



GREAT PLAINS ENERGY

Law Department

Michael A. Rump
Senior Attorney
(816) 556-2483 ☎
(816) 556-2787 Fax
mike.rump@kcpl.com

FILED²

JUN 02 2003

May 30, 2003

Mr. Dale Hardy Roberts
Secretary Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

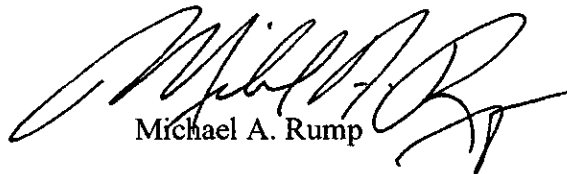
**Missouri Public
Service Commission**

Re: In the Matter of the Kansas City Power & Light Company's Application for a Variance from the Provisions of Certain Commission Rules to offer Electronic Billing.

Dear Mr. Roberts:

Enclosed for filing you will find the original and eight copies of KCPL's Application and Motion for Expedited Treatment. As requested by the Data Center, this filing is being resubmitted with changes to the effective dates of the tariff sheets. Please bring this filing to the attention of the appropriate Commission personnel.

Very truly yours,



Michael A. Rump

c: Dana Joyce
John Coffman
Tim Rush
Lois Liechti

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED²

JUN 02 2003

Missouri Public
Service Commission

In the Matter of Kansas City)
Power & Light Company's)
Application for a Variance from the) Case No.
Provisions of Certain Commission)
Rules To Offer Electronic Billing)

VERIFIED APPLICATION FOR VARIANCE

COMES NOW Kansas City Power & Light Co. ("KCPL" or "Company"), and pursuant to 4 CSR 240-2.060(14) and 4 CSR 240-13.065, respectfully requests the Missouri Public Service Commission ("Commission") grant KCPL a variance from Commission Rules 4 CSR 240-13.015(1)(A) and 13.015(1)(R), so that KCPL may offer, a program under which its customers can receive and pay their electric bills electronically. Good cause justification for the variance includes increased customer choice for billing and payment, customer convenience, and reliability.

In support of this Application, KCPL alleges and states:

1. KCPL is a corporation organized and existing under and by virtue of the laws of the State of Missouri, with its principal office at 1201 Walnut, Kansas City, Missouri 64106-2124. KCPL's Certificate of Good Standing was provided in Case No. EF-2002-315 and is incorporated herein by reference.

2. KCPL holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy.

3. Communications in this matter should be addressed to:

Tim M. Rush
Director Regulatory Affairs
Kansas City Power & Light Company
1201 Walnut
P.O. Box 418679
Kansas City, Missouri 64141-9679
Telephone: (816) 556-2344
Telecopy: (816) 556-2110
Email: tim.rush@kcpl.com

Michael A. Rump
Senior Attorney
Great Plains Energy Services
1201 Walnut
P.O. Box 418679
Kansas City, Missouri 64141-9679
Telephone: (816) 556-2483
Telecopy: (816) 556-2787
Email: mike.rump@kcpl.com

4. KCPL has heretofore filed with this Commission a certified copy of the Articles of Consolidation under which it was organized and of all amendments thereto.

5. KCPL has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court, which involve customer service or rates, which has occurred within three (3) years of the date of the Application, except as identified on **Exhibit 1** hereto. No annual report or assessment fees are overdue.

INTRODUCTION PAPERLESS BILLING AND PAYMENT PROGRAM

6. KCPL seeks to offer its customers the option (Paperless Bill) to stop receiving their paper bill in the mail when they agree to pay their bill electronically. Customers may sign up for one of two payment programs to pay KCP&L electronically. Easy Pay provides automatic withdrawal of monthly payments. Web Pay allows the customer to pay their bill online through AccountLink, KCP&L's secure website. For

customers comfortable with the Internet, this method of bill presentment and payment is both more convenient and less expensive than handling a paper bill.

7. KCPL customers eligible for Paperless Bill must (1) have Internet access to access their online bills; (2) have email access to receive bill notifications and (3) be registered or willing to register for Web Pay or Easy Pay. Web Pay and Easy Pay will continue to be available to customers receiving their bills through the U.S. Postal Service as well.

8. Under the program contemplated by KCPL, customers enroll for Paperless Bill by going to AccountLink and selecting the Paperless Bill option. AccountLink is KCPL's secure customer website available to all KCPL customers via KCPL's web site kcpl.com. AccountLink provides customers access to account information online to check daily and historic usage, payment status and make online bill payments (Web Pay).

