

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 No. 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.)

JOINT RESPONSE TO SOUTHERN PIONEER'S COMPLIANCE FILING

Staff of the State Corporation Commission (Staff and Commission, respectively), and Citizens' Utility Ratepayer Board (CURB) (collectively referred to as Joint Respondents) hereby respond to Southern Pioneer Electric Company's (Southern Pioneer) Compliance Filing in the above-captioned docket. Joint Respondents state the following:

I. Background

1. On December 8, 2017, Southern Pioneer filed an Application with the Commission requesting approval of (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

2. On December 21, 2017, Staff filed a Suspension Order suspending this matter 240 days from the date Southern Pioneer's Application was filed, until August 6, 2018.

¹ Southern Pioneer Application (Dec. 8, 2017).

3. On December 21, 2017, the Commission issued an Order Granting CURB's Petition to Intervene, along with a Protective Order and Discovery Order.

4. On July 3, 2018, Staff filed its Report and Recommendation. In that Report and Recommendation, Staff recommended Southern Pioneer be allowed to eliminate its credit card convenience fee and revise its Schedule of Fees. Moreover, Staff did not recommend Southern Pioneer be allowed to exclude any customer class from bill payment via credit card, as Staff believes limiting eligibility to only residential customers would be unreasonably discriminatory.²

5. On July 13, 2018, CURB filed its response to Staff's R&R. In its Response, CURB determined that Staff's recommendations were reasonable and in the best interests of Southern Pioneer's residential and small commercial ratepayers.³

6. On July 16, 2018, Southern Pioneer filed its response to Staff's R&R. In that Response, Southern Pioneer supported Staff's recommendation that it be allowed to eliminate its credit card convenience fee and revise its Schedule of Fees. However, Southern Pioneer disagreed with Staff's determination that limiting the no-fee program to only residential customers would be unreasonably discriminatory.⁴

7. On July 25, 2018, Staff filed its reply to both Southern Pioneer and CURB. In that Reply, Staff maintained that allowing Southern Pioneer to limit the availability of bill payment via credit card to residential customers would be unreasonably discriminatory based on the data presented in this case.⁵

8. On August 30, 2018, the Commission adopted Staff's position and granted Southern Pioneer a waiver from Sections (D)(2) and (I)(2) of the Commission's Minimum

² Staff's Report and Recommendation (Jul. 3, 2018).

³ CURB Response to Staff's Report and Recommendation (Jul. 13, 2018).

⁴ Southern Pioneer's Response to Staff's Report and Recommendation (Jul. 16, 2018).

⁵ Staff's Reply to Southern Pioneer's Response to Staff and CURB's Recommendations (Jul. 25, 2018).

Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards by Kansas Jurisdictional Electric, Natural Gas, and Water Utilities.⁶

II. Southern Pioneer's Revised Rules and Regulations

9. On October 31, 2018, Southern Pioneer filed its updated rules and regulations. In order to implement the waiver and eliminate the transaction fee, Southern Pioneer submitted revisions to Index No. R7, Section VII, K, Sheets 1-3 and Index No. R4, Section IV, G, Sheets 1-16.

10. In Index No. R7, Section VII, K, Sheet 3 (Schedule of Fees), under subsection 7, Southern Pioneer eliminated all language referencing the \$3.95 convenience fee.

11. In Index No. R4, Section IV, Sheets 15-16 (Payment Methods for Utility Bills), Southern Pioneer made additional revisions. According to Southern Pioneer, the purpose of the revisions are to (i) remove inapplicable language, (ii) accurately reflect Southern Pioneer's current payment practice, and (iii) remove any reference to the assessment and collection of transaction fees by third-party vendors for certain payment methods. The specific revisions are listed below:

- a. Section G, 2) – Bank Withdrawal: replaced “CheckLine” with “Automatic Bank Draft” to remove reference to former Aquila-West Plains bank withdrawal method;
- b. Section G, 3) – Pay in Person: inserted e-Checks, credit or debit cards, and Kiosk station to better describe and define “Pay in Person” options;
- c. Section G, 4) – Pay On-Line: inserted e-Checks and debit cards and listed various Company-provided payment portals (SmartHub, Mobile E-bill and PayNow, etc.) while removing language indicating customer may be charged a fee for this payment method; and

⁶ Commission Order Allowing Bill Payment From All Southern Pioneer Customers (Aug. 30, 2018).

- d. Section G, 5) – Pay by Phone: inserted e-Checks and debits cards while removing language indicating customer may be charged a fee for this payment method.

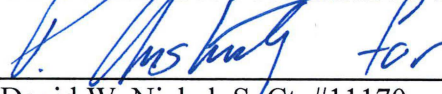
III. Response of Joint Respondents

12. Joint Respondents indicate they have reviewed Southern Pioneer's revised rules and regulations and agree with the contents therein. Joint Respondents believe the proposed revisions reflect the Commission's Order allowing Southern Pioneer to remove the credit card transaction fee and provide needed clarity regarding payment methods available to Southern Pioneer customers.

WHEREFORE, Joint Respondents respectfully request the Commission approve Southern Pioneer's proposed revisions to its Rules and Regulations as outlined herein.


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CERTIFICATE OF SERVICE

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I, the undersigned, certify that a true and correct copy of the above and foregoing Joint Response to Southern Pioneer's Compliance Filing was served via electronic service this 14th day of November, 2018, to the following:

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