

**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        )  
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.                         )

Case No. GO-2005-0120

**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. As of November 17, 2005, Staff has received MGU's second quarter financial results. Staff is currently inquiring from MGU as to whether the financial information provided to Staff to date reflects any necessary corrections to MGU's previously provided first quarter 2005 financial information. If it does, the

information provided by MGU on November 17, 2005 should provide most or all of what Staff needs to provide an updated revenue requirement. Staff intends to update its margin rate revenue requirement to reflect six months of actual MGU revenue, expense and rate base information.

3. Staff is currently waiting for MGU's third quarter 2005 financial statements. Once this information is received, this data will be used as a further check on revenue requirement.

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

Respectfully submitted,

DANA K. JOYCE  
General Counsel

/s/ Robert V. Franson

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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 29<sup>th</sup> day of November, 2005.

/s/ Robert V. Franson