

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Aquila Networks - MPS)	
and L&P's Purchased Gas Adjustment)	
(PGA) Factors to be Reviewed in its)	Case No. GR-2005-0271
Actual Cost Adjustment.)	

STAFF'S STATUS REPORT

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter, and for its Status Report respectfully states as follows:

1. On December 6, 2006, the Staff filed its Recommendation in this 2004-2005 Actual Cost Adjustment ("ACA") case. On January 5, 2007, Aquila, Inc. ("Aquila") filed its Response, wherein Aquila agreed with most but not all of the Staff's recommendations. Attached to Aquila's Response was a verified response of The Empire District Gas Company, which acquired the subject gas properties from Aquila on June 1, 2006.

2. The Staff believes that progress is being made in its ongoing discussions aimed at resolving the remaining issues. Staff intends to file another status report within thirty days.

WHEREFORE, the Staff respectfully submits this report on the status of this case.

Respectfully submitted,

/s/ Dennis L. Frey

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this 16th day of January 2007.

/s/ Dennis L. Frey