

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Southern)	
Pioneer Electric Company Seeking Waiver)	
of Minimum Standards for Payment)	
Methods for Utility Bills and Allowing the)	Docket 18-SPEE-241-TAR
Acceptance of Credit Cards and the)	
Approval of Revisions to Their Schedule of)	
Fees Related to the Assessment of Credit)	
Card Convenience Fees.)	

CURB'S RESPONSE TO STAFF'S REPORT AND RECOMMENDATION

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") and submits its response to the Report and Recommendation filed by the Staff of the Kansas Corporation Commission ("Staff") in the above-captioned docket on July 3, 2018.

I. Background

1. On December 8, 2017, Southern Pioneer Electric Company ("Southern Pioneer") filed an application with the Kansas Corporation Commission ("Commission" or "KCC") for the purpose of seeking (i) a waiver of certain minimum standards for payment methods for utility bills and allowing the acceptance of credit cards; and (ii) approval to make certain revisions to Southern Pioneer's Schedule of Fees related to the assessment of credit card convenience fees as contained in the Commission-approved Southern Pioneer Rules and Regulations for the geographic service territory served by Southern Pioneer, and for other related relief that may be required.¹

¹ See Application of Southern Pioneer Electric Company Seeking Waiver of Minimum Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards and the Approval of Revision to their Schedule of Fee Related to the Assessment of Credit Card Convenience Fees (December 8, 2017) (Application).

2. On December 15, 2017, CURB filed its Petition to Intervene.² CURB explained that the rates paid and the services received by residential and small commercial ratepayers may be substantially affected by any Commission order or activity in this proceeding with respect to Southern Pioneer's proposed waiver of minimum standards for payment methods for utility bills and allowing the acceptance of credit cards and the approval of revisions to their schedule of fees related to the assessment of credit card convenience fees as described in its application.³

3. On December 21, 2017, the Commission issued an Order granting CURB's Petition to Intervene.⁴

4. On July 3, 2018, Staff filed its Report and Recommendation ("Staff's R&R" or "R&R").⁵ Staff recommends "Southern Pioneer be allowed to eliminate its credit card convenience fee and revise its Schedule of Fees accordingly."⁶ However, while Southern Pioneer's request limited the eligibility of this no-fee program to only residential customers, Staff's R&R determined that excluding any customer class from a zero-fee bill payment service would be unreasonably discriminatory. Therefore, Staff recommends that if the Commission approves Southern Pioneer's waiver, that all customer classes be allowed the zero-fee bill payment.⁷

5. Staff's R&R also recommends Southern Pioneer be allowed to incorporate the cost of processing credit card transactions into its cost of service and request that those costs be recovered through base rates from all customers in its next general rate case after historical credit card transaction cost data is available. Until Southern Pioneer's next general rate case, Staff's R&R

2 CURB's Petition to Intervene (December 15, 2017).

3 *Id.*

4 Order Granting CURB's Petition to Intervene (December 31, 2017)

5 Notice of Filing of Staff Report and Recommendation (July 3, 2018)

6 Report and Recommendation, p. 2.

7 *Id.* at p. 7.

recommends Southern Pioneer be allowed to establish a regulatory asset to record its credit card processing transaction costs.⁸ Finally, Staff's R&R recommends the Commission grant Southern Pioneer a waiver from Section D(2) of the Payment Standards and from only the portion of Section I(2) that states "(c)ustomers not paying with credit cards shall not be burdened with the transaction costs of customers utilizing these payment methods."⁹

II. CURB's Response

6. CURB analyzed this Application from the perspective of residential and small commercial ratepayers. CURB carefully reviewed the Commission's Payment Standards, specifically sections D(2) and I(2). Additionally, CURB reviewed the Commission Orders in Docket No. 14-WSEE-589-TAR in which the Commission granted Westar Energy Inc.'s request 1) to eliminate its \$1,000 credit card transaction limit, 2) to eliminate its credit card convenience fee that was charged to customers, and 3) for a waiver from sections D(2) and I(2) of the Payment Standards.

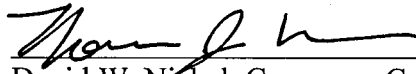
7. After a careful analysis, CURB has determined that Staff's recommendations in its R&R are reasonable and therefore in the best interests of Southern Pioneer's residential and small commercial ratepayers. CURB supports Southern Pioneer's request for a waiver of certain minimum standards for payment methods for utility bills and allowing the acceptance of credit cards, and Southern Pioneer's request to make certain revisions to Southern Pioneer's Schedule of Fees.

WHEREFORE, CURB respectfully requests the Commission adopt Staff's Report and Recommendation and for such other relief as the Commission deems just and proper.

⁸ *Id.* at p. 9.

⁹ *Id.*

Respectfully submitted,



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VERIFICATION

STATE OF KANSAS

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SS:

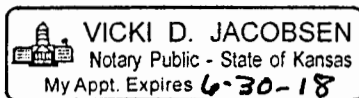
COUNTY OF SHAWNEE

)

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 13th day of July, 2018.



Vicki D. Jacobsen
Notary Public

My Commission expires: 6-30-18

CERTIFICATE OF SERVICE

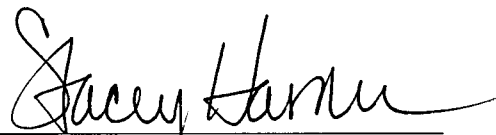
18-SPEE-241-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 13th day of July, 2018, to the following:

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A handwritten signature in black ink, appearing to read "Stacey Harden", written over a horizontal line.

Stacey Harden
Senior Regulatory Analyst