

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

**THE EMPIRE DISTRICT ELECTRIC COMPANY'S
RESPONSE TO STAFF'S REPORT AND RECOMMENDATION**

The Empire District Electric Company ("Liberty-Empire") submits the following response to the Report and Recommendation filed by the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) in the above-captioned docket on October 20, 2020 ("Staff R & R"). Liberty-Empire accepts the recommendation included in the Staff R&R. In order to address the concern raised by CURB in its response to the Staff R&R, Liberty-Empire will agree, subject to Commission approval, to extend the waiver of the third-party fees approved in Docket No. 20-EPDE-448-MIS until a decision is made in Docket No. 21-EPDE-134-TAR, regarding Liberty-Empire's new third-party fees.

1. On May 20, 2020, Liberty-Empire filed an application with the Commission requesting approval of a revised third-party fee for credit and debit card transactions used by customers to pay their electric bill. The fee is collected by the third-party vendor and not Liberty-Empire. However, pursuant to the Commission orders in Docket No. 04-GIMX-651-GIV docket ("651 Docket"), the fee must be stated in Empire's tariffs. The initial third-party fees charged to Liberty-Empire's customers were approved by the Commission in 2006 in Docket No. 06-EPDE-661-TAR ("661 Docket"). As set forth in Liberty-Empire's application, and as summarized in the Staff R&R, in 2013, Liberty-Empire switched its third-party vendor. The third-party vendor fee charged to Liberty-Empire's residential customers decreased from \$3.95 to \$2.25 per transaction. The fee charged

to commercial customers was set at \$13.00, with a \$10,000 transaction limit. Liberty-Empire did not submit an application for approval of the new third-party vendor fees in 2013 as required in the 651 Docket. This omission was recently discovered by Liberty-Empire and prompted the filing of the application in the current docket.

2. As set forth in the Staff R&R, the 2013 fees are comparable to, or lower than, the third-party fees charged by other Kansas utilities. The Staff also correctly points out that the reduction in the third-party fee in 2013 resulted in saving residential customers \$156,760, but also resulted in an over-collection by the third-party of \$10,955 from Liberty-Empire's commercial customers.

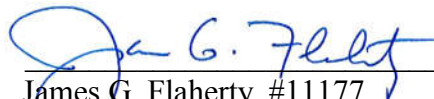
3. Staff recommends that the Commission find Liberty-Empire's proposed credit/debit card fees to be just and reasonable and accept Empire's proposed tariff revisions to reflect the 2013 third-party fees. Staff also recommends the Commission order Liberty-Empire to refund to commercial customers who paid a fee greater than what was allowed under the 2006 tariff the amount of the over-payment plus interest through October 16, 2020.¹ Liberty-Empire accepts Staff's recommendation.

4. As pointed out in Staff's R&R, Liberty-Empire has recently requested to revise the third-party fees pursuant to an agreement with a new third-party vendor in Docket No. 21-EPDE-134-TAR. In addition, and as also pointed out in Staff's R&R, the Commission has approved Liberty-Empire's request in Docket No. 20-EPDE-448-MIS for a temporary waiver of third-party fees effective October 16, 2020 to the end of calendar year 2020, to assist its customers in paying their bills due to COVID-19. The fee for residential customers under the agreement with the new third-party vendor,

¹Liberty-Empire is providing a revised and updated response to Staff DR 0004 and a response to Staff DR 0009 that will update the over-collection from commercial customers through October 16, 2020. The revised data results in a slight change to the original numbers provided in response to Staff DR 0004 and included in the Staff R&R.

if approved by the Commission, will further reduce the residential fee from \$2.25 per transaction to \$1.75 per transaction (limit \$600) and the commercial fee from \$13.00 per transaction (limit \$10,000) to \$7.95 per transaction (limit \$1,200). In order to address the concern raised by CURB in its response to the Staff R&R, Liberty-Empire will agree, subject to Commission approval, to extend the waiver of the third-party fees approved in Docket No. 20-EPDE-448-MIS until a decision is made in Docket No. 21-EPDE-134-TAR, regarding Liberty-Empire's new third-party fees.

WHEREFORE, for the reasons set forth herein, Liberty-Empire accepts the recommendation contained in Staff's R&R. Liberty-Empire agrees to refund the over-collection to its commercial customers as recommended by Staff through October 16, 2020. Liberty-Empire requests that the Commission approve the third-party fees submitted in the application as recommended by Staff. Liberty-Empire would request the Commission allow it to waive the third-party fees approved in Docket No. 20-EPDE-448-MIS until the Commission has made a decision on the new third-party agreement and fees filed in Docket No. 21-EPDE-134-TAR.



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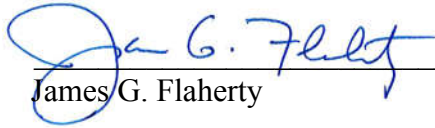
Attorneys for The Empire District Electric Company

VERIFICATION

STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

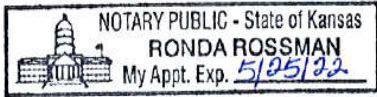
James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for The Empire District Electric Company named in the foregoing Response to Staff's Report and Recommendation and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.



James G. Flaherty

SUBSCRIBED AND SWORN to before me this 2nd day of November, 2020.





Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail this 2nd day of November, 2020, addressed to:

Terri Pemberton
t.pemberton@kcc.ks.gov

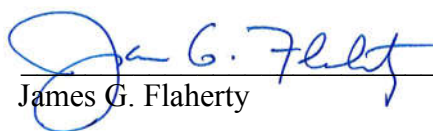
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