

**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.)

STATUS REPORT

Comes now Missouri Gas Utility, Inc. (MGU or Company), and, as its Status Report, states as follows to the Missouri Public Service Commission (Commission):

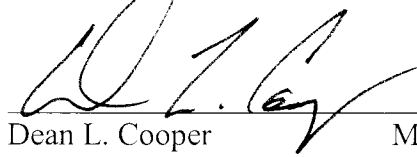
1. Counsel for MGU, at the on-the-record presentation, requested that the Commission not address this case until the Commission's December 2, 2004 agenda in order to provide the parties with some additional time to address the issues in dispute. The regulatory law judge thereafter requested that counsel provide a Status Report prior to the Commission's December 2, 2004 agenda.
2. After the on-the-record presentation, MGU proposed a stipulation and agreement for consideration by the parties. MGU, Staff and the Office of the Public Counsel (Public Counsel) subsequently held several conferences concerning this transaction and provisions contained in the proposed stipulation and agreement.
3. This afternoon MGU received a revised stipulation and agreement from the Staff. MGU has not had time to complete its review of the terms of this stipulation. However, an initial review reveals that differences remain between the parties. MGU is unable to state at this time

with any certainty when, or whether, a compromise can be reached as to these differences amongst the Staff, Public Counsel and MGU. However, it is MGU's intent to seek to discuss these matters with the Staff and OPC on Thursday, December 2, 2004.

4. Additionally, since the on-the-record presentation, the trustees conducted foreclosure sales, pursuant to Sections 400.9-101-400.9-710, RSMo on November 30, 2004. No bidder, other than MGU, participated in those sale proceedings.

WHEREFORE, MGU respectfully requests that the Commission consider this Status Report.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI GAS UTILITY, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, or sent by electronic mail, on December 1st, 2004, to the following:

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