

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of Southern Pioneer Electric )  
Company,) Regarding Violation of the )  
Commission's Minimum) Standards for ) Docket 18-SPEE-428-SHO  
Payment Methods for Utility Bills by )  
Charging Its Customers a Convenience Fee )  
to Submit Bill Payment via Electronic )  
Check. )

**MEMORANDUM IN SUPPORT OF STATE CORPORATION  
COMMISSION STAFF'S REPLY TO SOUTHERN PIONEER'S  
RESPONSE TO ORDER TO SHOW CAUSE**

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") and files this memorandum in support of *Staff's Reply to Southern Pioneer's Response to Order to Show Cause* ("Reply") that the State Corporation Commission Staff ("Staff") filed with the State Corporation Commission of the State of Kansas ("Commission") on May 21, 2018. In support thereof, CURB states and alleges as follows:

1. On December 8, 2017, Southern Pioneer Electric Company (Southern Pioneer) filed an Application in Docket No. 18-SPEE-241-TAR (18-241 docket) seeking a waiver from the Commission's Minimum Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards ("Minimum Standards").<sup>1</sup> Southern Pioneer also proposed revisions to its Schedule of Fees which would eliminate the \$3.95 convenience fee for residential customers using credit cards on transactions related to the payment of their utility bills.<sup>2</sup> Southern Pioneer requests that the cost associated with the elimination of the \$3.95 convenience fee be recovered

<sup>1</sup> Docket No. 18-SPEE-241-TAR, Application (December 8, 2018).

<sup>2</sup> *Id.* at pp. 3-4.

through base rates from all residential customers.<sup>3</sup> As mentioned by Staff in its Reply, CURB made certain discovery requests in the 18-241 docket that led to the discovery that Southern Pioneer has been charging a fee of \$3.95 for bill payments made via electronic check (“e-check”) since April of 2012.<sup>4</sup>

2. On December 15, 2017, in the 18-241 docket, CURB filed a Petition to Intervene and Motion for Protective Order and Discovery Order and Motion for Procedural Schedule. That motion was approved and CURB was granted intervention in the 18-241 docket on December 21, 2017.<sup>5</sup>

3. On March 27, 2018, Staff submitted a Report and Recommendation (“R&R”), stating that Southern Pioneer may be in violation of the Commission’s Minimum Standards because it has been charging a convenience fee to customers who make bill payments via e-check since 2012.<sup>6</sup> Staff also stated that to date, Southern Pioneer has not received a waiver to charge a convenience fee for bill payments made via e-check. Moreover, the convenience fee charged to customers for the use of an e-check is not disclosed in the Schedule of fees in Southern Pioneer’s Rules and Regulations.<sup>7</sup> Staff recommended that the Commission issue an Order to Show Cause whether Southern Pioneer is in violation of the Commission’s Minimum Standards by charging its customers a convenience fee to submit bill payment via e-check.<sup>8</sup>

4. On April 10, 2018, the Commission issued an Order to Show Cause, in Docket No. 18-SPEE-428-SHO (“18-428 docket”), to determine whether Southern Pioneer is in violation of the

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<sup>3</sup> *Id.*

<sup>4</sup> Staff’s Reply, p. 1.

<sup>5</sup> 18-241 docket, Order Granting the Citizens' Utility Ratepayer Board's Petition to Intervene, Protective Order and Discovery Order (December 21, 2017).

<sup>6</sup> Docket No. 18-SPEE-428-SHO, Order to Show Cause, Attachment A: Staff’s R&R, p. 1 (March 27, 2018).

<sup>7</sup> *Id.*

<sup>8</sup> Staff’s R&R, p. 3.

Commission's Minimum Standards by charging its customers a convenience fee to submit bill payments via e-check.

5. On April 11, 2018, CURB filed a Petition to Intervene and Motion for Protective and Discovery Order, in the 18-428 docket, and the same was granted on April 26, 2018.<sup>9</sup>

6. Having read all material pleadings of Staff and Southern Pioneer and analyzing the issue, CURB believes that Staff's Response concisely states the issues and Kansas law with respect to Southern Pioneer's violation of the Commission's Minimum Standards for charging customers a convenience fee for the use of e-checks since 2012. CURB sees no need to restate the arguments in Staff's Response and adopts the same herein.<sup>10</sup> Therefore, CURB supports Staff's Response and likewise urges the Commission to find that Southern Pioneer is in violation of the Commission's Minimum Standards, order Southern Pioneer to refund customers who were wrongly billed \$3.95 convenience fees for e-checks, and deny Southern Pioneer's request for a waiver.<sup>11</sup>

Wherefore, upon the bases set out above, CURB requests that the Commission issue an order finding that Southern Pioneer is in violation of the Commission's Minimum Standards, ordering Southern Pioneer to refund customers who were wrongly billed \$3.95 convenience fees for e-checks, denying Southern Pioneer's request for a waiver, and granting such further relief as the Commission deems just and appropriate.

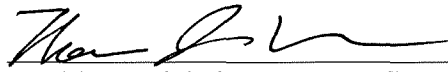
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<sup>9</sup> 18-428 docket, Order Granting CURB's Petition to Intervene and Motion for Protective and Discovery Order (April 26, 2018).

<sup>10</sup> Staff's Reply, pp. 2-5.

<sup>11</sup> *Id.* at p. 5.

Respectfully submitted,



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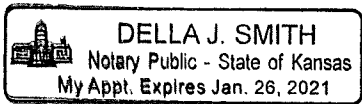
VERIFICATION

STATE OF KANSAS )  
 ) ss:  
COUNTY OF SHAWNEE )

I, Thomas J. Connors, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.

  
Thomas J. Connors

SUBSCRIBED AND SWORN to before me this 31 day of May, 2018.



  
Notary Public

My Commission expires: 01-26-2021.

**CERTIFICATE OF SERVICE**

18-SPEE-428-SHO

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 31<sup>st</sup> day of May, 2018, to the following:


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Della Smith  
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