

**MEMORANDUM OF UNDERSTANDING
FOR A BILL CREATION, PRESENTMENT AND SETTLEMENT
SERVICES PILOT PROGRAM BETWEEN
1PAYSTATION.COM AND
KANSAS CITY POWER & LIGHT COMPANY**

FILED

FEBRUARY 12, 2001

SEP 13 2006

Missouri Public
Service Commission

This document will provide for agreement between Kansas City Power & Light Company ("KCPL") and 1PayStation.com for participation in a Pilot Program for online bill creation, presentment and settlement services provided by 1PayStation.com and made available to customers of KCPL. Please refer to 1PayStation.com's Proposal Document for an overview of the program.

Terms

1. KCPL will participate, at a cost of \$.75 per transaction, during a 6-month Pilot Program. During the Pilot Program additional utility service providers may be added as bill presenters.
2. By the conclusion of the pilot a maximum of 12,000 households will be selected to participate in the Pilot Program, with a maximum of 6,000 households selected to begin the pilot program. A significant number of participants in the pilot will come from those KCPL accounts that have had a returned check or have no checking account. Other customers will come from the walk-in customer base of the Kansas City, Missouri Water Services Department and from the Service Employees International Union, a local Kansas City union with approximately 4,000 members. Only those customers who have enrolled in the 1PayStation.com program and who have provided documented permission will have their KCPL account records selected for online settlement.
3. KCPL will provide technical consulting assistance in working with 1PayStation.com system engineers to design, implement and test required computer interfaces for accessing and updating customer account information for those customers who are registered users of the 1PayStation.com bill creation, presentment and payment service.
4. 1PayStation.com system engineers will design, implement and test the application interfaces between KCPL's billing system and 1PayStation.com's payment and account settlement processor. KCPL will have final approval of all aspects of the program specification reviews, program design reviews and testing assistance during every phase of the interface development process.

Kansas City Public Hearing



KANSAS CITY POWER & LIGHT COMPANY

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5. 1PayStation.com intends to utilize a training session for new participants and through consumer advertising, marketing, promotions, and education make consumer households comfortable using an online bill payment service.
6. 1PayStation.com kiosk paystations will be located in high traffic areas throughout Kansas City that have been deemed "under served" and also in the human resources departments of companies participating in 1PayStation.com's Payroll Direct Deposit program. Customers will be able to receive a printout of their utility bill along with payment request statements directly from either the kiosk paystations or paystation phone. Customers may use their home telephone or personal computer to access the 1PayStation.com internet site for bill presentment and payment service.
7. 1PayStation.com, at its own expense, will enroll customers of KCPL as members of the 1PayStation.com bill payment Pilot Program.
8. Customers will be assigned a secure code for access and, using either their ATM card from UMB Bank or any other bank's ATM card, will be able to access 1PayStation.com's online services for bill payment processing. Customers without a banking relationship will be able to establish an account using UMB Bank as a default provider. The bill creation, presentment and settlement payment option can link any bank's ATM card that a customer might possess.
9. All funds due KCPL will be settled through the customer's existing bank ACH settlement process. Customer's ACH draft will be routed to KCPL within a 24-hour bank processing cycle. KCPL will process the customer payment internally as done presently.
10. 1PayStation.com will provide all equipment necessary to support the 1PayStation.com interface to KCPL's billing system. In the event a particular interface requirement needs access to KCPL's equipment, software or resources, a request for approval will be submitted to KCPL and approval given before access is taken.
11. There will be no enrollment costs or other charges either to KCPL or to its customers for the use of 1PayStation.com services for bill creation, presentment and settlement for the Pilot Program.
12. KCPL will internally evaluate the results of the Pilot Program and in its sole discretion elect whether to proceed with a full bill creation, presentment and settlement payment program with 1PayStation.com.
13. Upon completion of the Pilot Program, KCPL, in exchange for its participation in the Pilot Program, may exercise an option to proceed with a full bill creation,

presentment and settlement payment program with a "special transaction fee" of \$.75 for each bill created and paid with no limit on the number of transactions that a customer can make.

14. It is agreed that this Memorandum of Understanding is the only agreement in effect between 1PayStation.com and KCPL and constitutes the entire agreement of the parties. No prior stipulation, discussion or understanding of the parties, his or her employees or agents shall be valid or enforceable. No alternation, amendment or change may be made to this Memorandum of Understanding unless evidenced by a written instrument signed by both parties.

KANSAS CITY POWER & LIGHT COMPANY

P.O. Box 418679
Kansas City, MO 64141-9679
(816) 556-2200

By: Andrea F. Bielsker

Andrea F. Bielsker

Vice-President-Finance, CFO & Treasurer

Date: 2/12/01

1PAYSTATION.COM

c/o UMKC Center for Business Innovation
4747 Troost Avenue; Suite 140
Kansas City, MO 64110
(816)-519-1042 or (816)-235-6160

I hereby certify I have authority to execute this document on behalf of the Contractor.

