

**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) Docket No. 20-EPDE-459-TAR
Revision of the Credit/Debit Card Transaction)
Amounts.)

[PUBLIC VERSION]
NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION

The Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), submits its Notice of Filing of Staff's Report and Recommendation and states as follows:

Staff hereby files the attached Report and Recommendation dated October 19, 2020, recommending the Commission find Empire's proposed credit/debit card fees to be just and reasonable, and accept Empire's proposed tariff revisions to reflect the fees. Also, Staff recommends the Commission order Empire to refund its affected commercial customers in the amount they overpaid plus interest.

WHEREFORE, Staff requests the Commission consider its Report and Recommendation, and for any other further relief as the Commission deems just and reasonable.

Respectfully submitted,

s/Cole Bailey

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Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

FROM: Douglas Hall, Rate Analyst
Justin Prentiss, Senior Rate Analyst
Justin Grady, Chief of Revenue Requirements, Cost of Service and Finance
Jeff McClanahan, Director of Utilities

DATE: October 19, 2020

SUBJECT: In the Matter of the Application of The Empire District Electric Company's Proposed Tariff Revision of the Credit/Debit Card Transaction Amounts

EXECUTIVE SUMMARY:

On May 8, 2020, The Empire District Electric Company (Empire) filed an Application requesting Commission approval of a revised third party fee for credit and debit card transactions used by customers to pay their electric bill. While this fee is collected by the third party vendor and not Empire, it must be reviewed and approved by the Commission pursuant to Orders in the 04-GIMX-651-GIV Docket (04-651 Docket). Additionally, because the fee is charged to customers in accordance with utility services, the fee must be stated in Empire's Tariffs. The fee was last approved by the Commission on June 1, 2006.

In 2013, Empire switched third-party vendors which resulted in a new fee for accepting credit/debit cards, but did not seek Commission approval of the fee change or update its tariffs. Accordingly, Empire has been in violation of the filed rate doctrine and K.S.A. 66-109 since 2013. Additionally, Empire has been in violation of Commission Orders issued in the 04-651 Docket that require Commission review and approval of credit/debit card fees, and publication of the fee in the General Terms and Conditions (GT&C) / Tariffs. Staff has reviewed Empire's requested fee changes and finds the revised fees are reasonable. However, Staff contends that Empire should be required to refund to the affected customers all credit/debit card fee amounts that were charged in excess of the approved tariff rate from the date of 2013 through the date which Empire's new credit/debit card fees are approved and the new tariff rate is effective. Staff is not recommending a penalty at this time for Empire's violation of K.S. A. 66-109 or the 04-651 Commission Orders because Empire voluntarily brought forward this violation, and Empire did not reap any financial benefit from this violation. Because Empire will be required to fund the refunds to customers out of its shareholder profits, Staff contends that negative financial impact should substitute in lieu of a penalty.

BACKGROUND:

On December 6, 2004, the Commission issued an Order adopting standards on the acceptance of credit cards by Kansas jurisdictional electric, natural gas, and water utilities, in Docket No. 04-GIMX-651-GIV (04-651 Docket).¹ Through this Docket the Commission established minimum standards that had to be followed in the event that a utility wanted to allow its customers to pay their utility bill with a credit/debit card (Payment Standards). A copy of the Payment Standards is attached to this Report as Attachment A.

On June 1, 2006, the Commission issued a Final Order approving Empire's Rules and Regulations allowing customers to pay their monthly bills by credit or debit card. The transaction fee on the tariff was \$3.95, to be collected by the third party vendor facilitating the card transaction.²

In 2013, Empire switched card processing vendors and the card transaction fees charged to customers were changed to \$2.25 for residential customers and \$13.00 for commercial customers, with a \$10,000 transaction limit. The card transaction fees continued to be collected by the third party vendor. While the new transaction fees have been collected since 2013, Empire did not submit an application for authorization of the new fees or revise its tariffs.³