9. The Paperless Bill selection process will require the customer to provide an email address. KCPL will send a monthly notification to the customer's registered email address. This notification will include the bill due date and the amount due, as well as a link to KCPL's website for log in to the AccountLink system. Customers may also choose an option to receive a reminder email five days prior to their due date containing similar information. It is the customer's responsibility to keep their registered email address current, and to check the AccountLink website for their monthly bill whether or not they receive their bill notification. When KCP&L detects an invalid email address, the user will be prompted on subsequent visits to update their email information. This prompt will persist until a valid email address is provided.

10. Additionally, all Customer's choosing Paperless Bill must agree to specific terms and conditions, setting out their responsibilities as part of the enrollment process. See **Exhibit 2**.

11. Paperless Bill Customers can view copies of their bills through AccountLink for the most recent 13 months. Informational material normally included as bill inserts will be provided electronically as links on the Customer's electronic bill, or as attachments to their email bill notifications.

12. When a Paperless Bill customer is delinquent they will receive all collection notices on their electronic bills. In addition, they will also receive separate paper mailings for collection notices, just like a paper bill customer. Paperless Bill customers will not be automatically removed due to delinquency. Customers will be removed from Paperless Bill for (1) cancellation or removal from Web Pay or Easy Pay, without joining the other program; (2) receiving a "cash only" designation unless they still retain Easy Pay status and (3) final bill. Customers moving to another KCPL account will be offered the option to retain Paperless Bill.

13. The customer may chose, at any time, to stop participating in the Paperless Bill program and return to paper billing.

CURRENT RULES ON BILLING AND PAYMENT

14. Rule 13.015(1)(A) defines a "Bill" as a "written demand for payment". It appears that an electronic bill is a "Bill" because an electronic bill appears as written, as opposed to oral. Nevertheless, KCPL seeks a variance from Rule 13.015(1)(A), if necessary, in order to confirm that an electronically posted bill is a "Bill."

15. Rule 13.015(1)(R) defines "Rendition of a bill" as meaning "the mailing or hand-delivery of a bill by a utility to a customer." Rule 13.020, which covers billing and payment standards, then focuses on actions triggered by a utility's rendition or rendering of a bill. Thus, the obligation on the utility to "render" a bill could be construed as requiring mailing through the U.S. Postal Service (or hand-delivery), rather than an alternative. KCPL seeks a variance from Rule 13.015(1)(R) to provide that "Rendition of a bill" includes the electronic posting of a bill as an alternative.

16. Today, pursuant to Rule 13.020, all of KCPL's customers receive a mailed bill. Through the variance sought by this application and its contemporaneous tariff changes, KCPL seeks to offer customers the opportunity to choose over which medium they would like to receive their electric bills: paper or electronic.

17. As set forth below, several reasons exist that provide good cause justification for the Commission to grant the variance sought herein. No other public utility will be affected by the variance.

GOOD CAUSE FOR THE VARIANCE

18. Good cause exists for the Commission to grant the variance to allow KCPL customers to choose to handle their electric bills electronically. Granting the variance requested by KCPL would provide (i) increased customer choice for billing and payment; (ii) cost savings; (iii) convenience and (iv) reliability.

Customer Choice

19. All customers who qualify for KCPL's electronic billing and payment program would have a choice between receiving their electric bills via electronic mail and receiving them via paper mail. Any customer who opted to participate in the

electronic bill program could immediately return to the paper bill program by providing notice to KCPL.

20. This Commission has enabled customers of telecommunication utilities to choose between paper and electronic billings. Under the Chapter 33 Rules for Telecommunications Companies, Rule 33.020(4) defines a bill as a "written or electronic demand for payment". Further, Rule 33.020(21) provides that "Rendition of a bill is the date a bill is mailed, posted electronically or otherwise sent to a customer." The telecommunications customers who have been given the choice between paper and electronic telephone bills are the same customers to whom KCPL seeks to offer a choice between paper and electronic electric bills. There is no reason that these customers should have this option for their telephone service, but not for their electric service.

21. Moreover, an agreement between the customer and KCPL to provide the customer an electronic bill rather than a paper bill is consistent with the spirit of Commission Rule 13.020(10), which provides that "A utility shall render a separate billing for service provided at each address unless otherwise **requested** by the customer and **agreed to** by the utility." (Emphasis added). Although the electronic billing program does not necessarily pertain to customers with multiple addresses, the overarching principle covered by this rule is that the customer and the utility can agree on a mutually beneficial billing method. In the present case, the customer and the utility would agree that the utility will render electronic bills and discontinue paper bills. As stated above, the customer is free to choose to undo this arrangement at any time and return to the paper billing method.

