

Exhibit No.:
Issue(s): Credit Card Fees
Witness: Scott J. Glasgow
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: GR-2021-0320
Date Testimony Prepared: January 24, 2022

MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL AND BUSINESS ANALYSIS DIVISION
CUSTOMER EXPERIENCE DEPARTMENT

DIRECT TESTIMONY

OF

SCOTT J. GLASGOW

THE EMPIRE DISTRICT GAS COMPANY,
d/b/a Liberty

CASE NO. GR-2021-0320

Jefferson City, Missouri
January 2022

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1 center, managing all aspects of the center’s day-to-day operations. In 1995, I graduated from
2 the University of Missouri-St. Louis with a Bachelor of General Studies degree.

3 Q. Have you previously filed testimony before the Commission?

4 A. Yes, attached as schedule SJG-d1 is a list of cases before the Commission in
5 which I provided testimony, Staff recommendation, or significant analysis.

6 **EXECUTIVE SUMMARY**

7 Q. What is the purpose of your direct testimony?

8 A. The purpose of my testimony is to address The Empire District Gas Company’s
9 (“Empire”) request to not directly charge customers for making payments by credit/debit.

10 **CREDIT CARD FEES**

11 Q. Will you explain what Empire is requesting concerning the direct charge to
12 customers for making payments by credit/debit card in Case No. GR-2021-0320?

13 A. Empire is requesting Commission authorization to stop directly charging
14 customers a fee for making payment by credit/debit card, and for the indirect processing fees
15 instead to be included in the Empire’s cost of service. Staff witness Angela Niemeier addresses
16 the revenue requirement concerning credit card fees in her direct testimony.

17 Q. Did Empire give a reason why they are requesting the elimination of direct fees
18 for payments made by credit/debit cards?

19 A. Yes. In Jon Harrison’s direct testimony in this case, he states that through
20 customer surveys and contact center feedback, customers have requested that ease of payment
21 is a priority, including having no fees for credit or debit card payments.¹

¹ Case No. GR-2021-0320, Direct Testimony Jon Harrison, page 10.

1 Q. From a Customer Experience perspective, does Staff have an issue with Empire
2 not directly charging customers a fee for using credit/debit cards?

3 A. No. Many customers have grown accustomed to paying with credit cards and rarely
4 is the processing fee a company is charged directly passed on to its customers. Typically those
5 fees are embedded into the company's business costs.

6 Q. What payment methods do customers have to pay their bills and what are the
7 direct fees associated with each method?

8 A. Empire provides multiple payment options. The following chart lists each
9 payment method and the fee, if any, a customer is charged.²

Method	Direct Customer Charge
Online/Website Credit/Debit Card	\$1.75 (Residential) \$7.75 (Commercial)
Kiosk Check or Cash	\$1
Kiosk Credit/Debit Card	\$2.25
Electronic Lock Box Automated Clearing House ("ACH")	No Charge
Mailed Lock Box	No Charge
Auto Pay (Direct Debit)	No Charge

11 Q. If the Commission approves Empire's request for no direct fees for credit/debit
12 cards, did Empire share its communication plan it intends to utilize?
13

² Case No. GR-2021-0320, Direct Testimony Jon Harrison, page 10 and Staff Data Request Nos. 0162 and 0164.

1 A. Yes, in testimony and in response to a Staff data request³. In Jon Harrison’s
2 direct testimony, he states: “The Company will notify customers using multiple platforms.
3 There will be an alert added to the Company’s website on the home page as well as on the
4 payment page, customers who have an email address on file will receive an email, and letters
5 will be mailed to all Commercial customers who used online payments or IVR payment system
6 within the last year.”⁴ Through Staff data requests, Empire stated that it would also include a
7 bill message at the bottom of the front page informing customers of the change.

8 Q. In Case No. ER-2019-0374, The Empire District Electric Company (“Empire
9 Electric”) requested similar treatment of direct credit/debit card fees which was ultimately
10 approved by the Commission. Did Staff have an issue with the communication plan in that case?