After discovering the fee discrepancy in a review of its tariffs, Empire filed an Application on May 8, 2020, requesting the tariffs be updated to reflect credit/debit card fees of \$2.25 for residential customers and \$13.00 for commercial customers with a \$10,000 transaction limit.⁴

ANALYSIS:

Jurisdiction

Empire is an electric public utility operating in the State of Kansas pursuant to certificates of convenience and necessity issued by the Commission. Pursuant to K.S.A. 66-104 and 66-101 *et seq.*, the Commission is given full power, authority, and jurisdiction to supervise and control the electric public utilities, as defined in K.S.A. 66-101a, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.⁵ As applied to regulation of electric public utilities, all grants of power, authority and jurisdiction made to the commission shall be liberally construed, and all incidental powers necessary to use those grants of power, authority, and jurisdiction, are expressly granted to and conferred upon the commission.⁶

K.S.A. 66-101b mandates that every jurisdictional electric public utility is required to establish just and reasonable charges, and to make just and reasonable rules, classifications, and regulations.

¹While there were several subsequent Orders issued in that Docket, they did not substantively affect the original terms the Commission established for the collection of credit/debit cards.

See <https://estar.kcc.ks.gov/estar/ViewFile.aspx/20041206083346.pdf?Id=d5e5a56d-157d-48de-8920-3675fe8b13f8>

² Order Approving Tariff Revisions, July 1, 2006. Docket No. 06-EPDE-661-TAR (06-661 Docket).

³ ¶5, Application for the Empire District Electric Company, June 8, 2020. Docket No. 20-EPDE-459-TAR (Application) (20-459 Docket).

⁴ Application.

⁵ See K.S.A. 66-101.

⁶ See K.S.A. 66-101g.

Every unjust or unreasonably discriminatory or unduly preferential rule, regulation, classification, rate, charge, or exaction is prohibited, unlawful, and void.⁷ If it is found that any rule and regulation, practice or act, relating to any service performed or to be performed by such electric public utility for the public is in any respect unreasonable, unjust, unfair, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or otherwise in violation of this act or of any of the laws of the state of Kansas, the Commission may substitute therefor such other regulations, practice, service or act as it determines to be just, reasonable and necessary.⁸

Requirement for Commission Approval of Rates and Requirement to File Rate Tariffs

K.S.A 66-117(a) states:

Unless the state corporation commission otherwise orders, no common carrier or public utility over which the commission has control shall make effective any changed rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier except by filing the same with the commission at least 30 days prior to the proposed effective date.

Similarly, K.S.A. 66-117(d) requires:

Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission. Within 30 days after such changes have been authorized by the state corporation commission or become effective as provided in subsection (c), copies of all tariffs, schedules and classifications, and all rules and regulations, except those determined to be confidential under rules and regulations adopted by the commission, shall be filed in every station, office or depot of every such public utility and every common carrier in this state, for public inspection.

Lastly, K.S.A. 66-109 states (Emphasis Original):

No common carrier or public utility governed by the provisions of this act shall, knowingly or willfully, charge, demand, collect or receive a greater or less compensation for the same class of service performed by it within the state, or for any service in connection therewith, than is specified in the printed schedules or classifications, including schedules of joint rates; or demand, collect or receive any rate, joint rate, toll, fare or charge not specified in such schedule or classification: *Provided*, That rates different from those specified in the printed schedule or classification of rates may be charged by any public utility, street or interurban railway, by agreement with the customer, in cases of charity, emergency, festivity or public entertainment: *Provided*, That any utility governed by the provisions of this act may grant to the officers, employees and agents of

⁷ K.S.A. 66-101b.

⁸ K.S.A. 66-101f.

such utilities free or reduced rates or service upon like terms and in the same manner as is now provided by law relating to common carriers.

