

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Aquila, Inc. for a Variance)
from Certain Provisions of Commission Rules)
to Offer its Customers an Electronic Billing)
Option.)

Case No. EE-2008-0029

**STAFF RECOMMENDATION TO GRANT
VARIANCES AND APPROVE TARIFF SHEETS**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and, for its recommendation in this case, states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Missouri Public Service Commission grant Aquila, Inc., variances from Commission Rules 4 CSR 240-13.015(1)(B) and (T) and 4 CSR 240-13.065(2), and approve, to go into effect for service on and after August 3, 2007, five (5) tariff sheets to begin making available to Aquila customers in Missouri a Voluntary Electronic Bill (E-Bill) Rendering and Payment Program.

2. Commission Rules 4 CSR 240-13.015(1)(B) and 4 CSR 240-13.015(1)(T) provide definitions that limit the definition of “bill” found in Chapter 13 of 4 CSR 240 to be written, not electronic:

4 CSR 240-13.015(1)(B) Bill means a written demand for payment for service and the taxes and franchise fees related to it.

4 CSR 240-13.015(1)(T) Rendition of a bill means the mailing or hand delivery of a bill by a utility to a customer.

3. Granting Aquila a variance from these rule provisions will allow it to bill electronically to those customers who desire to receive bills from Aquila in electronic format.

4. Commission Rule 4 CSR 240-13.065(2) requires the mailing of any application for a variance from a Commission Rule found in Chapter 13 of 4 CSR 240 “to the newspaper with the largest circulation in each county within the utility’s service area affected by the variance” and to “the public counsel, and each party in the utility’s most recent rate case who represented residential customers.” Since the electronic billing option is voluntary to customers, and has no effect on customers who choose not to use it, insisting on compliance with all of the notice provisions of 4 CSR 240-13.065(2) would serve no purpose; therefore, the Staff recommends the Commission grant Aquila’s request to be relieved from those requirements.

5. Section 393.140(11), RSMo 2000, requires that no tariff provision in effect in compliance with an order or decision of the Commission without thirty days’ notice, except that for good cause shown, the Commission may allow such a tariff provision to go into effect on shorter notice under such conditions as the Commission may prescribe.

6. Since the tariff sheets were filed June 28, 2007, and Aquila has extended their effective date to August 3, 2007, section 393.140(11) no good cause need be shown to allow the tariff sheets to go into effect August 3, 2007 by Commission order or by operation of law, should the Commission grant the requested variances from Commission rules to allow Aquila to offer electronic billing.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission issue its order (1) granting a variance from Commission Rule 4 CSR 240-13.065(2) to allow granting of the variances from Chapter 13 of 4 CSR 240 following without all the notice mailings required by that rule, (2) granting variances from Commission Rules 4 CSR 240-13.015(1)(B) and 4 CSR 240-13.015(1)(T) to allow electronic billing, and (3) approving, or

allowing to go into effect by operation of law, to go into effect for service on and after August 3, 2007, the requested effective date:

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

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of July, 2007.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EE-2008-0029, File No. JE-2007-0959
Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P

FROM: James Watkins, Manager Economic Analysis, Project Coordinator
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 07/31/07 /s/ Nathan Williams 07/31/07
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** of variances Allowing “Paperless Billing”
by Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P

DATE: July 31, 2007

On June 28, 2007, Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P (Aquila) of Kansas City, Missouri, filed with the Commission five (5) tariff sheets each bearing a proposed effective date of July 30, 2007, to initiate its Voluntary Electronic Bill (E-Bill) Rendering and Payment Program. On July 26, 2007, Aquila extended the requested effective date to August 3, 2007. On July 27, 2007 Aquila filed its Application For Variance (Application) seeking variances from Commission Rules 4 CSR 240-13.015(1)(B) and (T) and a waiver from the requirement of 4 CSR 240-13.065(2).

Variances are required because Chapter 13 of the Commission’s Rules (Service and Billing Practices for Residential Customers of Electric, Gas, and Water Utilities) and Aquila’s tariff require it to normally “render a bill” for each billing period, and Chapter 13 defines a bill and the rendition thereof as a written demand for payment mailed or hand delivered to a customer.

The Commission Rules requiring paper bills are:

4 CSR 240-13.015(1)(B) Bill means a written demand for payment for service and the taxes and franchise fees related to it.

4 CSR 240-13.015(1)(T) Rendition of a bill means the mailing or hand delivery of a bill by a utility to a customer.

The Commission Rule that would be violated by not mailing paper bills is:

4 CSR 240-13.020(1): A utility shall normally render a bill for each billing period to every residential customer in accordance with its tariff.

The Commission Rule requiring any variance granted from the provisions of Chapter 13 to be reflected in a tariff is:

4 CSR 240-13.065(3): Any variance granted by the commission shall be reflected in a tariff.

The Commission's Energy Department Staff (Staff) has reviewed Aquila's Application and the separately filed proposed revisions to Tariff Sheet Nos. R-2 through R-5, and R-45. Staff finds that under the conditions the Company has proposed in its Application, the Voluntary Electronic Bill (E-Bill) Rendering and Payment Program would be of benefit to some of its customers without adversely affecting those customers who choose not to participate in that program. The Commission has granted similar variances to Union Electric Company d/b/a AmerenUE in Case No. EE-2000-561 and Kansas City Power & Light Company in Case No. EE-2003-0529.

The Staff believes there is good cause justification for granting the requested variances and relieving Aquila from the requirement of notifying the newspaper with largest circulation in each county within the utility's service area, because the program is voluntary and no customer will be impacted negatively.

Staff recommends that the Commission issue an order that (1) grants to Aquila a variance that relieves it from the publication requirements of 4 CSR 240-13.065(2), (2) grants to Aquila the requested variances from Commission Rules 4 CSR 240-13.015(1)(B) and 13.015(1)(T) and (3) approves the following proposed tariff sheets, as filed on June 28, 2007, to go into effect for service on and after August 3, 2007, the requested effective date:

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

The Staff has verified that this company has filed its 2006 annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

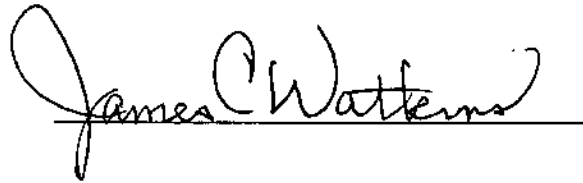
In the Matter of Aquila, Inc. for a Variance from Certain)
Provisions of Commission Rules to Offer its Customers an)
Electronic Billing Option)

Case No. EE-2008-0029
File No. JE-2007-0959

AFFIDAVIT OF JAMES C. WATKINS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

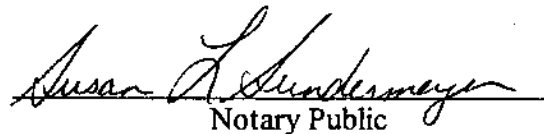
James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 31st day of July, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #08942088



Notary Public

My commission expires 9-21-10