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-2007-0399</u> Tariff No. YH-2008-0100

STAFF'S STATUS REPORT

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

1. On June 3, 2008, the Commission issued its *Order Directing Filing of Status Reports*. In this Order, the Commission directed the Staff to file by no later than June 23, 2008, "a status report indicating the date on which it expects to file its true-up audit of the fuel rider for the period covered by this case."

2. For purposes of both this case and Case No. HR-2007-0028, 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. Ag Processing, Aquila and the Staff have 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-2007-0374 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 audit period in this case.

6. Until the scope and parameters for the true-up audit for Aquila's steam "fuel rider" for the audit period in this case are determined, the Staff is unable to indicate the date on which it expects to file its true-up audit of the fuel rider for the period covered by this case.

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 electronically mailed to all counsel of record this 13th day of June 2008.

<u>/s/ Nathan Williams</u>