Staff's Tariff Analysis

Under Section I of the Payment Standards, the Commission set forth the following requirements for credit card payments when offered by utilities.⁹

1. If utilities make alternative payment options such as credit cards available, utilities shall make a diligent effort to provide customers with a reasonably cost effective means of utilizing such payment methods.
2. [a] The fees associated with credit card use shall cover all of the costs to the utility of such payment methods. [b] Customers not paying with credit cards shall not be burdened with the transaction costs of customers utilizing these payment methods. [c] Any fees associated with credit card use should be reasonably related to the costs of payment by credit card and [d] the receipt of such fees by the utility should be revenue neutral to the utility.
3. The Commission does not require a utility to choose its vendor through a competitive bid process. The utility must provide evidence to the Commission to show that the utility made diligent efforts to provide a reasonably cost effective means for customers to use their credit cards.
4. The Commission shall have the right to review any contract/agreement entered into with a vendor or bank for transacting credit card payments and shall disallow recovery by the utility of any credit card cost not deemed reasonable and prudent.

Analysis of Updated Credit/Debit Card Fee

Section I of the Payment Standards establish that the utility must make a diligent effort to provide reasonably cost effective means for customers to use their credit cards when offered. The Payment Standards do not specify a minimum or maximum limit on transaction amounts. The evidence shows Empire made diligent efforts to provide a reasonably cost effective means for customers to use their credit cards. Below, Staff shows how Empire complied with each portion of Section I:

[1] If utilities make alternative payment options such as credit cards available, utilities shall make a diligent effort to provide customers with a reasonably cost effective means of utilizing such payment methods.

Though not required, Empire chose to pick their vendor using an RFP Analysis. Unfortunately, Empire was unable to locate the records from 2011 when they chose the vendor.¹⁰ Instead it is possible to look at the diligence of Empire's credit card vendor selection in other ways. First, it is important to note that the agreement is cost effective in that it does not impact the company or non-credit-card-paying customers. Second, the fees can be compared to other utilities.

⁹ See Attachment A

¹⁰ See Response to Staff Data Request No. 7.

Company	Residential Fee	Residential Fee Limit	Non-Residential Fee	Non-Residential Fee Limit
Evergy Kansas Central Inc.	\$0	-	3.25%	-
Evergy Metro Inc.	\$0	-	N/A	N/A
Southern Pioneer Electric Company	\$0	-	\$0	-
Kansas Gas Service	\$1.99	\$1,500	\$1.99	\$1,500
Black Hills Gas Company	\$2.95	\$1,000	\$9.95	\$2,000
Atmos Energy Corporation	\$3.95	\$500	\$3.95	\$500
Empire (Proposed)	\$2.25	-	\$13.00	\$10,000

Southern Pioneer Electric Company (Southern Pioneer), Evergy Metro Inc. (Evergy Kansas Metro), and Evergy Kansas Central Inc. (Evergy Kansas Central), have socialized these costs for residential customers, so residential customers do not face any fees for using any cards for payment. Kansas Gas Service (KGS) has a fee of \$1.99 for each transaction with a transaction limit of \$1,500 for residential customers. Atmos Energy Corporation's (Atmos) credit card fee for residential customers is \$3.95 with a \$500 limit per transaction. Black Hills Gas Company's (Black Hills) credit card fee for residential customers is \$2.95 with a \$1,000 limit per transaction. KGS's card fee of \$1.99 is lower than Empire's \$2.25, but KGS has a transaction fee limit of \$1,500.¹¹ Empire's card fee and limit are both lower than both Black Hills's (\$2.95 per transaction up to \$1,000) and Atmos's (\$3.95 per transaction up to \$500). For clarification, customers can incur several transactions in order to work around an individual transaction limit.