By: W. Bill Dias III

W. Bill Dias III

Interim Chief Executive Officer & Chairman

Date: _____

Time Line for Product Availability:

Dias Capital Growth Corporation, Inc. (Formerly 1PayStation)

Flowchart

[illegible]

**Validate API Connection &
Design With Utilities**

**Hardware
&
Software
Interface
Trial**

Software Development

**Proof of the Business Model
Kansas City Rollout**

Plan for Seamless Rollout >

Financial Plan:

During the validate API connection phase, the enrollment period, and proof-of-business model phases, DCGC's management will work with the alliance partners as outlined in the business plan to develop the infrastructure necessary to support the business model. At the end of the API validation phase, all software and hardware will be in place and will demonstrable under the plan above. DCGC through its' Public Charity for Weatherization Program, will provide "Weatherization Kits" to its customers that request it and live in the KCPL Missouri Service Area. For those customers that require professional Weatherization installation and qualify for financing, begin to contract with for outside weatherization professionals to provide the service.

Dias Capital Growth Corporation, Inc.

Projected Cash flow Budget

	Expansion of existing unauthorized bill payme				
	Cardholder Development & Enrollment Validation				Radio Test
	Month 1	Month 2	Month 3	Month 4	Month 5
Cards Issued	50,000	75,000	112,500	140,625	151,594
Beginning Cash Balance	\$0	\$4,781,389	\$4,402,028	\$3,958,415	\$3,526,81
Cash Inflow:					
Pre-seed capital	\$5,000,000	0	0	0	0
Operating Income:					
KCPL Contract @ \$1.75 to \$.48	29,167	29,167	43,750	61,524	66,323
Aquila Contract @ \$1.75 to \$.48	29,167	29,167	43,750	61,524	66,323
Other @ \$1.75 to \$.48	29,167	29,167	43,750	61,524	66,323
P.O.S. @ \$.10	5,000	7,500	11,250	14,063	15,160
Wire Transfer @ \$10.00	2,500	5,000	7,500	10,000	12,500
Monthly Membership Income					
"Classic Plan" @ \$4.95 per/mo	247,500	247,500	371,250	522,071	562,785
"Platinum Plan" @ \$7.95 per/mo.	0	99,375	149,063	139,746	150,653
"Platinum Plus Plan" @ \$10.95 per/mo.	0	136,875	205,312	192,479	207,503
Total Cash Inflow	\$342,501	583,751	875,625	1,062,931	1,147,570
Cash Outflow:					
Monthly Card Plan Accounts					
"Classic Plan"	131,500	247,500	371,250	522,072	562,795
Bundle transaction Cost @ 4/mo.	16,000	16,000	24,000	33,750	36,383
"Platinum Plan"	0	99,375	149,063	139,745	150,653
Bundle Transaction Cost @ 8/mo.	0	8,000	12,000	11,250	12,128
"Platinum Plus Plan"	0	136,875	205,313	192,479	207,503
Bundle Transaction Cost @ 16/mo	0	12,000	18,000	16,875	18,192
Best Inc./credit reporting	16,000	16,000	28,000	40,000	52,000
Wire Transfer Cost @ 7.00	1,750	3,500	5,250	7,000	10,500
Deposit to Public Charity @ \$.08	4,000	6,000	9,000	11,250	12,128
DCGC website	3,500	3,500	6,000	6,000	6,000
Total Vendor Cash Outflow:	172,750	548,750	827,876	980,171	1,068,283
Property, Plant & Equipment:					
Linux mySQL Server	15,000	15,000	15,000	15,000	15,000
Win Web/Component Server	5,000	5,000	5,000	5,000	5,000
IVR Server (Win)	17,000	0	51,000	51,000	51,000
Two ATM's/Touchscreen Kiosks	6,000	6,000	6,000	6,000	6,000
Office Equipment	8,000	8,000	8,000	8,000	8,000
Total Hardware Development	51,000	34,000	85,000	85,000	85,000
Operating Expenses:					

Salaries and Contract Labor	94,000	94,000	124,000	124,000	124,000
Office Rent	3,000	3,000	3,000	3,000	3,000
Retail Financial Center	2,000	2,000	2,000	2,000	2,000
Utilities	3,000	3,000	3,000	3,000	3,000
Phone	3,000	3,000	4,000	4,000	4,000
Short Term Loan Repayment	223,862	223,862	223,862	223,862	223,862
Supplies	2000	2,000			
Insurance	3000	3,000	3,000	3,000	3,000
Legal	1,250	1,250	1,250	1,250	1,250
Accounting @ 10 hrs	1,250	1,250	1250	1,250	1,250
Advertising	5000	50,000	50,000	75,000	75,000
Total Operating Expenses:	341,362	386,362	415,362	440,362	440,362
Total Cash Outflow	561,112	963,112	1,319,238	1,494,533	1,581,516
Net Monthly Cash flow	(218,611)	(379,361)	(443,613)	(431,602)	(433,946)
 Ending Cash Balance	 \$4,781,389	 \$4,402,028	 \$3,958,415	 \$3,526,813	 \$3,092,86

