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FILED

JAN 22 2002

January 22, 2002

Mr. Dale Hardy Roberts
Executive Secretary
Public Service Commission
Governor State Office Building
Jefferson City, MO

Missouri Public
Service Commission

HAND DELIVERY

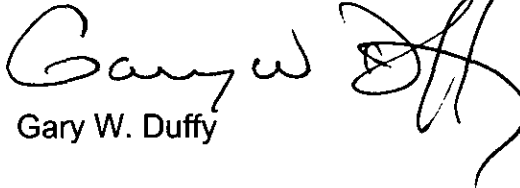
RE: Associated Natural Gas Company
Case No. GR-99-392

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of a "Report of ANG Concerning Compliance with First Amended Settlement Agreement and Release and Request for Issuance of Orders."

If you have any questions, please give me a call.

Sincerely yours,


Gary W. Duffy

Enclosures

cc w/encl:

Office of Public Counsel
Office of the General Counsel
James M. Fischer
Ricky Gunter
Jeff Dangeau
Regulatory Law Judge Hopkins

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the matter of Associated Natural Gas)
Company's Purchased Gas Adjustment)
Factors to be Reviewed in its 1998-)
1999 Actual Cost Adjustment)

Case No. GR-99-392

FILED

JAN 22 2002

**Missouri Public
Service Commission**

**REPORT OF ANG CONCERNING COMPLIANCE
WITH FIRST AMENDED SETTLEMENT AGREEMENT AND RELEASE
AND REQUEST FOR ISSUANCE OF ORDERS**

Comes now Associated Natural Gas Company (ANG), by and through its counsel, and respectfully states as follows:

1. The purpose of this pleading is to inform the Commission that ANG has complied with all of its obligations under a settlement agreement and to request that the Commission issue certain orders in this case which are contemplated by that settlement.

2. On November 27, 2001, the Commission issued an "Order Approving First Amended Settlement Agreement and Release." That document addressed the settlement of this case. That Order became effective on December 7, 2001. The Order approved a "First Amended Settlement Agreement and Release" ("the Settlement") which had been filed with the Commission on November 2, 2001. According to the records office of the Commission, no one filed an application for rehearing in this matter.

3. This case was specifically addressed in the Settlement. In particular, in paragraph 1.4, the Settlement called for the Commission, "within thirty (30) days after

this [Settlement] Agreement is approved by a final, effective non-appealable Commission order, and conditioned upon the payment by ANG of the Lump Sum Payment(s) described in section 1.8 hereof, and ANG's performance of the other conditions of this agreement, the parties recommend that the Commission issue an order in Case No. GR-99-392 which

a) separates the issues relating to ANG's natural gas purchasing practices from any and all issues relating to a "peak day study" or reliability of gas supplies on the system now owned and operated by Atmos; and

b) creates a new and separate case into which it transfers the Atmos issues.

4. Further, the Settlement stated that "After the Atmos peak day and reliability issues are transferred into a new and separate case, so that the only issues remaining in Case No. GR-99-392 are ANG-specific issues, the parties recommend that the Commission issue an order in Case No. GR-99-392 which recognizes that the only remaining actual and potential issues involve the gas costs of ANG, acknowledges this Agreement, recites that all of the issues presented in that new and separate case relate to Atmos and not ANG, and that all of the issues that could have been presented in Case No. GR-99-392 relating to ANG have been fully compromised by this Agreement, and unconditionally closes Case No. GR-99-392."

5. The Settlement stated that "As a condition for entering into this Agreement, each party is relying upon the Commission to issue an order in conformance with these provisions."

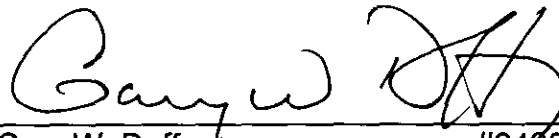
6. On January 2, 2002, ANG transmitted to Atmos the Lump Sum

Payment(s) called for in section 1.8 of the Settlement. ANG made the payment by wire transfer in one lump sum. ANG also transmitted to Atmos on January 2, 2002, the calculations called for in section 1.9(a) of the Settlement.

7. ANG believes it has fulfilled all of its obligations pertaining to this case in the Settlement and the time is ripe for the Commission to issue the orders contemplated by the Settlement to unconditionally close this case.

WHEREFORE, ANG requests that the Commission issue the orders called for in the Settlement.

Respectfully submitted,



Gary W. Duffy

#24905

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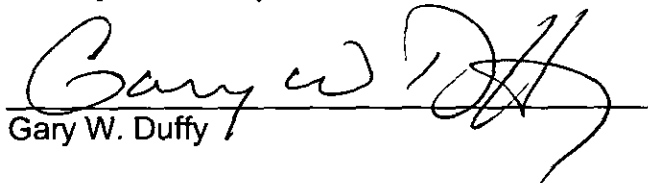
573-635-3847 facsimile

Email: Duffy@Brydonlaw.com

ATTORNEYS FOR ANG

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand delivered to the Office of the General Counsel and the Office of the Public Counsel, and to James M. Fischer, this 22nd day of January, 2002.



Gary W. Duffy