For non-residential customers, Southern Pioneer has no card fees, just as with residential customers. Evergy Kansas Central's card rate is 3.25% of the total bill with no transaction limit, KGS's rate is \$1.99 with a \$1,500 limit per transaction, Black Hills's rate is \$9.95 with a \$2,000 limit per transaction, and Atmos's rate is \$9.95 with a \$2,000 limit per transaction. Evergy Kansas Metro does not accept card payments for non-residential customers. Evergy Kansas Central's 3.25% card fee rate is hard to directly compare to Empire's card fee, but any transaction of at least \$400 will make Evergy Kansas Central's card fee equivalent to Empire's. KGS's card fee of \$1.99 is lower, but has a transaction limit of \$1,500 whereas Empire's limit is \$10,000 per transaction.¹² Black Hill and Atmos both have lower fees than Empire's \$13.00 for commercial customers, but Empire has a much higher limit per transaction at \$10,000.¹³ The higher fee tends to favor larger commercial customers, but Staff does not find this trade-off to be unreasonable. Empire's card fees for both residential and non-residential customers are not the cheapest for customers, but

¹¹ The fee limit is higher than most residential customers (who are up to date on monthly bills) will face.

¹² At \$10,500 Kansas Gas Service's transaction fee would surpass Empire's transaction fee, but that also will surpass Empire's \$10,000 transaction fee limit.

¹³ Any bill greater than \$1,500 makes Atmos more expensive and any bill greater than \$2,000 makes Black Hills more expensive.

nor are they the most expensive. Because they are contained within the range of commission approved card fees, Staff contends that the fees are reasonable.

[2.a] The fees associated with credit card use shall cover all of the costs to the utility of such payment methods.

Empire does not have to pay its credit card vendor any additional fees, and each customer covers their own cost.¹⁴ Thus, the fees associated with credit card use do cover all the associated costs.

[2.b] Customers not paying with credit cards shall not be burdened with the transaction costs of customers utilizing these payment methods.

Empire does not have to pay its credit card vendor any additional fees, and each customer covers their own cost. Thus, the customers not using credit cards are not contributing to the cost recovery for customers that are using credit cards.

[2.c] Any fees associated with credit card use should be reasonably related to the costs of payment by credit card.

This standard is not applicable in this case because the fee is a third-party vendor fee, not a fee which is charged by the utility and based on the utility's costs.

[2.d] The receipt of such fees by the utility should be revenue neutral to the utility.

As stated in DR 3, the credit card fees are handled by a third-party processor, so Empire never receives any of the fees.¹⁵ Thus, the fees are revenue neutral to the utility.

[3] The Commission does not require a utility to choose its vendor through a competitive bid process. The utility must provide evidence to the Commission to show that the utility made diligent efforts to provide a reasonably cost effective means for customers to use their credit cards.

In response to this standard, Staff points to our analysis above relative to standard No. 1. Empire has credit card transaction fees similar to or lower than other similarly sized utilities in the state. Staff agrees that the resulting fees are reasonably priced for the customers, and of no cost to the company.

Conclusion -- Credit/Debit Card Fee Reasonableness

Staff's Analysis shows that Empire's Application meets the requirements set forth in the Payment Standards in Section I. Therefore, Staff recommends the tariff be updated to reflect the new fees of \$2.25 for Residential Customers and \$13.00 for Commercial Customers with a transaction limit of \$10,000.

Violation of K.S.A. 109 and Commission Order in the 04-651 Docket.

Since 2013, Empire's customers have been paying non-tariffed fees for the use of credit/debit cards. Empire's current tariff has a stated fee of \$3.95, but residential customers are currently

¹⁴ See Response to Staff Data Request No. 4, p. 4.

¹⁵ See Response to Staff Data Request No. 3.

paying a fee of \$2.25 and commercial customers are paying a fee of \$13.00.¹⁶ Staff contends that this violates the filed rate doctrine, codified in Kansas as K.S.A. 66-109. Additionally, these fees have not been reviewed and approved by the Commission through an updated tariff, and the Payment Standards, established by Commission Order in the 04-651 Docket, require that the fees for payment methods be listed in the company's tariffs as follows:

The utility shall provide a complete list of all available payment options and the amount of any associated fees payable by customers for all types of payment methods (mail, walk-in, ACH, credit card, debit card, ATM, etc.) on the company's web site, at local offices and authorized pay stations, in tariffs, and through customer service.¹⁷

Impact Analysis

As discussed above there is a discrepancy between the credit/debit card fees that were approved by the Commission and listed in Empire's tariff and the fee amount that was actually collected. Because the fee for residential customers was lowered, and the fee for commercial customers was raised, the impact on these two classes of customers is different.

