

STATE CORPORATION COMMISSION

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

JAN 17 2006

 Docket Room

In the Matter of the Filing of Compliance Tariffs)
and Reports by Jurisdictional Utilities as)
Prescribed by Commission Order Dated) Docket No. 06-GIMX-679-GIV
November 28, 2005 in Docket No.)
04-GIMX-651-GIV.)

STAFF RECOMMENDATION

COMES NOW the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission” respectively) and submits its recommendation in this matter.

1. In Docket No. 04-GIMX-651-GIV (651 docket) the Commission issued an order dated November 28, 2005 which included certain Minimum Standards (attached to that order) requiring all jurisdictional utilities to file with the Commission revised General Terms and Conditions setting forth methods customers may use to pay their utility bills and any customer fees associated with them. The Minimum Standards also set forth rulings pertaining to utilities accepting payment by credit card.

2. In the November 28, 2005 Order, the Commission responded to motions filed by Aquila, Inc. and Atmos Energy (“Aquila” and “Atmos” respectively) relating to fees charged to customers for the use of customer walk-in payment centers. In paragraph 57 of the Order, the Commission gave Aquila and Atmos six months to comply with the Order.

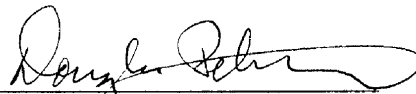
3. On January 3, 2006 Staff issued a letter to all jurisdictional utilities in regards to the Order. Staff’s letter is attached hereto as Attachment 1. Staff determined that the six-month period will expire on May 28, 2006. Staff indicated that all utilities must be in compliance with the November 28, 2005 Order by May 28, 2006. In order to allow enough time to review the utility’s revised General Terms and Conditions and ensure they are in compliance with the

Order, Staff required all utilities to file the revised General Terms and Conditions by March 28, 2006. These General Terms and Conditions are to be filed in this present docket unless the utility desires to seek approval for a credit/debit card bill payment program before that date.

4. Staff also required utilities requesting approval for a new credit/debit card program to submit an application and obtain authorization prior to charging fees to the customer for using said payment option. Staff indicated this authorization may be submitted concurrently with the filing of the General Terms and Conditions but must be filed in a separate company specific docket.

5. Staff therefore recommends that utilities desiring to file only revised General Terms and Conditions (GT&C) pursuant to the November 28 Order shall file them in this docket. However, utilities seeking to obtain approval for a credit/debit card program prior to March 28, 2006 may file the GT&C in a separate company specific docket with the application for the credit/debit card program.

Respectfully submitted,



Douglas G. Peterson, #13739
Assistant General Counsel
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3119 phone
(785) 271 -3167 fax

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
 BRIAN J. MOLINE, CHAIR
 ROBERT E. KREHBIEL, COMMISSIONER
 MICHAEL C. MOFFET, COMMISSIONER

MEMORANDUM

To: All Jurisdictional Electric, Natural Gas and Water Utilities

From: Dorothy Myrick, ^{DAM} Sonya Cushinberry, ^{SAC} and Tom DeBaun, ^{TDB}

Date: January 3, 2006

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

On November 28, 2005, the Commission issued an Order in the General Investigation Regarding Payment of Customer Accounts by means of Fee-based Transactions, Including Third Party Services (Order), Docket No. 04-GIMX-651-GIV. A copy of this Order was mailed to the utility with the *Minimum Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards by Kansas Jurisdictional Electric, Natural Gas, and Water Utilities* (Minimum Standards) attached. The Order can also be accessed on the Commission's website at <http://www.kcc.state.ks.us/docket/cal.cgi>. Please note that the Order requires all jurisdictional utilities to file compliance tariffs that are consistent with the Commission's Minimum Standards. (Paragraph J(4) of the Minimum Standards requires the utility to provide a list of all available payment options and fees payable by customers for all types of payment methods in its tariffs).

The Commission determined that 6 months was an appropriate time for utilities to come into compliance with the Minimum Standards (Order, Paragraph 57). **Therefore, all utilities shall be in compliance by May 28, 2006.** Due to the fact that the Minimum Standards apply to General Terms and Conditions (GT&C) tariffs, fees paid for bill payment at walk-in pay stations and acceptance of credit/debit cards for bill payment, Staff provides this summary of compliance requirements and how they should be addressed. Utilities not requesting approval for bill payment by credit/debit card should make the compliance filing under generic Docket No. 06-GIMX-679-GIV as discussed on page 2.

