



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

April 20, 2015

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Friday, May 15, 2015)
and
NOTICE OF WORKSHOP
(Set for Tuesday, June 9, 2015, at 9:30 a.m.)

Re: Consumers Using Credit Cards to Pay for Services, Docket A-150561

TO ALL INTERESTED PERSONS:

On April 6, 2015, the Washington Utilities and Transportation Commission (Commission) established Docket A-150561 to investigate current utility and transportation industry practices regarding credit card payments by customers, and to reevaluate the regulatory framework surrounding these payments.

WRITTEN COMMENTS

The Commission is now soliciting written comments on this matter. Comments from interested parties will be filed with the Commission under this docket. Stakeholders are encouraged to submit written comments with the Commission on the issues identified below:

Costs and benefits to the company and other ratepayers

1. Please describe your current practice for processing non-cash/non-check payment methods. If you currently accept debit and credit card payments, what are the transaction fees incurred by customers using these methods? Are there any costs incurred by the company?

2. What transaction costs are involved with the forms of customer payment listed below? Many of these costs may be costs that have been embedded; when reporting these embedded costs, please indicate how you arrived at your calculations.
 - Cash
 - Check or money order (also compare by mail/dropbox to those made in person)
 - Electronic check
 - Credit card (also compare paying over the phone to online)
 - Debit card (also compare paying over the phone to online)
 - Automated Clearing House (ACH) financial transactions
 - Other
3. Please provide an indication of the number of payments, and dollar volumes, made using each method.
4. Please provide an indication of the average cost to process a transaction for each of the above forms of transaction. Please also calculate the average bill for each type of payment method.
5. Are measures taken to ensure that processing costs for a particular method of payment are borne exclusively by those specific customers that use those specific methods of payments?
6. What advantages do you see to making credit and debit card billing options available to customers? What has precluded your company from doing so if it hasn't already?
7. What advantages and disadvantages are there in having card payments processed by a third-party, such as BillMatrix? Is there a better option for processing credit and debit card payments, such as contracting through a bank? What are the costs of these alternative processing methods, and how would they impact the use of credit cards?
8. Should companies charge convenience fees for debit and credit card customers? If not, what is the rationale for recovering the costs associated with debit and credit card payments from rates charged to all customers, including those who do not, and may not ever, use the service?

Costs and benefits for adopting customers

Some customers may prefer automatic payments using a credit or debit card, as opposed to automatic payments with checks. For instance, some customers are hesitant to provide such access directly to a checking account, without the protection provisions associated with credit cards.

1. What advantages and disadvantages would automatic payments through credit and debit cards provide to your customers?

Consumer protection issues

1. Several utilities currently allow customers to sign up for automatic billing through their checking accounts. How are these customers treated and indemnified when there are billing mistakes? For example, does the company provide account credits or refunds to the customers' checking accounts?
2. What options are available to so-called "unbanked" customers? Many of these customers receive government benefits, or their salary from their employers, in the form of MasterCard or Visa pre-paid debit cards.
3. Are pre-paid debit cards, such as those offered by MasterCard or Visa, treated any differently than traditional credit or debit cards?
4. If the company undertakes its own credit card processing functions rather than using a third party, what protections would be put in place to ensure customer information is kept safe?

Written comments must be filed with the Commission no later than **5:00 p.m., May 15, 2015**. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments should be in .pdf Adobe Acrobat or in Word 97 or later version. Comments may be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by e-mail to the Commission's Records Center at records@utc.wa.gov. Alternatively, comments may be submitted by mailing or delivering an electronic copy to the Commission's Records Center on a flash drive or compact disk. Comment submissions should include:

- The docket number of this proceeding (A-150561)
- The commenting party's name.
- The title and date of the comment or comments.

Comments delivered by mail or courier should be addressed to: Steven V. King, Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504-7250. The Commission will post on its website all comments that are provided in electronic format. The website is located at www.utc.wa.gov.

STAKEHOLDER WORKSHOP

In addition to collecting written comments, the Commission has scheduled a stakeholder workshop to review and discuss the resulting findings. Interested persons are invited to attend the stakeholder workshop on **Tuesday, June 9, 2015, beginning at 9:30 a.m., in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

The Commission prefers that interested persons participate in person and share ideas in a workshop setting, but if this imposes a hardship, interested persons may participate in the workshop via the Commission's teleconference bridge at **(360) 664-3846**.

If you have questions regarding this docket, you may contact staff lead, Christopher S. Hancock, at (360) 664-1312, or by email at chancock@utc.wa.gov.

STEVEN V. KING
Executive Director and Secretary