11 A. Yes. Empire Electric’s communication plan only had the potential to reach just
12 over 50 percent of its customers, and no message was placed on the customers’ billing
13 statements. As in this case, Empire Electric stated the reason for the requested change in
14 charging a direct fee for credit/debit card payment was because of customer feedback
15 through surveys and its contact center. Staff has determined that all customers should be
16 notified of the payment change and not just customers with an email, customers that visit
17 Empire Electric’s website or Commercial customers that meet certain criteria.

18 Q. Is the communication plan different in this case?

19 A. Yes, the current plan adds a message on the billing statement. This ensures
20 that all customers have the opportunity to be informed that there has been a change in the
21 payment process.

³ Staff Data Request No. 0193.

⁴ Case No. GR-2021-0320, Direct Testimony Jon Harrison, page 11.

1 Q. Does Staff have any issue with Empire's communication plan in this case to
2 inform its customers that there will be no direct fee for using credit/debit cards?

3 A. No.

4 Q. Has the Commission approved other utilities' requests to stop directly charging
5 customers a fee for using credit/debit cards?

6 A. Yes. The Commission has approved several utilities' requests to stop
7 directly charging customers a fee for using credit/debit cards including Empire Electric in
8 Case No. ER-2019-0374. The Commission first started allowing credit card fees in the
9 overall cost of service for regulated utilities in 2006 for Kansas City Power and Light Company
10 (now Evergy Missouri Metro, Inc.)⁵, and, most recently, the Commission approved such
11 treatment for Missouri American Water Company in Case No. WR-2020-0320.

12 Q. Does Staff have any recommendation if the Commission approves
13 Empire's request to stop directly charging customers a fee for using credit/debit cards?

14 A. Yes. Staff recommends Empire share with Staff the final verbiage Empire plans
15 to use in its communication plan to customers pertaining to payment options. If the Commission
16 approves this change, Staff recommends that Empire be ordered to track usage performance
17 and savings for both Empire and its customers from this initiative.

18 Q. Does this conclude your direct testimony?

19 A. Yes it does.

⁵ Case No. ER-2006-0314.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

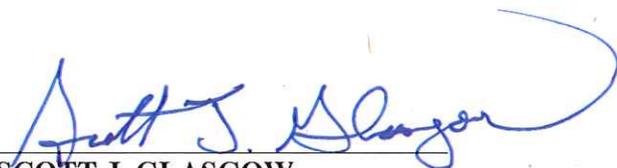
In the Matter of The Empire District Gas)
Company's d/b/a Liberty Request to File Tariffs) Case No. GR-2021-0320
to Change its Rates for Natural Gas Service)

AFFIDAVIT OF SCOTT J. GLASGOW

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

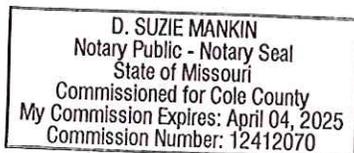
COMES NOW SCOTT J. GLASGOW and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Scott J. Glasgow*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


SCOTT J. GLASGOW

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of January 2022.




Notary Public

Scott J. Glasgow

Case Participation

The following is a listing of cases before the Commission in which I provided testimony,

Staff recommendation or significant analysis:

Date Filed in EFIS	Case Number	Company Name – Type of Case	Contribution
12/20/2021 And 10/29/2021	ER-2021-0312	The Empire District Electric Company – Rate Case	Rebuttal and Staff Report - Cost of Service
12/2/2021	WO-2021-0428	Missouri American Water Company - Petition of Missouri-American Water Company for Approval to Establish a Water and Sewer Infrastructure Rate Adjustment ("WSIRA")	Staff Recommendation
10/1/2021	WA-2021-0376	Missouri American Water Company - Certificate of Convenience and Necessity	Staff Recommendation
9/14/2021	WM-2021-0412 SM-2021-0413	Hillcrest Utility Operating Company, Inc., Indian Hills Utility Operating Company, Inc. Elm Hills Utility Operating Company, Inc., Confluence Rivers Utility Operating Company, Inc., Osage Utility Operating Company, Inc. – Merger	Staff Recommendation
7/15/2021	GC-2021-0395	Empire District Gas Company – Formal Complaint	Staff Report
06/17/2021	WC-2021-0251	Missouri American Water Company – Formal Complaint	Staff Report
4/30/2021	AO-2021-0264	Cause of the February 2021 Cold Weather Event and its Impact on Investor Owned Utilities	Staff Report
4/16/2021	WA-2020-0397	Liberty Utilities - Certificate of Convenience and Necessity	Staff Memorandum
11/24/2020	WR-2020-0344	Missouri American Water Company – Rate Case	Staff Report
9/9/2020	WR-2020-0275	Elm Hills Utility Operating Company, Inc. – Rate Case	Nonunanimous Disposition Agreement
8/20/2020	WC-2020-0407	Missouri American Water Company – Formal Complaint	Staff Report