Any utility desiring approval of a credit/debit card bill payment program should file in a company specific docket. If the utility's request for a credit/debit card program is made prior to March 28, 2006, then the GT&C compliance filing and the request for credit/debit card can be combined in the same company specific docket. Otherwise, the compliance filing shall be made in the generic docket and the credit/debit card request made in a company specific docket.

All Jurisdictional Utilities – Revised General Terms and Conditions

Every jurisdictional utility is required to file revised General Terms and Conditions (GT&C) that conform to the provisions of the Minimum Standards. This requirement is applicable to all jurisdictional utilities regardless of the company's plan to offer the option of payment by credit/debit card to its customers. Staff must have sufficient time to review the GT&C tariffs, discuss any changes with the utility, and have the tariffs approved by May 28, 2006. Therefore, Staff requests that all jurisdictional utilities file revised GT&C no later than **March 28, 2006**. The cover letter for the filing should be addressed to Mrs. Susan K. Duffy, Executive Director, Kansas Corporation Commission, 1500 SW Arrowhead, Topeka, Kansas 66604.

1. A specific docket number has been set up to receive GT&C compliance filings and reports for the 651 Docket. Please note the following docket number and caption in the cover letter:

Docket No. 06-GIMX-679-GIV

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.

If you have any questions regarding the filing of compliance tariffs, please call 785 271-3165 and ask for Dorothy Myrick, Sonya Cushinberry, or Tom DeBaun.

2. The Commission also requires that the all utilities 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. (Minimum Standards, H(9)) The annual notice should be submitted to the Commission's Public Affairs and Consumer Protection Office for approval. Questions relating to the annual notice should be directed to Marge Petty, Director, Public Affairs and Consumer Protection, 785 271-3169. Please submit an exact sample copy of the proposed notice and the date by which you must receive final KCC approval to allow you sufficient time for printing.

Bill payment by credit/debit card

"Ideally, the costs associated with all payment methods would be included in the utility's cost of doing business. Unfortunately, such is not possible in the case of credit cards-- and it is for that reason that the Minimum Standards recognize an exception for those payment methods." (Order, Paragraph 51)

1. Utilities currently accepting credit/debit cards for bill payment either directly or through an agent must be in compliance with the Order by May 28, 2006. No fees for payment by credit card will be collected after that date unless an approved tariff is in place. Requests for authorization to charge fees for an existing credit/debit card program shall be submitted in a company specific docket. The GT&C compliance tariffs may also be

submitted concurrently in the same company specific docket (provided this docket is opened prior to March 28, 2006).

2. Utilities requesting approval for a new credit/debit card program must submit an application and obtain authorization prior to charging fees. No fees for payment by credit/debit card will be collected unless an approved tariff is in place. Requests for authorization to charge fees for a new credit/debit card program shall be submitted in a company specific docket. The GT&C compliance tariffs may also be submitted concurrently in the same company specific docket (provided this docket is opened prior to March 28, 2006).
3. Upon the commencement of the acceptance of credit cards, utilities are required to provide customers with notice of all available payment options, the amount of any fees payable by customers, information and instructions regarding all payment methods, and step-by-step instructions of how to pay by credit card. (Minimum Standards, K(3)). Such notice shall be provided to the Commission for review as part of the utility's application for approval to accept credit/debit cards. In addition, the proposed customer notice should also be submitted to the Commission's Public Affairs and Consumer Protection Office for approval. Questions relating to notice should be directed to Marge Petty, Director, Public Affairs and Consumer Protection, 785 271-3169.
4. Utilities not wanting to offer customers the option of paying by credit/debit card at the present time still must file GT&C compliance tariffs in Docket. No. GIMX-679-GIV by March 28, 2006. If you have any questions regarding the filing of tariffs for accepting credit/debit cards, please call 785 271-3165 and ask for Dorothy Myrick, Sonya Cushinberry, or Tom DeBaun.

Company business offices or walk-in payment stations

Utilities that offer payment in person through company business offices and/or walk-in payment stations shall not allow customers to be charged a transaction fee for the payment of the bill. Companies that are currently allowing customers to be charged a fee for bill payment must be in compliance with the Minimum Standards by May 28, 2006.

