BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

In the Matter of the Application of Missouri Gas)	
Utility, Inc. for a certificate of public convenience)	
and necessity authorizing it to construct, install,)	
own, operate, control, manage and maintain a)	Case No. GO-2005-0120
natural gas distribution system to provide natural)	
gas service in parts of Harrison, Daviess and)	
Caldwell Counties, to acquire the Gallatin and)	
Hamilton, Missouri natural gas systems and to)	
encumber the acquired assets.)	

STAFF'S STATUS REPORT

Comes now the Staff of the Missouri Public Service Commission (Staff) and respectfully submits as follows:

- 1. On September 15, 2005, Staff provided MGU with its revenue requirement results for the margin rate audit required under the Stipulation and Agreement reached in Case No. GO-2005-0120. The Staff's audit results were primarily based upon financial statements of MGU for the first quarter of 2005, which had been subject to external audit.
- 2. In mid-October, the MGU informed Staff about a problem with MGU's first quarter 2005 financial results and that due to this problem, MGU's revised first quarter financial statements would be available by the end of October. In addition, MGU stated that its financial results for the second and third quarters of 2005 would be available at that time.
- 3. Staff is currently waiting for the corrected first quarter 2005 financial statements and results from the second and third quarters of 2005. Once this information

is received, the Staff intends to update its margin rate revenue requirement to reflect 6-9 months of actual MGU revenue, expense and rate base information.

WHEREFORE, Staff respectfully reports the status of Staff's Audit.

Respectfully submitted,

DANA K. JOYCE General Counsel

/s/ Robert V. Franson

Robert V. Franson Senior Counsel Missouri Bar No. 34643

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 1st day of November, 2005.

/s/ Robert V. Franson