

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

Before Commissioners:      Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the Matter of the Application of Westar      )  
Energy, Inc. and Kansas Gas and Electric      )  
Company for Approval of Revisions to Their      )      Docket No. 14-WSEE-589-TAR  
General Terms and Conditions Related to the      )  
Credit Card Convenience Fee.                      )

**ORDER GRANTING REQUEST TO UPDATE TARIFF FILING**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission finds and concludes as follows:

**I.      Background**

1.      On June 18, 2014, Westar Energy, Inc., and Kansas Gas and Electric Company (collectively, “Westar”) filed an Application requesting approval to make revisions to the General Terms and Conditions of its Tariff in order to implement a new credit card program. Specifically, Westar seeks to eliminate the convenience fee for residential customers that use credit or debit cards to make payments and to incorporate the cost of those transactions into Westar’s cost of service.<sup>1</sup> For commercial and industrial customers, Westar is proposing to adjust the amount of the convenience fee paid by customers to reflect the true cost of using that payment method for those customers.<sup>2</sup> Westar also seeks a waiver from Sections (D) and (I)(2) of the Credit Card Standards.<sup>3</sup>

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<sup>1</sup> Application, ¶2.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at ¶ 10.

2. On July 8, 2014, the Commission issued an order suspending the effective date of Westar's Application until February 13, 2015.<sup>4</sup>

3. On August 7, 2014, the Commission issued an order granting intervention to the Citizens' Utility Ratepayer Board (CURB) as well as a Protective Order and Discovery Order.<sup>5</sup>

4. On November 17, 2014, Staff filed a Report and Recommendation on Westar's Application.<sup>6</sup> In its Report and Recommendation, Staff reported it found that Westar's proposal reduces the associated cost of using a credit or debit card to an amount that is more in line with Westar's other payment methods; that Westar's proposal is similar to other Commission-approved credit card programs; and Westar's proposal eliminates the residential class' subsidization of the industrial and commercial classes.<sup>7</sup> Staff concluded its report by recommending approval of Westar's proposal subject to the condition that Westar's recovery of its credit card transaction costs be limited to the costs that are shown to be in line with other payment method costs and other utilities' credit card programs.<sup>8</sup>

5. On November 26, 2014, CURB filed its Response to Staff's Report and Recommendation.<sup>9</sup> In its Response, CURB noted that the costs associated with other payment options are included in Westar's cost of service and included in rates for all customers and that consumer banking habits and payment methods have changed making debit card the most popular payment method for monthly bills.<sup>10</sup> CURB's Response supports Staff's Report and Recommendation and recommends the Commission adopt Staff's Report and Recommendation and grant Westar's Application, subject to the condition that Westar's recovery of its credit card

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<sup>4</sup> Suspension Order (July 8, 2014).

<sup>5</sup> Order Granting CURB's Petition to Intervene, Discovery Order, and Protective Order (Aug. 21, 2014).

<sup>6</sup> Notice of Filing Staff's Report and Recommendation (Nov. 17, 2014).

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

<sup>8</sup> *Id.*

<sup>9</sup> CURB's Response to Staff's Report and Recommendation (CURB's Response) (Nov. 26, 2014).

<sup>10</sup> *Id.* at ¶¶5, 7.

transaction costs is limited to costs that are shown to be in line with other payment method costs and other utilities credit card programs.<sup>11</sup>

6. On December 11, 2014, the Commission issued an order approving Westar's application subject to Staff and CURB's recommended condition.<sup>12</sup>

7. On December 12, 2014, Westar filed a corrected version of proposed tariff changes to the General Terms and Conditions, Section 4 and Section 12.<sup>13</sup> The updated filing corrected the proposed commercial and industrial customer class transaction charge for credit and debit transactions from 3.5% to 3.25%.<sup>14</sup>

## **II. Findings and Conclusions**

8. The Commission finds the evidence in the record supports Westar's requested change and update to its Application. Therefore, the Commission grants Westar's request to update the proposed tariff changes.

### **IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

(A) Westar's December 12, 2014 request to update its General Terms and Conditions, Section 4 and Section 12 of its tariff filing is approved.

(B) The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein.<sup>15</sup>

(C) The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

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<sup>11</sup> *Id.* at ¶8.

<sup>12</sup> Order Granting Application, ¶A (Dec. 11, 2014).

<sup>13</sup> Updated Application, GT&C Section 4 and Section 12 (Dec. 12, 2014).

<sup>14</sup> *Id.*

<sup>15</sup> K.S.A. 66-118b; K.S.A. 2014 Supp. 77-529(a)(1).

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Com.; Apple, Com.;

Dated: DEC 18 2014



ORDER MAILED DEC 19 2014

Thomas A. Day  
Acting Executive Director

AS

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
ANASTACIA HARDEN CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
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JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY AFFAIRS KANSAS GAS & ELECTRIC CO. D/B/A WESTAR ENERGY 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		

ORDER MAILED DEC 19 2014

The Docket Room hereby certified that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
CATHRYN J. DINGES, CORPORATE COUNSEL WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		

ORDER MAILED DEC 19 2014

The Docket Room hereby certified that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.