Date Filed in EFIS	Case Number	Company Name – Type of Case	Contribution
8/4/2020	WR-2020-0264	Raytown Water Company – Rate Case	Unanimous Disposition Agreement
4/20/2020	GC-2020-0201	Spire Missouri Inc., d/b/a Spire – Formal Complaint	Staff Report
3/26/2020	WC-2020-0194	Missouri American Water Company – Formal Complaint	Staff Report
3/17/2020	SM-2020-0146	Elm Hills Utility Operations Company / Central Rivers Wastewater Utilities – Acquisition	Staff Recommendation
2/10/2020	WR-2020-0053	Confluence Rivers Utility Company – Rate Case	Unanimous Agreement Regarding Disposition
9/4/2019	WA-2019-0185	Osage Utility Operating Company, Inc. – Acquisition	Surrebuttal
6/10/2019	WA-2019-0036	Liberty Utilities / Franklin County Water Company - Acquisition	Staff Report and Recommendation
5/31/2019	WA-2019-0299	Confluence Rivers Utility Operating Company - Acquisition	Staff Memorandum
5/17/2018	GC-2018-0159	Spire Missouri – Formal Complaint	Staff Report
1/22/2018	WM-2018-0104	Missouri-American Water / Spokane Highlands - Acquisition	Staff Recommendation
12/28/2017	WC-2018-0124	Missouri-American Water – Formal Complaint	Staff Recommendation
11/30/2017	EO-2015-0055	Ameren Missouri’s 2nd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA - Flex Pay Application Filed 11/30/2017	Case Coordinator
11/9/2017	SA-2018-0068	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation
9/5/2017	SA-2018-0019	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation
7/5/2017	WR-2017-0110 and SR-2017-0109	Terre Du lac Utilities – Rate Case	Stipulation and Agreement

Date Filed in EFIS	Case Number	Company Name – Type of Case	Contribution
3/31/2017	WO-2017-0012	Missouri-American Water - Investigation	Staff Memorandum
3/17/2017	WO-2017-0191	Missouri-American Water / Audrain Public Water District No. 1 - Territorial Agreement	Staff Recommendation
3/13/2017	WA-2017-0181 and SA-2017-0182	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation
5/6/2016	WR-2016-0109 and SR-2016-0110	Roy-L Utilities – Rate Case	Disposition
2/22/2016	WM-2016-0169	Missouri-American Water / Woodland Manor - Acquisition	Staff Recommendation
1/29/2016	EC-2015-0309	Kansas City Power & Light Company / KCP&L Greater Missouri Operations Company - – Formal Complaint	Surrebuttal
12/31/2015	WC-2016-0113	Missouri-American Water – Formal Complaint	Staff Memorandum
1/29/2015	EC-2015-0093	KCP&L Greater Missouri Operations – Formal Complaint	Staff Recommendation
6/27/2014	EC-2014-0334	Empire District Electric Company – Formal Complaint	Staff Recommendation
4/18/2013	TC-2012-0394	CenturyLink (Embarq Missouri) – Formal Complaint	Staff Memorandum
11/12/2012	CA-2013-0271	New Horizons Communications Corp. - Application for Certificate	Staff Recommendation