Cost Savings

22. Offering customers the opportunity to use either electronic or paper mailing systems, on the terms proposed herein, would create cost savings both for customers who opt for the electronic billing system and for those who do not. In other words, all customers would share in the savings, not just customers who choose the electronic billing system. First, electronic billing customers would reap savings from eliminating the cost of paper checks, envelopes and postage stamps. Second, KCPL would experience savings in the cost of delivering bills and handling payments. With electronic billing, KCPL would no longer incur the stationery, handling and postage costs associated with delivering paper bills and the costs that accompany processing individual customer payments by paper checks enclosed in envelopes.

23. As described previously, the roundtrip cost of delivering an electronic bill and receiving payment is somewhat less than the current cost to mail a bill and to process a return payment by check. Thus, a requirement to provide both a paper bill and an electronic bill would duplicate KCPL's cost of issuing bills in those instances where customers have chosen the electronic billing system. Significantly increasing the cost and eliminating the efficiencies that would otherwise be produced by an electronic billing system would impair the economic justification for such a system. Moreover, promoting electronic billing under this requirement would impose unnecessary costs on customers who either do not have a computer, do not have Internet access, or who simply choose to remain in the paper billing system. These customers would end up subsidizing customers who choose to receive their bill via the Internet by sharing in the cost to send such customers two bills, one via regular mail and one via the Internet,

along with the cost to mail such customers the first notice of discontinuance of service. Adopting the proposed variance will avoid such a result.

Convenience

24. There is no doubt that receiving a bill electronically is more convenient than receiving a paper bill. Email can be retrieved without leaving home. Electronic mail effectively stores itself, so the customer does not have to maintain a stack of paper bills. A vacationing customer need not "stop" the mail while out-of-town and then fetch mail held at the local post office. Electronic bills are "posted" for the customer's viewing on AccountLink, where they can be accessed by the customer from any location where the customer has access to the Internet. AccountLink will retain up to 13 bills for each customer for later review.

25. On the electronic system, the electric bill can be opened and paid with simple points and clicks. The paper bill must be paid by writing out a check, addressing and stamping an envelope and then mailing the payment. Where notices accompanying an envelope bill can be misplaced or lost, notices accompanying an electronic bill cannot.

26. The Commission is well aware of the benefits of the electronic age. The Commission's Internet website enables users to quickly and easily access information such as Commission orders, agendas, schedules and rules. Moreover, the Commission has established its Electronic Filing and Information System ("EFIS"), which afford filers the choice of making their filings via paper or the Internet. This is effectively the same choice KCPL is attempting to offer its customers through this variance.

Reliability

27. Electronic billing can be tracked better than paper bills. While paper mail can be tracked via an overnight service or a certified/return receipt requested service, both of these options have been deemed too expensive for bulk utility mailings. While the U.S. Postal System is certainly very reliable, mailings do get lost on occasion. However, the fact that paper mail is not tracked permits a claim that can neither be confirmed nor denied that a bill got lost in the mail. In contrast, because email can be tracked, and because the customer's bill is stored on AccountLink, the customer can depend on reliable access to the bill.

28. Customers on the electronic billing system can also expect increased privacy. While a bill mailed via the U.S. Postal Service could be viewed as it winds its way through the U.S. Postal Service, it is very difficult to intercept an electronic bill. Naturally, viewing and payment of electronic bills will be password protected.

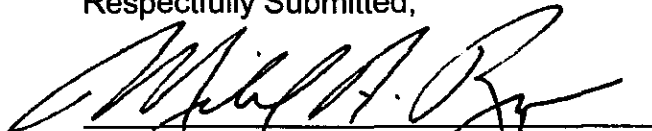
SUMMARY

29. Current Commission rules require electric bills to be delivered via first class mail. KCPL seeks a variance from these rules so that it may offer a program under which its customers can receive and pay their electric bills electronically over the Internet. Good cause for the requested variance includes increased customer choice for billing and payment, cost savings for all customers, customer convenience, and reliability. Attached hereto as Exhibit 3 are revised tariffs reflecting the changes necessary to implement the electronic billing and payment program. Such revised tariffs have been contemporaneously filed with this application.

REQUEST FOR RELIEF

WHEREFORE, for the foregoing reasons, Kansas City Power & Light Company respectfully requests that the Commission issue its Order granting a variance from Commission Rules 4 CSR 240-13.015(1)(A) and 13.015(1)(R), and approving the revised tariffs attached hereto.

