

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

In the matter of Aquila, Inc. d/b/a Aquila Networks—)	
L&P, for authority to file tariffs changing the steam)	
Quarterly Cost Adjustment for service provided to)	<u>Case No. HR-2007-0028</u>
customers in the Aquila Networks–L&P service)	Tariff No. YH-2007-0027
territory.)	

STAFF’S STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and respectfully states:

1. On June 29, 2007, the Commission issued its *Order Directing Filing of Status Reports*. In this Order, the Commission directed the Staff to file a status report by August 31, 2007, with following reports at three-month intervals.

2. Since the Staff’s last status report, filed February 29, 2008, the Staff has participated in meetings between Aquila and Ag Processing focused on resolving their differences on the scope and parameters of the true-up audit for the steam “fuel rider.”

3. Since the Staff filed its last report Ag Processing, Aquila and the Staff met several times and toured the Lake Road plant and customer's plant sites to discuss the differences between Ag Processing and Aquila on the scope and parameters of the true-up audit. While their discussions continue they have not yet resolved all of their differences.

4. In an effort to speed progress on resolving the remaining true-up audit issues—progress which has been impeded by attention required by the litigation in Case No. EM-2007-374 and other matters, the parties plan to schedule another meeting within the next couple of weeks for all the parties to attend.

5. If progress to resolution of the remaining issues does not continue, the Staff will prepare and file its recommendation of the scope and parameters for the true-up audit for Aquila’s steam “fuel rider” for the 2006 audit period in this case. Otherwise, the Staff will

continue to provide status reports at least as often as the three-month intervals the Commission has ordered.

WHEREFORE, the Staff of the Missouri Public Service Commission submits this status report to the Commission.

Respectfully submitted,

/s/ Nathan Williams

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 30th day of May 2008.

/s/ Nathan Williams