

MEMORANDUM

FILED

MAR 31 1998

MISSOURI
PUBLIC SERVICE COMMISSION

TO: Missouri Public Service Commission Official Case File,
Case No. GR-98-399, File No. 9800763, Associated Natural Gas Company

FROM: James A. Gray, Natural Gas Department - Rates

Wes Seaburn
Wes Seaburn 3-31-98
Utility Operations Division/Date

DMF
DMF 3-31-98
General Counsel's Office/Date

SUBJECT: Staff Recommendation On Associated Natural Gas Company's Scheduled
Summer Season PGA Filing Effective April 6, 1998

DATE: March 30, 1998

On March 23, 1998, Associated Natural Gas Company (ANG or Company) of Fayetteville, Arkansas, filed a tariff sheet proposed to become effective April 6, 1998. The tariff sheet was filed to reflect scheduled changes in ANG's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October.

BUTLER DISTRICT:

For the Butler District, the effect of these changes will decrease the firm PGA factor for the summer season to \$0.39709 per Ccf from a winter season firm PGA factor of \$0.40469 per Ccf. This represents an approximate 2% reduction in gas costs to consumers.

KIRKSVILLE DISTRICT:

For the Kirksville District, the effect of these changes will decrease the firm PGA factor for the summer season to \$0.34961 per Ccf from a winter season firm PGA factor of \$0.39817 per Ccf. This represents an approximate 12% reduction in gas costs to consumers.

SEMO DISTRICT:

For the SEMO District, the effect of these changes will decrease the firm PGA factor for the summer season to \$0.37636 per Ccf from a winter season firm PGA factor of \$0.42940 per Ccf. This represents an approximate 12% reduction in gas costs to consumers.

Case No. GR-98-399, under which these changes were filed, was established to address ANG's PGA factors that will be reviewed in its 1997-1998 Actual Cost Adjustment (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 1995-1996 ACA filing. Interim subject to refund, status should be maintained pending final Commission decisions in Case Nos. GR-98-399, GR-97-191, and GR-96-227.

The Commission's Natural Gas - Rates Staff (Staff) has reviewed this filing and has determined it was calculated in conformance with ANG's Commission approved PGA Clause. Staff is of the opinion that good cause for approval of the tariff sheet on less than thirty (30) days notice is demonstrated by ANG's Commission

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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

13th Revised SHEET No. 16T, Cancelling 12th Revised SHEET No. 16T

Copies: Director - Utility Operations Division
 Director - Advisory and Public Affairs Division
 Director - Utility Services Division
 General Counsel
 Manager - Financial Analysis Department
 Manager - Procurement Analysis Department
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