Residential Undercharge

Since Empire and its third party vendor changed the card transaction fees in 2013, residential customers have conducted 92,212 credit or debit card transactions.¹⁸ By charging \$2.25 per transaction instead of the tariff rate of \$3.95, this resulted in a customer savings of \$156,760.¹⁹ Because the under collection did not harm customers, no restitution is needed.

Commercial Overcharge

Since Empire and its third party vendor changed the card transaction fees in 2013, commercial customers were overcharged 1,259 times. Charging \$13.00 per transaction instead of the tariff approved \$3.95 resulted in an over collection of \$10,955 before interest.²⁰ Because the over collection violated Empire's filed tariff rates with a negative impact on customers, Staff contends that restitution is required by a refund of the over collected amount.

Remedy

In lieu of a penalty pursuant to K.S.A. 66-138 for violating K.S.A. 66-109 and Commission Orders in the 04-651 Docket, Staff recommends that Empire refund the over collection of fees, plus applicable interest, to its commercial customers. Staff recommends calculating the interest rate based upon the Commission-approved Customer Deposit Interest Rate for each applicable year during which the overcharges occurred. In those cases where the commercial customer cannot be located, the funds should be placed in an interest-bearing escrow fund for claims by affected customers. Furthermore, Empire shall publish notice of the fund in the newspapers covering its

¹⁶ Empire has recently requested to revise these charges again in Docket No. 21-EPDE-134-TAR. Additionally, in Docket No. 20-EPDE-448-MIS, the Commission approved a temporary waiver of these charges effective October 16, 2020.

¹⁷ See Order Adopting Standards on the Acceptance of Credit Cards by Kansas Jurisdictional Electric, Natural Gas, and Water Utilities. Docket 04-GIMX-651-GIV, 6 December 2004, p. 5, §(C),(4).

¹⁸ See Response to Staff Data Request No. 4. Amount is accurate as of July 15, 2020.

¹⁹ See Response to Staff Data Request No. 4.

²⁰ See Response to Staff Data Request No. 4 and Attachment B to this Report. This amount captures the overcharges through July 15, 2020.

service territory within 90 days of the issuance of the final order on this matter. Any unclaimed funds shall be paid to the State Treasurer to be held for those former customers with inactive accounts. Because Empire was forthcoming with addressing the discrepancy after it was discovered, Staff does not recommend any further penalty beyond making the commercial customers whole back to the Commission approved tariff rate.

Conclusion

Empire violated K.S.A. 66-109 and the Commission's Payment Standards by allowing unauthorized transaction fees to be charged to their customers. The fees charged to residential customers were lower than authorized and did not harm them, so no restitution is needed. The fees charged to commercial customers was higher than authorized, so restitution is needed. The restitution should be the original overpayment amount plus interest. This amount, covering the dates through July 15, 2020, comes out to \$11,163.²¹ Because Empire's temporary waiver of credit/debit card fees was effective as of October 16, 2020, the Commission should order Empire to update this calculation using the methodology provided in Attachment B to this Report, through October 16, 2020.

RECOMMENDATION:

Staff recommends that the Commission find Empire's proposed credit/debit card fees to be just and reasonable, and accept Empire's proposed tariff revisions to reflect the fees. Also, as restitution for the violation of K.S.A. 66-109 and Commission Orders, Empire should refund its affected commercial customers in the amount of overpayment plus interest. This amount totals \$11,163 through July 15, 2020. Additionally, the Commission should order Empire to update Staff's Attachment B through October 16, 2020, and to update the record in this Docket accordingly. For customer accounts that are no longer active, the amount should be placed in an interest-bearing escrow fund for claims by affected customers.

²¹ See Attachment B.

