

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 2nd day of
August, 2007.

Application of Aquila, Inc., for a Variance from)	
Certain Provisions of Commission Rules to Offer)	<u>Case No. EE-2008-0029</u>
Its Customers an Electronic Billing Option.)	Tariff No. JE-2007-0959

ORDER GRANTING VARIANCE AND APPROVING TARIFF

Issue Date: August 2, 2007

Effective Date: August 3, 2007

Syllabus: This order grants a variance from Commission Rule 4 CSR 240-13.015(1)(T)¹ so that Aquila, Inc., may offer an electronic billing and payment plan to its customers. The order also approves the revisions to Aquila's tariff.

On June 28, 2007, Aquila filed tariff sheets to offer a program that provides its customers the option of receiving and paying their bills electronically via the Internet. The program would be available to Aquila's electric customers in both the Aquila Networks-MPS and Aquila Networks-L&P service areas. At some point during its review of Aquila's June 28 tariff filing, the Commission's Staff determined that unless Aquila obtains a variance of 4 CSR 240-13.015(1)(B) and 4 CSR 240-13.015(1)(T), the proposed tariff sheets, if approved, would be in violation of those provisions. Aquila voluntarily extended the effective date of the proposed tariff until August 3, 2007, to afford it an opportunity to seek that variance from the Commission.

¹ In its application, Aquila actually requested a variance of Commission Rules 4 CSR 240-13.015(B) and 4 CSR 240-13.015(T). However, since no such rule provisions exist, the Commission will presume Aquila intended to request a variance from Commission Rules 4 CSR 240-13.015(1)(B) and 4 CSR 240-13.015(1)(T).

On July 27, 2007, Aquila, filed an application pursuant to Commission Rules 4 CSR 240-2.060(4) and 4 CSR 240-13.065, seeking an order granting Aquila a variance from Commission Rules 4 CSR 240-13.015(1)(B) and 4 CSR 240-13.015(1)(T). That filing resulted in the opening of this case.

Aquila also requests a waiver of the requirement of Commission rule 4 CSR 240-13.065(2) that otherwise would require Aquila to serve notice of this variance request on the newspaper with the largest circulation in each county within its service area affected by the variance and, also, to each party in the utility's most recent rate case who represented residential customer. Aquila states that, since the program is being offered as a matter of customer convenience and is not mandatory in nature, good cause for waiving the requirement of notice to newspapers and residential customer representatives (other than the Office of the Public Counsel) exists.

On July 31, 2007, Staff filed its Recommendation and Memorandum. Staff recommends that the Commission grant the requested variances and either approve Aquila's pending tariff to go into effect on or before August 3, 2007, or allow it to go into effect by operation of law.

Aquila seeks a variance from Commission Rules 4 CSR 240-13.015(1)(B), defining "bill" as a written statement, and (1)(T), requiring that a utility bill be mailed or hand-delivered to the utility's customers. Aquila seeks a variance so that it may offer an option to its customers for electronic billing and payment through the use of the Internet.

Aquila would offer its customers the choice between receiving their electric bills via electronic mail as an alternative to receiving a paper bill. Customers would also have the option to make payments over a secure internet connection. Under Aquila's E-Bill

program customers could choose, at any time, to participate in the E-Bill program or stop participating and return to paper billing.

Aquila states that good cause exists for granting this variance because to do so would increase customer choice for billing and payment and provide cost savings, convenience, and reliability to Aquila's customers.

The Office of the Public Counsel, although a party to this case, has not participated or filed any pleadings.

After reviewing Aquila's verified application and Staff's verified Recommendation and Memorandum, which are hereby admitted into evidence, the Commission concludes that the benefits provided to Aquila's customers provide good cause to grant Aquila's application for variance from Commission Rule 4 CSR 240-13.015(1)(T) and 4 CSR 240-13.065(2) for the purposes of providing a voluntary electronic billing and payment program. The Commission also determines that no variance from the rules defining the term "bill" is necessary, in that an electronic writing sent over the Internet would constitute a "written demand for payment." The Commission further concludes that Aquila's revised tariff sheets are reasonable and should be approved.

IT IS ORDERED THAT:

1. Aquila, Inc., is granted a variance from Commission Rules 4 CSR 240-13.015(1)(T) and 4 CSR 240-13.065(2) for the purposes of providing a voluntary electronic billing and payment program to its customers as specified in its application.

2. The tariffs filed by Aquila, Inc., on June 27, 2007, and assigned tariff number JE-2007-0959 are approved to become effective on August 3, 2007. The tariffs approved are:

P.S.C. MO. No. 1

3rd Revised Sheet No. R-2 canceling 2nd Revised Sheet No. R-2
1st Revised Sheet No. R-3 canceling Original Sheet No. R-3
1st Revised Sheet No. R-4 canceling Original Sheet No. R-4
1st Revised Sheet No. R-5 canceling Original Sheet No. R-5
1st Revised Sheet No. R-45 canceling Original Sheet No. R-45

3. This order shall become effective on August 3, 2007.
4. This case may be closed on August 4, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Voss, Regulatory Law Judge