

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

STATE CORPORATION COMMISSION

JAN 16 2009

In the Matter of the Filing of Compliance Tariffs )  
and Reports by Jurisdictional Utilities as )  
Prescribed by Commission Order Dated )  
November 28, 2005 in Docket No. 04-GIMX- )  
651-GIV. )

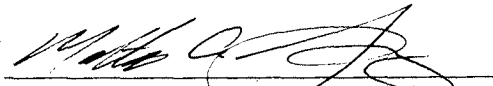
Docket No. 06-GIMX-679-GIV



**NOTICE OF FILING OF STAFF MEMORANDUM**

NOW the Commission staff (Staff) of the State Corporation Commission of the State of Kansas (Commission) files its memorandum, prepared by Dorothy J. Myrick and Sonya A. Cushinberry, summarizing the compliance of reporting jurisdictional utilities, for additions and deletions of company business offices and walk-in payment locations.

Respectfully submitted,

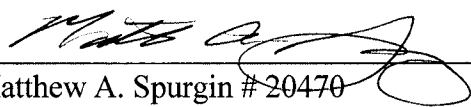


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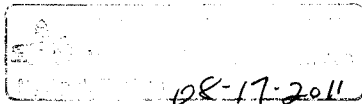
STATE OF KANSAS            )  
  ) ss.  
COUNTY OF SHAWNEE    )

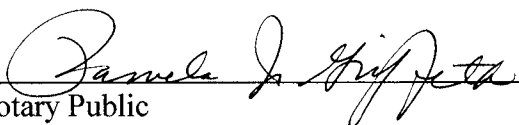
**VERIFICATION**

Matthew A. Spurgin, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Notice of Filing of Staff Memorandum* and that the statements contained therein are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Matthew A. Spurgin # 20470  
Litigation Counsel  
The State Corporation Commission  
of the State of Kansas

Subscribed and sworn to before me this 15<sup>th</sup> day of January, 2009.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires: August 17, 2011



Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

MEMORANDUM

January 09, 2009

Compliance with Minimum Standards for Payment )  
Methods for Utility Bills and Allowing the )  
Acceptance of Credit Cards by Kansas ) Docket No. 06-GIMX-679-GIV  
jurisdictional Electric, Natural Gas, and Water )  
Utilities. Docket No. 04-GIMX-651-GIV )

To: Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

From: *DJM* *SAC*  
Dorothy J. Myrick, Sonya A. Cushinberry

DATE SUBMITTED TO LEGAL: JAN 9 2009

DATE SUBMITTED TO COMMISSIONERS: 01/14/09

BACKGROUND

The Commission issued an Order in the General Investigation Regarding Payment of Customer Accounts by means of Fee-based Transactions, Including Third Party Services.<sup>1</sup> The Commission Order, dated March 17, 2006, in Docket No. 06-GIMX-679-GIV stated that all jurisdictional electric and gas utilities may file appropriate tariffs and other materials for Staff review in this docket as necessary to comply with the Commission's November 22, 2005 Order in 04-GIMX-651-GIV.

COMPLIANCE SUMMARY

This memo summarizes utility quarterly reports for additions and deletions of company business offices and walk-in payment locations. Only pay locations authorized by Kansas utilities and physically located in the state of Kansas are included in this report. Kansas City Power & Light, Aquila, Atmos and Empire District Electric Company all have customers who may access Missouri pay locations for bill payment.

<sup>1</sup> Order On Reconsideration, November 22, 2005, as corrected, Order Nunc Pro Tunc, November 28, 2005 Docket No. 04-GIMX-651-GIV.

## **Reporting for in-person payment locations – 2008 third quarter results**

The Commission's Minimum Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards by Kansas Jurisdictional Electric, Natural Gas, and Water Utilities (E) requires utilities to notify the Commission upon closing walk-in payment locations and explain what other options for in person payments will be made available to the customer. Companies reporting on authorized walk-in pay locations include: Atmos Energy, Black Hills, Empire District Electric, Kansas City Power & Light, Kansas Gas Service, Midwest Energy, Westar Energy and Mid Kansas Electric Company (MKEC).

The number of payment locations may change significantly during the year due to a number of situations. Modified business relationships between third-party agents and businesses where payments are accepted often result in closing existing pay locations and opening up new pay locations. A utility may contract with a new third-party agent which may involve a complete turn over of payment locations. This situation occurred when Kansas Gas Service (KGS) switched from CheckFree to Fidelity Express in September 2008. Additionally, the transfer of utility customers from one utility to another may result in pay location changes. For example, Aquila Networks – WPK customers being acquired by MKEC. These circumstances make it difficult for utilities to gather data for their quarterly reports and quantify revenues from payday loan type business.

Overall, the number of pay locations has remained fairly constant. As of September 30, 2008, there were 288 Kansas pay locations available for customers to pay their natural gas and electric bills. Pay stations open as of the second and first quarters of 2008 were 285 and 293, respectively. In addition to pay station information required by 06-GIMX-679-GIV, utilities were asked to provide information regarding the amount of utility bill revenue collected by payday type loan businesses for the nine months ending September 30, 2008. Fifty-two payday loan type pay locations collected revenues of \$11.5 million from utility customers. This data is comparable to the information provided to Staff for the 2007 calendar year. Last year, forty-four pay stations collected \$13.9 million. Kansas Gas Service reported the most significant change of revenues collected from payday loan business locations. In 2007, the utility reported \$6.8 million compared to \$7.4 million for the first three quarters of 2008.

This memo is to be filed in Docket No. 06-GIMX-679-GIV to provide permanent documentation of utility compliance with the Commission's Order. Specific copies of tariffs and reports filed for compliance in Docket No. 06-GIMX-679-GIV are available by calling 785 271-3165 and asking for Dorothy Myrick or Sonya Cushinberry.

cc: Don Low  
Mark Doljac  
Tom Stratton  
Matt Spurgin  
Executive Director  
PIO

**CERTIFICATE OF SERVICE**

06-GIMX-679-GIV

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Notice of Filing of Staff Memorandum was placed in the United States mail, postage prepaid, or hand-delivered this 16th day of January, 2009, to the following:

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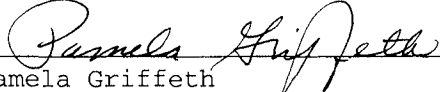
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06-GIMX-679-GIV

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