KANSAS CORPORATION COMMISSION

MINIMUM STANDARDS FOR PAYMENT METHODS FOR UTILITY BILLS AND ALLOWING THE ACCEPTANCE OF CREDIT CARDS BY KANSAS JURISDICTIONAL ELECTRIC, NATURAL GAS, AND WATER UTILITIES

Effective: November 22, 2005

The following standards for bill paying methods shall apply:

- (A) Customers can choose the method of bill payment.
- (B) A "zero fee" payment method is one in which the customer is not charged a fee for use of the payment method above the actual amount of the utility bill being paid. Postage or money order fees necessary to mail a payment shall not be considered a fee. A "nonzero fee" payment method is any payment method for which the utility or its authorized agent proposes to charge a fee above the actual amount of the utility bill being paid.
- (C) Customers shall be provided a choice of zero fee payment methods which shall include, at a minimum, payment by mail using check or money order, and payment in person using check, money order, or cash. If electronic checks (ECM) are accepted by the utility or by an authorized agent of the utility, they shall be accepted as a zero fee method.
- (D) The following general principles shall govern the use of nonzero fee payment alternatives such as credit, debit and ATM card payments (hereinafter "credit cards"):
 - (1) the utility shall fully disclose: (i) all payment methods; and (ii) the fees to the customer associated with each payment method; and
 - (2) the costs to the utility associated with accepting nonzero fee payment alternatives should be exclusively borne by the users of such payment methods.
- (E) The utility shall 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.
- (F) Unless otherwise authorized, customers paying utility bills by any zero fee payment method shall not be charged a fee to transact business with the utility or with an authorized agent of the utility.
- (G) Utilities have the option to offer electronic payment methods such as credit cards according to the desires of its customers and the ability of the utility to accommodate them. Utilities are not required to offer customers the opportunity to pay their bills with such payment methods.
- (H) Utilities wanting to accept nonzero fee payment alternatives as a form of payment must have Commission approval.
- (I) Credit card fees incurred by the customer must be reasonable.

(1) If utilities make alternative payment options such as credit cards available, utilities shall make a diligent effort to provide customers with a reasonably cost effective means of utilizing such payment methods.

(2) The fees associated with credit card use shall cover all of the costs to the utility of such payment methods. Customers not paying with credit cards shall not be burdened with the transaction costs of customers utilizing these payment methods. Any fees associated with credit card use should be reasonably related to the costs of payment by credit card and the receipt of such fees by the utility should be revenue neutral to the utility.

(3) The Commission does not require a utility to choose its vendor through a competitive bid process. The utility must provide evidence to the Commission to show that the utility made diligent efforts to provide a reasonably cost effective means for customers to use their credit cards.

(4) The Commission shall have the right to review any contract/agreement entered into with a vendor or bank for transacting credit card payments and shall disallow recovery by the utility of any credit card cost not deemed reasonable and prudent.

(J) The level of customer service must be preserved.

(1) All authorized payment methods shall comply with the Commission's Electric, Natural Gas and Water Billing Standards.

(2) The utility is ultimately responsible for making sure customers are satisfied and that the vendor follows the Billing Standards, Quality of Service Standards and other rules of the Commission.

(3) The utility shall attempt to resolve disputes or complaints regarding payments accepted by utility authorized vendors in accordance with the Commission Billing Standards.

(4) The utility shall provide a complete list of all available payment options and the amount of any associated fees payable by customers for all types of payment methods (mail, walk-in, ACH, credit card, debit card, ATM, etc.) on the utility's web site, at local offices and authorized pay stations, in tariffs, and through customer service.

(5) For purposes of determining whether payment has been made, all utility authorized pay centers and authorized vendor/agents shall be considered to be agents of the utility, and all payments made to such agents shall be treated the same as if paid directly to the utility. Pay centers not authorized by the utility are not agents of the utility and payment is deemed made when received by the utility.

(6) Each utility accepting credit cards shall provide a toll-free number for customers to make credit card payments by phone.

(7) Each utility accepting credit cards shall include information and "instructions regarding all payment methods, including any additional fees, and shall include links to vendor or financial institutions that provide the credit card services.

