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. Staff's audit of Missouri Gas Utility's (MGU) margin rates has been completed. The results of that audit require further consultation with MGU. Staff is in the process of providing the audit to MGU and discussing the audit results with MGU. Staff's primary concern with the audit results is that the Company had only three months of data available for most elements of revenues, expenses and rate base for this new company, and that certain revenue and expense items are properly annualized. The audit results will also be provided to The Office of Public Counsel (OPC) for its review. After the opportunity to obtain feedback from MGU and OPC, Staff will then file the final results with the Commission.

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

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360
Jefferson City, MO 65102
(573) 751-6651 (Telephone)
(573) 751-9285 (Fax)
robert.franson@psc.mo.gov

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 15th day of September, 2005.

/s/ Robert V. Franson