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) customers in the Aquila Networks-L&P service) territory.)

<u>Case No. HR-2007-0028</u> Tariff No. YH-2007-0027

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 November 20, 2007, the Staff has encouraged, but not 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 and Aquila have met twice to discuss their differences on the scope and parameters of the true-up audit—once in December 2007 and again January 2008. At this time they have not resolved all of their differences.

4. In an effort to enhance progress on resolving the remaining true-up audit issues, the parties scheduled a meeting for February 22, 2008 for all the parties to attend, including the Staff; however, due to weather conditions affecting travel, that meeting has been rescheduled to March 4, 2008.

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,

<u>/s/ Nathan Williams</u> Nathan Williams Deputy General Counsel Missouri Bar No. 35512

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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 28th day of February 2008.

/s/ Nathan Williams