

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 THIRD STATUS REPORT

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

1. On January 5, 2007, Aquila Inc. ("Aquila") filed its Response to the Staff's December 6, 2006 Recommendation. Although not a party to this Aquila ACA case, The Empire District Gas Company ("EDG") attached its own verified response to the Aquila filing.

2. On January 16, 2007, the Staff filed a Status Report indicating that progress was being made in resolving what appeared to be a small number of issues remaining in this proceeding. The Staff also stated its intention to file another status report within thirty days.

3. As a result of continued progress in ongoing discussions, the Staff believes that there are no contested issues in this case. One matter, requiring the drafting of some tariff language, is yet to be concluded with EDG.

4. As part of its Recommendation, the Staff recommended that the Commission hold the instant case open until EDG obtained Commission approval of its Ad Valorem refund plan, which is the subject of Case No. GT-2007-0207. On February 15, 2007, the Commission issued

its Order Approving Tariff Regarding Refunds in that case. Staff is currently reviewing that Order.

5. In light of the above, the Staff plans to make a filing within thirty days. Staff anticipates that the pleading will be in the form of a final recommendation. Should that not be possible, Staff will file another status report.

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 emailed to all counsel of record this 16th day of February 2007.

/s/ Dennis L. Frey