Respectfully Submitted,

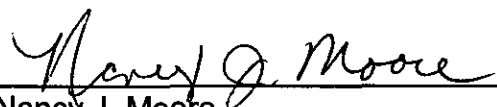


Michael A. Rump MoBar 39080
Senior Attorney
Great Plains Energy Services
1201 Walnut
P.O. Box 418679
Kansas City, Missouri 64141-9679
Telephone: (816) 556-2483
Telecopy: (816) 556-2787
Email: mike.rump@kcpl.com

Attorney for
Kansas City Power & Light Company

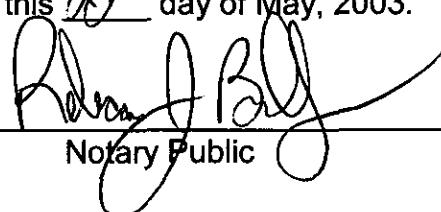
State of Missouri)
) ss.
County of Jackson)

Nancy J. Moore, being first duly sworn upon her oath, deposes and states that she is Vice President – Customer Services of Kansas City Power & Light Company, that she has read and is familiar with the foregoing Application and that the statements there are true and correct to the best of her knowledge, information and belief.



Nancy J. Moore

Subscribed and sworn to before me this 22nd day of May, 2003.



Notary Public

My Commission Expires:
6-22-06

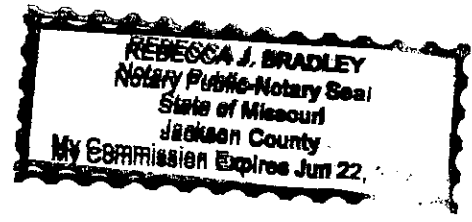


EXHIBIT 1

The following is a list of Applicant's pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application:

1. GST Appeal of Missouri Public Service Commission Decision; Case No. EC-99-553 in the Circuit Court of Cole County, Missouri; Docket No. 00CV324891; further appealed to the Court of Appeals of the Western District of Missouri by GST.
2. Hawthorn Station Incident Investigation before the Missouri Public Service Commission; Case No. ES-99-581.

EXHIBIT 2

Terms and Conditions to which Paperless Bill customers will be subject

KCP&L Terms & Conditions for "Paperless Bill"

By clicking below, I am requesting that KCP&L stop sending me a paper bill by mail. I understand that if I choose Paperless Bill it will be my responsibility in the future to check the kcpl.com website to obtain my bill. KCP&L will send an email notification when my bill is available to view, unless I choose not to receive notifications. However, I understand that KCP&L does not control all aspects of email delivery and cannot guarantee delivery of the email notification even if I have provided my current and correct email address. I understand I will continue to receive a paper bill until KCP&L has processed my enrollment. After my enrollment in Paperless Bill is received I will receive a confirmation by email at the address I provided.

By agreeing to suspension of mailed bills, I agree that posting of the bill on the website will constitute receipt by me of the bill for all purposes and that the bill is payable upon posting. I further understand that KCP&L can only send the email notification of my bill if it has a valid email address for me and I agree to provide KCP&L with any change in my email address. I am aware that if I do not check the kcpl.com website in a timely manner for my bill or fail to pay my bill by the due date for any reason, collection actions may be initiated against my account, which may include past due collection notices and suspension of electric service.

Email Address Updates: I may provide email address updates at any time by using User Preferences in AccountLink. KCP&L will send me a confirmation email to the new address I have provided.

Invalid Email Addresses: If for any reason email notifications are returned as undeliverable, KCP&L will post a message on my AccountLink page notifying me that I need to update my email address on record. It is my responsibility to make this change if I want to receive billing notifications via email.

Paperless Bill Cancellation: I may cancel this electronic billing option at no cost and revert to receiving a paper bill by mail. Also, KCP&L may remove me from Paperless Billing for certain reasons, e.g., if I stop paying my bill electronically. There may be a delay of one or two billing periods before paper bill delivery resumes.

Payments: In order to be in the Paperless Bill program I agree to pay my bill electronically, either through the Easy Pay automatic payment option, or Web Pay online payment through AccountLink. If I choose to exit either Easy Pay or Web Pay without joining the other program, I will be removed from Paperless Bill and begin receiving paper bills again.

