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.