

Exhibit No.:  
Issue: Credit Card, EFT Fees  
Witness: Jimmy D. Alberts  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Aquila, Inc. dba KCP&L Greater  
Missouri Operations Company  
Case No.: ER-2009-\_\_\_\_  
Date Testimony Prepared: September 5, 2008

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2009-\_\_\_\_**

**DIRECT TESTIMONY**

**OF**

**JIMMY D. ALBERTS**

**ON BEHALF OF**

**AQUILA, INC. dba  
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri  
September 2008**

**DIRECT TESTIMONY**

**OF**

**JIMMY D. ALBERTS**

**Case No. ER-2009-\_\_\_\_\_**

1 **Q: Please state your name and business address.**

2 A: My name is Jimmy D. Alberts. My business address is 1201 Walnut, Kansas City,  
3 Missouri 64106.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Vice President -  
6 Customer Service. I also serve in that capacity for Aquila, Inc. dba KCP&L Greater  
7 Missouri Operations Company (“GMO”).

8 **Q: What are your responsibilities?**

9 A: My responsibilities include managing the Customer Service function at KCP&L and  
10 GMO. This includes the call center, meter reading and field services, billing, collections,  
11 customer relations, training, and quality assurance/performance management.

12 **Q: Please describe your education, experience and employment history.**

13 A: I have a bachelor’s degree in Business Administration from Minnesota State University at  
14 Mankato, and an MBA from Drake University in Des Moines, Iowa. I have 21 years  
15 experience in the utility industry in various management roles. Those roles include,  
16 Operations Management, Quality Assurance, Six Sigma Deployment Leader, and Vice  
17 President of Central Services at Aquila, and currently Vice President of Customer Service  
18 at KCP&L.

1 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
2 **Commission or before any other utility regulatory agency?**

3 A: No, I have not.

4 **Q: What is the purpose of your testimony?**

5 A: The purpose of my testimony is to discuss the current customer-paid convenience fee for  
6 each payment made by credit card, debit card or electronic check by GMO customers.  
7 These are the customers serviced by the GMO territory formerly served by Aquila  
8 Networks – MPS (“MPS”) and GMO territory formerly served by Aquila Networks –  
9 L&P (“L&P”). I am also sponsoring adjustment CS-88 for MPS and L&P.

10 **Q: What credit/debit card and electronic check payment options does GMO currently**  
11 **offer to customers?**

12 A: GMO customers have the option of making a credit/debit card or electronic check  
13 payment through SpeedPay, a third-party payment provider. The payment options are  
14 available through the Company’s call center representatives, Interactive Voice Response  
15 System (“IVR”) and through the Website at KCPL.com. The accepted credit/debit card  
16 types are Visa, MasterCard and Discover.

17 **Q: Is there currently a convenience fee charged to customers?**

18 A: Yes. For each payment credit/debit card or electronic check payment transaction, the  
19 customer pays a \$3.95 fee directly to SpeedPay. The fee appears as a line item on the  
20 customer’s credit card or checking account statement.

21 **Q: What is the total amount of fees paid by GMO customers in 2007?**

1 A: Customers paid \$516,000 in convenience fees for credit/debit card payments and  
2 \$435,000 in convenience fees for electronic check payments. Total fees equaled  
3 \$951,000.

4 **Q: Why is GMO proposing to eliminate the customer-paid convenience fee?**

5 A: There are two primary reasons:

6 1. Credit/debit card and electronic payments are popular options for customers.

7 Credit/debit card payments account for approximately 4.5% of total GMO payments and  
8 electronic checks account for approximately 3.6% of total GMO payments. Occasionally  
9 customers complain about the convenience fee and are quick to point out that most other  
10 companies do not charge customers a fee for credit/debit card and electronic check  
11 payments.

12 2. It is anticipated that a no-fee payment for both credit/debit card and electronic  
13 payments would encourage and facilitate earlier payment of past-due amounts, allowing  
14 the customer to avoid service disconnect and the costs associated with reconnection. At a  
15 minimum, removal of the convenience fee eliminates a source of customer frustration and  
16 an obstacle to making a payment.

17 **Q: If the convenience fee for credit/debit card and electronic check payments is**  
18 **eliminated, what will the transactions cost GMO?**

19 A: Credit/debit card transaction fees will cost GMO approximately \$1.35 for each payment  
20 made by Visa and MasterCard. On elimination of the fee, GMO will no longer offer the  
21 Discover card option because of a higher transaction fee. Historically, Discover  
22 payments account for only about 1% of credit card payments.

1           Electronic checks will cost approximately \$0.25 per transaction. Upon  
2 conversion of the GMO customer information system (“CIS”), to the KCP&L CIS, the  
3 cost of each electronic check is expected to be approximately \$0.04. This projected  
4 decrease is due to a lower cost internal process that will be available to GMO customers  
5 at CIS conversion.

6 **Q: What long-term adoption by customers to use credit/debit card and electronic**  
7 **payments does GMO expect?**

8 A: There are many factors that can influence customer use and adoption of credit/debit card  
9 and electronic payments—customer awareness, access to payment options and the  
10 nation’s general economic condition. We project customer participation will increase to  
11 10% of all payments by credit/debit card and 13% of all payments being made by  
12 electronic check by 2011.

13 **Q: Are you seeking an adjustment for unrecovered credit/debit and electronic check**  
14 **fees?**

15 A: Yes. See Adjustment CS-88 as outlined in Schedule RAK-4 attached to the Direct  
16 Testimony of GMO witness Ronald Klote.

17 **Q: Does that conclude your direct testimony?**

18 A: Yes, it does.