(8) Each customer choosing to pay by credit card, whether by telephone, internet, or paper bill remittance, 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.

(9) The utility shall provide an annual notice to customers. The notice should inform customers of authorized bill payment options and where customers can find a list of authorized payment centers. The utility shall advise customers of the potential impact of using unauthorized payment sources. Such notice shall be provided to the Commission for review at least 30 days prior to being mailed to customers.

(K) Utilities shall be in compliance with Commission Rules and Regulations before charging fees for bill payment.

(1) Utilities wanting to accept credit card payments directly or through a third party vendor, or utilities wanting to accept payment by any other nonzero fee payment method shall file an application, including GT &C and/or Schedule of Service Fees for the methods) of payment, requesting Commission approval.

(2) The utility may be required to provide documentation necessary to demonstrate compliance with (I)(2) regarding all costs associated with accepting credit card payments.

(3) Each utility, upon commencement of the acceptance of credit cards, shall provide its customers with notice including: a complete list of all available payment options and the amount of any associated fees payable by customers, information and instructions regarding all payment methods, and step-by-step instructions of how to pay by credit card.

Attachment B is Confidential in its entirety.



**The Empire District Electric Company
a Liberty Utilities Company**

Docket No. 20-EPDE-459-TAR

KCC Data Request – 0003

Page 1 of 1

Data Request Received: 07/10/20

Request No. 0003

Date of Response: 7/20/20

Respondent: Angie Simkin

REQUEST:

Since filing the application, have you still been charging the new credit card transaction fees, \$2.25 for residential customers and \$13.00 for commercial customers?

RESPONSE:

Empire District Electric/Liberty Utilities offers many options for the customer to make their payments. One of the options is paying their bill using a credit card via phone or web for their convenience. This is through a Third-Party processor, which charges and collects the fees. Since filing the application, Empire has continued to provide customers access to the credit card payment option therefore the third party processor has continued to charge the negotiated amounts to the customer of \$2.25 and \$13.00



**The Empire District Electric Company
a Liberty Utilities Company**

Docket No. 20-EPDE-459-TAR

KCC Data Request – 0004

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Data Request Received: 07/10/20
Request No. 0004

Date of Response: 7/20/20
Respondent: Angie Simkin

REQUEST:

1. Please provide a list of accounts that were charged credit card fees since the time the fees were changed in 2013.
2. In addition, please identify the amount of fees charged to each of those account holders.

RESPONSE: ATTACHMENT IS CONFIDENTIAL

Please see the attached filterable spreadsheet DR 0004 - Accounts Charged Credit Card Fee CONFIDENTIAL.xlsx.

1. The residential rate is \$2.25 and the commercial rate is \$13.00. Please see attached spreadsheet.



The Empire District Electric Company

Case No. 20-EPDE-459-TAR

Kansas Corporation Commission Data Request - 0007

Data Request Received: 2020-08-18

Response Due Date: 2020-08-26

Request No. 0007

Respondent: Christy Londerholm

Submitted by: Douglas Hall, d.hall@kcc.ks.gov

REQUEST:

RE: RFP ANALYSIS 1. Please provide all information, data, spreadsheets, and other materials from the 2011 RFP process used to select a credit card vendor for residential customer transactions. 2. 1. Please provide all information, data, spreadsheets, and other materials from the 2011 RFP process used to select a credit card vendor for commercial customer transactions.

RESPONSE

1. Liberty Utilities has searched and is unable to locate the 2011 data, spreadsheets or analysis from 2011. Attached is the confidential contract that supports the rates currently paid by residential and commercial customers.
2. See 1. Above.

Confidential Attachments:

DR 7 Confidential SpeedPay contract 11-9-12 Addendum.pdf

DR 7 Confidential SpeedPay contract 5-25-12.pdf

CERTIFICATE OF SERVICE

20-EPDE-459-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing (Public Version) Notice of Filing of Staff's Report and Recommendation was served via electronic service this 20th day of October, 2020, to the following:

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