



Elimination of Credit Card Fees – Q&As

What is the change?

Both Orange and Rockland Utilities, Inc.'s (O&R) wholly owned utility subsidiaries --- Orange & Rockland in New York and Rockland Electric Company in New Jersey --- will no longer charge convenience fees on residential customer bill payments made by credit card and debit card (CC/DC).

When does this new policy go into effect?

O&R plans to implement this new policy with transactions dated April 2, 2019.

Who is covered by this policy change?

This new policy applies only to residential customers.

Did utility regulators review this policy change?

Yes. The policy change was approved by the New York State Public Service Commission on March 14, 2019 for Orange & Rockland customers. Orange and Rockland Utilities, Inc. will apply the new policy to its New Jersey subsidiary, Rockland Electric Company as well.

How long has O&R accepted credit cards and debit cards for customer bill payment?

O&R has accepted debit card payments since 2002 and credit card payments since 2004.

Which credit and debit cards does O&R accept?

O&R accepts MasterCard, Visa, and Discover credit cards and debit cards with the PULSE or STAR logos.

Does this change the way credit card and debit card customers pay their O&R bill?

Customers using a credit card or debit card will continue to pay the bill the same way. The process of paying a bill by IVR or internet has not changed ---- O&R has just removed the transaction fee for residential customers.

How much was the residential bill payment credit card/debit card fee?

Residential customers had been paying a \$3.95 convenience fee each time they paid using the CC/DC option.



Do commercial customers who pay by credit card or debit card still pay a fee?

Yes. Commercial customers that choose to pay via credit card or debit card are still subject to a convenience fee equal to 2.6 percent of the payment amount. O&R's credit card processing vendor, Fiserv Inc., had assessed and collected these fees directly from residential customers and continues to assess and collect these commercial customer fees, which have no impact on O&R's revenues.

Why did O&R make this change?

Implementing this new policy means that O&R residential customers will have the opportunity to pay their bills using all of our accepted payment methods without paying a convenience fee for any of them. This will enhance the customer experience and allow customers to choose the payment option that best meets their needs.

What are those payment options?

O&R expects this change will encourage increased use of O&R bill payment programs including self-service payment options, e-bill enrollments and web bill payment.

Any other benefits?

O&R anticipates additional operational benefits from the new policy including a reduction in returned payments and faster same-day payments.

How are the costs previously covered by residential convenience fees going to be paid?

Under the new program, O&R will become responsible for the aggregate costs of processing residential customer credit card and debit card payments. Costs under the new policy would be considered an ongoing business expense that O&R would recover in base rates.

When O&R assumes those convenience fee costs, will the per transaction cost remain the same?

No. O&R's credit card and debit card providers offer utilities a lower transaction rate than the rate paid by individual consumers. Specifically, O&R estimates that its cost per transaction for residential customers will be \$2.20.

The cost of commercial credit card and debit card payments under the current vendor contract remains unchanged at 2.6 percent of the per payment amount.