BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of Missouri Gas Energy's Purchased Gas Cost Adjustment tariff Revisions to be reviewed in its 2002-2003 Actual Cost Adjustment.

Case No. GR-2003-0330

STATUS REPORT AND MOTION TO ESTABLISH PROCEDURAL SCHEDULE

Comes now Missouri Gas Energy ("MGE"), a division of Southern Union Company, and for its status report and motion to establish a new procedural schedule respectfully states:

1. On August 16, 2005, the Commission issued an "Order Granting Extension of Time to File Proposed Procedural Schedule." That order established September 9, 2005, as the deadline for MGE to file a pleading advising the Commission on the status of all pending issues in these consolidated cases (GR-2002-348 and GR-2003-0330). It further ordered that if all the issues that can be heard have not been settled, the parties were to provide a proposed procedural schedule. The procedural schedule previously established in this case was suspended while the parties pursued settlement negotiations.

2. MGE reports that while the affected parties actively pursued efforts to reach settlement through meetings and exchange of information, settlement on the issues under active consideration was not achieved.

3. Accordingly, MGE has consulted with the parties and the parties have agreed to propose the following procedural schedule to pursue only the issues generally involving alleged excess contract capacity as raised in previously filed Staff recommendations. As the Commission is aware, the issues involving Kansas Pipeline

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have been bifurcated out and are being held in abeyance pursuant to previous Commission order pending the outcome of the appeal of Case No. GR-96-450 and therefore are not to be considered or addressed pursuant to the schedule being proposed here.

4.The parties have agreed to propose the following schedule:Direct testimony by all parties wishing to file:November 9, 2005Rebuttal testimony by all parties wishing to file:January 18, 2006Surrebuttal testimony by all parties wishing to file:March 2, 2006List of issues, witnesses, cross-examination:March 9, 2005Position statementsMarch 14, 2006HearingMarch 21, 22, 23 and 24, 2006

The parties recommend that the proceedings commence at 8:30 a.m. on Tuesday, March 21, 2006.

5. All parties of record have been provided with an advance copy of this pleading and no objection has been expressed to the request made herein.

WHEREFORE, MGE respectfully requests that the Commission establish the new procedural schedule shown above.

Respectfully submitted,

<u>/s/ Gary W. Duffy</u>

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was either mailed or hand delivered this 7th day of September, 2005, to:

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/s/ Brian McCartney