

Snyder, Jennifer (UTC)

From: Behrns, Ronald <Ronald.Behrns@vermont.gov>
Sent: Thursday, August 06, 2015 10:12 AM
To: Hancock, Christopher (UTC)
Subject: Debit and Credit Card User Fees

Hello Mr. Hancock:

Just following up from your voice message of Tuesday inquiring if Vermont utilities still charge a fee when customers use credit or debit cards to pay their utility bills.

Due to the high fees that banks, credit card companies and third party service providers historically charged, the regulatory policy in Vermont was to pass that cost on to the cost causing customer via a fee that was often in the range of about \$5.00 per transaction. It was the regulatory practice not to socialize that cost among all rate payers.

As the practice of using credit and debit cards to pay for about anything everywhere grew and since merchants did not charge customers more when using credit cards, Vermont utilities were asked to negotiate lower fees with the banks and service providers and upon doing so with costs in the \$1.00-\$1.50 per transaction range, it became the regulatory policy to socialize those costs and fees in the same manner as the costs are socialized for handling cash and checks. From a study that was done, the costs were similar for handling credit cards, cash and checks. Based on the lower transaction fees and the similarity of costs in handling cash, checks and credit cards, charging the customer a service fee when using a credit card has been phased out.

Hope this is responsive to your inquiry. Give me a call if you would like more information or want to discuss further.

Regards,

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