1. The Minimum Standards (E), state that, "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." Staff requests that all jurisdictional utilities provide a complete list of company business offices and walk-in pay stations where customers may make in person payments. The list should reflect the name and address of places available as of December 31, 2005, and may be included in the compliance filing. Please include the name of the company contact person and their e-mail address. If electronic mail is not available, provide the company address.
2. The reporting for offices and pay stations that are closed during the first quarter of 2006 will be due on April 15, 2006. Staff will send an electronic reminder for a list of all pay stations closed and the other options made available to customers for in person bill

payment during the period of January 1, 2006 through March 31, 2006. These reports should be filed in Docket No. 06-GIMX-679-GIV.

SUMMARY

One of the following filing options will apply to each jurisdictional electric, natural gas and water utility in Kansas:

1. GT&C compliance filing by March 28, 2006 in Docket No. 06-GIMX-679-GIV or,
2. GT&C compliance filing AND request for credit/debit card approval by March 28, 2006 in a company specific docket or,
3. GT&C compliance filing by March 28, 2006 in Docket No. 06-GIMX-679-GIV AND request for credit/debit card approval at a date later than March 28, 2006 in a company specific docket.

Notice:

1. Annual notice shall be submitted to the Commission's Public Affairs and Consumer Protection Office for approval at least 30 days prior to being mailed
2. Customer notice upon the commencement of acceptance of credit cards should be submitted to Staff and to the Commission's Public Affairs and Consumer Protection Office for approval.

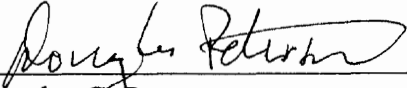
Reporting for in-person payment methods:

1. Provide a complete list of company business offices and walk-in pay stations as of December 31, 2005.
2. Provide the company contact name and address for reporting reminders.
3. Quarterly reporting for closure of in-person payment centers will be due beginning April 15, 2006.

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

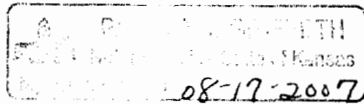
VERIFICATION

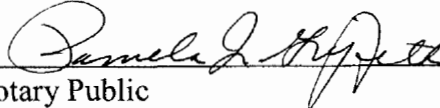
Douglas G. Peterson, being duly sworn upon her oath deposes and says that he is Assistant General Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing Staff Recommendation, and that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Douglas G. Peterson

Subscribed and sworn to before me this 17th day of January, 2006.





Notary Public

My Appointment Expires:

August 17, 2007

CERTIFICATE OF SERVICE

06-GIMX-679-GIV

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Staff Recommendation was placed in the United States mail, postage prepaid, or hand-delivered this 18th day of January, 2006, to the following:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 SOUTH HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@abrfh.com

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
n.christopher@kcc.state.ks.us
**** Hand Deliver ****

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rarrick@kcc.state.ks.us
**** Hand Deliver ****

PAUL M. LING, ATTORNEY
KANSAS CITY POWER & LIGHT COMPANY
1201 WALNUT (64106)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2787
paul.ling@kcpl.com

MIKE PETERS, GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4888

JOHN P. DECOURSEY, DIRECTOR, LAW
KANSAS GAS SERVICE, A DIVISION OF ONEOK, INC
7421 W 129TH STREET STE 300 (66213)
PO BOX 25957
SHAWNEE MISSION, KS 66225
Fax: 913-319-8622
jdecoursey@kgas.com

MICHAEL LENNEN, ATTORNEY
MORRIS, LAING, EVANS, BROCK & KENNEDY,
CHARTERED
OLD TOWN SQUARE
300 N MEAD STREET
SUITE 200
WICHITA, KS 67202-2722
Fax: 316-262-5991
mlennen@morrislaing.com

DAVID L. JESSE, CEO
PIONEER ELECTRIC COOP. ASSN., INC.
1850 W OKLAHOMA (67880)
PO BOX 368
ULYSSES, KS 67880-0368
Fax: 620-356-4306
djesse@pld.com

MARTIN J. BREGMAN, EXECUTIVE DIRECTOR, LAW
WESTAR ENERGY, INC.
818 S KANSAS AVENUE (66612)
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
martin_bregman@wr.com

