial	\$ 1,200.00	\$ 7.95

* The maximum provided by K.S.A. 60-2610 (the worthless check statute) is a charge not exceeding \$30.00.

Issued _____

Effective June October 1 2006

Month Day Year

By David W. Gibson Sheri Richard Vice President Director, Rates and Regulatory Affairs
Signature of Officer Title

EXHIBIT E



Docket No. 20-EPDE-427-ACT

Liberty-Empire's response to Request #5. Updated Narrative Describing Customer Program/Protections

September XX, 2020

Liberty-Empire has always been sensitive to customers' needs during times of individual crisis. We continuously work to understand our customers' unique situations and offer solutions to help them navigate potential billing arrearages or disconnections. Liberty-Empire has a very dedicated, caring team of Customer Service Representatives (CSRs). These individuals proactively reached out to customers who were falling behind on their energy payments to offer special payment arrangements and inform them about outside assistance available to them. Our CSRs worked diligently to:

- Call assistance agencies for customers who previously qualified for assistance
- Mail past due reminders that included assistance information as well as a request for customers to call regarding special payment arrangements
- Call all medical designated addresses and mailed fliers to these customers as well

In addition, through a unique, first-time program called CSR Goodwill Donation, Liberty-Empire empowered individual CSRs to use a \$250 budget to credit individual customer accounts as they listened to situations and determined the particular circumstances warranted a credit.

Liberty-Empire has complied with all required residential and small commercial customer protections put in place by the Commission. Additional support provided by the Company includes:

- On its own merit, Liberty-Empire extended the Cold Weather Rule through May before the Kansas Corporation Commission made their requirements known.
- Expanded assistance available through our existing Project Help program. Project Help is an assistance program created by the Company to meet emergency energy-related expenses of the elderly and/or disabled residents in Liberty Utilities electric service area. During these times, the program was expanded to help other customers in need. Project Help is funded through voluntary donations.
- Recognizing the hardship the Stay-at-Home Order has had on our Commercial and Industrial customers, Liberty-Empire has extended special payment arrangements, including up to two defaults to these customers too.
- In April, our parent company announced a \$500,000 company-wide donation to support local communities during the pandemic. Locally, Liberty-Empire has contributed to United Way in Kansas and Crosslines in Kansas.
- Increased customer communication to include email communication and social media regarding our response to COVID-19 and ways we are helping customers. We also created a



specific page on our website where customers can follow our response.

<https://central.libertyutilities.com/all/residential/safety/covid-19-statement.html>

- Waiver of payment processing transaction fees in the amount of \$1.75 per residential customer and \$7.95 per commercial customer.

Importantly, Liberty-Empire has exceeded our customer call metrics for our Kansas customers. We've done so through hiring additional CSRs to ensure customers can be assisted in a timely fashion.

EXHIBIT F

Paying Your Bill

[My Account Log In](#)

[Frequently Asked Questions ▶](#)

We offer many different ways to make payments. While most of the ways are free, some do incur a small processing fee.



How Would You Like to Pay?



Where Would You Like To Pay?

Online Payment with Credit/Debit Card, Automated Clearing House (ACH) or Text Message

Liberty Utilities offers an online payment service for the convenience of our customers. This service can be used to pay by credit/debit card, ACH or text message. This service uses a third party payment processing vendor. There is a convenience fee for using this online payment service.

[Pay My Bill ▶](#)

Pay Online

Liberty Utilities offers an online payment service for the convenience of our customers. This service can be used to pay by credit/debit card, ACH or text message. This service uses a third party payment processing vendor. There is a convenience fee for using this online payment service.

[Pay Online ▶](#)



Pay Over the Phone



Customers can make an immediate payment by credit card or electronic funds transfer either online or by phone. There is a convenience fee for this service.

[Make Payment ▶](#)

The toll-free number is **888-631-8973**. Before you call please have your nine-digit Liberty Utilities account number easily accessible. Your account number can be found on your statement.

Automatic Payments



When you choose Auto-Pay, your payment is automatically deducted from your bank account. You still receive your bill that will show, in advance, the exact amount and date that your bank account will be debited. Payment will be verified each month on your bank statement. If you wish to cancel Auto-Pay, just contact Liberty Utilities.

To take advantage of Auto-Pay, log in to My Account and complete the enrollment form.

[Sign up for Auto-Pay ▶](#)

Pay In Person



Liberty Utilities walk-in centers

Our walk-in payment locations are currently closed to protect the health and safety of our customers and staff. Please view our available in-person payment options below.

Primary Customer Service address:

Joplin office drive-thru and drop-box open and kiosk available for use in lobby

Liberty Utilities
602 S Joplin Ave.
Joplin, MO 64801

Other Payment Locations:

Ozark office drop box open and kiosk available for use in lobby

201 W Brick St, Ozark, MO 65721

Branson drive-thru and drop-box open and kiosk available for use in entry

215 W Main, Branson, MO 65616

Noel office drop-box open

110 Foster St, Noel, MO 64854

Neosho office drop-box open

1501 Industrial Dr, Neosho, MO 64850

Contact Us: 1-800-206-2300 (Electric & Water) 1-800-424-0427 (Gas)

Pay Over the Phone



Liberty Utilities has a third party payment service available by phone for the convenience of our customers. This service uses a third party payment processing vendor. There is a convenience fee for using this payment service by phone.

The toll-free number is **888-631-8973**. Before you call please have your nine-digit Liberty Utilities account number easily accessible. Your account number can be found on your statement.

After the greeting there will be a menu of options available. For further information contact our Contact Center at:

1-800-206-2300 (Electric & Water) 1-800-424-0427 (Gas)