Dias Capital Growth Corporation, Inc.
Projected Cash flow Budget

	Expansion of existing unauthorized bill payment service				
	Month 8	Month 9	Month 10	Month 11	Month 12
Cards Issued	800,000	900,000	1,000,000	1,100,000	1,200,000
Beginning Cash Balance	\$2,541,143	\$6,923,803	\$11,677,041	17,585,959	24,217,893
 Cash Inflow:					
Pre-seed capital	0	0	0	0	0
Operating Income:					
KCPL Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
Aquila Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
P.O.S. @ \$.10	80,000	90,000	100,000	110,000	120,000
Wire Transfer @ \$10.00 ea.					
New Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
New Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
New Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
New Contract @ \$.48	64,000	72,000	80,000	88,000	96,000
Monthly Membership Income:					
"Classic Plan" @ \$4.95 per/mo.	990,000	990,000	990,000	990,000	990,000
"Platinum Plan" @ \$ 7.95 per/mo.	795,000	874,500	874,500	954,000	1,033,500
"Platinum Plus Plan" @ \$ 10.95 per/mo.	5,475,000	6,460,500	7,555,500	8,541,000	9,526,500
 Total Cash Inflow:	 7,724,000	 8,415,000	 10,000,000	 11,123,000	 12,246,000

Cash Outflow:**Monthly Card Plan Accounts**

"Classic Plan" @ \$2.65 per/mo.	530,000	530,000	530,000	530,000	530,000
Bundle Transaction Cost @ 4/mo.	64,000	64,000	64,000	64,000	64,000
"Platinum Plan" @ \$ 2.65 per/mo	265,000	291,500	291,500	318,000	344,500
Bundle Transaction Cost @ 8/mo	64,000	70,400	70,400	76,800	83,200
"Platinum Plus Plan" @ \$ 2.65 per/mo	1,325,000	1,563,500	1,828,500	2,067,000	2,305,500
Bundle Transaction Cost @ 16/mo	480,000	566,400	662,400	748,800	835,200
Best Inc./credit reporting	86,000	98,000	110,000	122,000	134,000
Wire Transfer Cost @ \$ 7.00 ea.	18,000	21,600	25,920	31,104	37,324
Deposit to Public Charity @\$.08	64,000	72,000	80,000	88,000	96,000
DCGC Website	6,000	6,000	6,000	6,000	6,000
Total Vendor Cash Outflow:	<u>2,902,000</u>	<u>3,283,400</u>	<u>3,668,720</u>	<u>4,051,704</u>	<u>4,435,724</u>

Property, Plant & Equipment:

Linux mySQL Server	15,000	15,000	15,000	15,000	15,000
Win Web/Component Server	5,000	5,000	5,000	5,000	5,000
IVR Server (Win)	17,000	0	51,000	51,000	51,000
Two ATM's/Touch screen Kiosks	6,000	6,000	6,000	6,000	6,000
Office Equipment	8,000	8,000	8,000	8,000	8,000
Total Software Development	<u>51,000</u>	<u>34,000</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>

Operating Expenses:

Salaries and Contract Labor	124,000	124,000	124,000	124,000	124,000
Office Rent	3,000	3,000	3,000	3,000	3,000
Retail Financial Center	2,000	2,000	2,000	2,000	2,000
Utilities	3,000	3,000	3,000	3,000	3,000
Phone	3,000	3,000	4,000	4,000	4,000
Short Term Loan Repayment	223,862	223,862	223,862	223,862	223,862
Supplies	2000	2,000	2,000	2,000	2,000
Insurance	3000	3,000	3,000	3,000	3,000
Legal	1,250	1,250	1,250	1,250	1,250
Accounting @ 10 hrs	1,250	1,250	1250	1,250	1,250
Advertising	5000	50,000	50,000	75,000	75,000
Total Operating Expenses:	<u>371,362</u>	<u>416,362</u>	<u>417,362</u>	<u>442,362</u>	<u>442,362</u>

Total Cash Outflow	3,260,362	3,661,762	4,091,082	4,491,066	4,867,086
Net Monthly Cash flow:	4,463,638	4,753,238	5,908,918	6,631,934	7,378,914

Ending Cash Balance:	<u>\$6,923,803</u>	11,677,041	17,585,959	24,217,893	31,596,80
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