I agree to the terms stated above

No thanks, I'll pass

EXHIBIT 3

**GENERAL RULES AND REGULATIONS APPLYING TO ELECTRIC SERVICE
8. BILLING AND PAYMENT**

PSC MO. No. 2

**Seventh Revised Sheet No. 1.26 canceling Sixth Revised Sheet No. 1.26
8.02 PAYMENT OF BILLS**

**Fourth Revised Sheet No. 1.27 canceling Third Revised Sheet No. 1.27
8.04 MAILING OF BILLS**

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2 Seventh Original Sheet No. 1.26
 Revised
Cancelling P.S.C. MO. No. 2 Sixth Original Sheet No. 1.26
 Revised
For Rate Areas No. 1-Urban Area
& Rate Area No. 3-Suburban

**GENERAL RULES AND REGULATIONS
APPLYING TO ELCTRIC SERVICE**

8. BILLING AND PAYMENT

8.01 BILLING PERIOD:

Normally, the Company will read the Customer's meter monthly and bills based on such monthly readings will be rendered at intervals of approximately one month. For all customers the billing period shall normally be not less than 26 nor more than 35 days. The Company shall have the right to read meters and render bills more frequently. If bills are rendered more frequently than monthly, the total of the minimums of such bills for any one month shall not exceed the monthly minimum required under the applicable rate schedule. For all customers if a bill is rendered for less than 26 or more than 35 days the bill may be prorated.

8.02 PAYMENT OF BILLS:

A bill for electric service supplied by the Company shall, upon rendition (by mailing, which includes electronic mail, or serving), become due and payable in the net amount thereof.

- (a) Any unpaid bill for service under a rate schedule classified as "Residence Service," including "Rural Residence Service," shall become delinquent on the twenty-second (22nd) day after rendition. The Company may add a sum equal to two percent (2%) on the first \$50.00 and one percent (1%) on the remainder of the net amount of such bill, and the Customer shall then pay the gross amount of such bill if delinquent.
- (b) Any unpaid bill for service under any other rate schedule shall become delinquent on the fifteenth (15th day) after rendition; provided, however, that bills for service rendered to the State of Missouri and its agencies shall not become delinquent until thirty days (30 days) after rendition. The Company may add a sum equal to five percent (5%) on the first \$50.00 and one percent (1%) on the remainder of the net amount of such bill, and the Customer shall then pay the gross amount of such bill if delinquent.
- (c) Interest at the rate of six percent (6%) per annum on the net amount of such bill may be added to any unpaid bill commencing thirty days (30 days) after it becomes delinquent.

DATE OF ISSUE: June 4, 2003
ISSUED BY: William H. Downey
President

DATE EFFECTIVE: July 7, 2003
1201 Walnut, Kansas City, Mo. 64106

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2 Fourth Original Sheet No. 1.27
 Revised
Cancelling P.S.C. MO. No. 2 Third Original Sheet No. 1.27
 Revised
For Rate Areas No. 1-Urban Area
& Rate Area No. 3-Suburban

**GENERAL RULES AND REGULATIONS
APPLYING TO ELCTRIC SERVICE**

8. BILLING AND PAYMENT (continued)

8.03 DEFAULT:

Failure of the Customer to pay any amount due the Company under the Customer's service agreement in the full amount due before the same becomes delinquent shall constitute a default by the Customer in his service agreement. The Customer's obligation to pay the amount due the Company under the Customer's service agreement shall be separate from other obligations and claims between the Company and the Customer. Failure by the Customer to pay obligations to and claims by the Company, other than amounts due the Company under the Customer's service agreement, shall not constitute a default justifying discontinuance of electric service under Rule 3.13 and the failure of the Company to pay obligations to or claims by the Customer, or to give the Customer credit therefore shall not justify failure by the Customer to pay the amount due the Company under the Customer's service agreement nor prevent default by the Customer.

8.04 MAILING BILLS:

Normally bills will be sent by mail; however, the Company reserves the right to deliver bills and use electronic mail for qualified customers at their request. The non-receipt of a bill by a customer shall not release or diminish the obligation of the Customer with respect to the full payment thereof, including penalties and interest.

8.05 RECONNECTION CHARGE:

If electric service is disconnected for violation of any provision of the Customer's service agreement, a charge may be made by the Company to cover its cost of disconnecting and reconnecting the Company facilities before electric service will be resumed.

8.06 PARTIAL PAYMENT:

If a partial payment is made on a billing including only current charges, the Company shall first credit all payments to the balance outstanding for electric charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit all payments first to previous electric charges, then to previous deposit charges before applying any payment to current charges. (This section contains a variance from Rule 4 CSR 240-13.020(11) per Commission order in case No. EO-95-117.)

DATE OF ISSUE: June 4, 2003
ISSUED BY: William H. Downey
President

DATE EFFECTIVE: July 7, 2003
1201 Walnut, Kansas City, Mo. 64106