

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 10, 2007**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE**  May 1, 2007

**DATE:** March 27, 2007

**TO:** Public Utility Commission

**FROM:** Renee Sloan

**THROUGH:** Lee Sparling, Marc Hellman, and Michael Dougherty

**SUBJECT:** ROATS WATER SYSTEM INC: (Advice No. 07-9) Makes Revisions to Schedule No. 3, Miscellaneous Service Charges.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve the proposed revisions to Roats Water System Inc's (Roats or Company) Schedule No. 3, Miscellaneous Service Charges, effective May 1, 2007.

**DISCUSSION:**

On March 16, 2007, Roats filed Advice No. 07-9 pursuant to ORS 757.205. With this filing, Roats proposes to add a credit card charge to its Schedule No. 3, Miscellaneous Service Charges, to recover the cost of processing customer payments made by credit card.

Currently, Roats' customers must make payments by cash or check only. Roats would like to add credit cards to its accepted methods of payment because the Company believes that making payments by credit card would be more convenient for many customers than making payments by cash or check. The Company also believes that accepting payment by credit card could result in more paid bills and fewer shutoffs, thus saving customers the cost of late fees and disconnect/reconnect fees.

Under the Company's proposed credit card charge, customers who make payment by credit card will be charged \$1.20 per transaction. The proposed charge includes a \$0.75 transaction fee, a \$0.35 per item telephone order fee (or \$0.25 per item physical

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order fee<sup>1</sup>), and \$0.10 in monthly fees. Customers who make credit card payments could also incur a \$0.75 authorization charge if Roats is required to contact the credit card distribution center. In addition, any customer who stops payment will be charged \$12.00 for that action.

All of the above charges will allow Roats to collect only the amounts the Company is charged to process credit card payments. Roats will receive no profit from the fees collected through the credit card charge.

Upon review of this filing, Staff finds it reasonable and recommends the Commission approve Roats' proposed revisions to Schedule No. 3, Miscellaneous Service Charges.

**PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.205, proposed revisions to Roats Water System Inc's Schedule No. 3 be approved with an effective date of May 1, 2007.

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<sup>1</sup> Although the credit card company charges Roats different rates for transactions made by telephone (\$0.35) and in person (\$0.25), Roats believes, and Staff agrees, that there is an administrative benefit in charging a single flat fee. Furthermore, Roats believes that most customers will make credit card payments by phone.