

MEMORANDUM

**FILED**  
OCT 28 1998  
Missouri Public  
Service Commission

TO: Missouri Public Service Commission Official Case File  
Case No. GR-98-399, File No. 9900304,  
Associated Natural Gas Company

FROM: James A. Gray, Gas Department - Tariffs/Rate Design

*SG by MWS*  
Wes Henderson 10-26-98      CD MCL 10-28-98  
Utility Operations Division/Date      General Counsel's Office/Date

SUBJECT: Staff Recommendation For Associated Natural Gas Company's  
Scheduled Winter Season PGA Filing.

DATE: October 23, 1998

On October 15, 1998, Associated Natural Gas Company (ANG or Company), a division of Arkansas Western Gas Company of Fayetteville, Arkansas, filed a tariff sheet proposed to become effective November 1, 1998. The tariff sheet was filed to reflect scheduled changes in ANG's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. Additionally, this tariff filing reflects changes in the Actual Cost Adjustment (ACA), Transition Cost (TC), and Refund factors.

For ANG's Butler District, the effect of these changes will decrease the firm PGA factor for the 1998-1999 winter season to \$0.33752 per Ccf from a summer season firm PGA factor of \$0.39709 per Ccf. This represents an approximate 15% decrease in gas costs to consumers.

For ANG's Kirksville District, the effect of these changes will decrease the firm PGA factor for the 1998-1999 winter season to \$0.33886 per Ccf from a summer season firm PGA factor of \$0.34961 per Ccf. This represents an approximate 3% decrease in gas costs to consumers.

For ANG's Southeast Missouri (SEMO) District, the effect of these changes will increase the firm PGA factor for the 1998-1999 winter season to \$0.42558 per Ccf from a summer season firm PGA factor of \$0.37636 per Ccf. This represents an approximate 13% increase in gas costs to consumers.

Case No. GR-98-399, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 1997-1998 ACA filing. Case No. GR-97-191 was established to address ANG's PGA factors that will be reviewed in its 1996-1997 ACA filing. Case No. GR-96-227 was established to address ANG's PGA factors that will be reviewed in its

MO PSC Case No. GR-98-399  
OFFICIAL CASE FILE MEMORANDUM  
PAGE 2 OF 2

1995-1996 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-96-227, GR-97-191 and GR-98-399.

Because of the short time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding information included in this ACA filing to the Commission on or before September 1, 1999.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that it was calculated in conformance with ANG's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by ANG's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No. 6

15th Revised Sheet No. 16T, Cancelling 14th Revised Sheet No. 16T.

Copies: Director - Utility Operations Division  
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