

MEMORANDUM

FILED³

OCT 26 1999

TO: Missouri Public Service Commission Official Case File Missouri Public
Case No. GR-99-392, File No. 200000363, Service Commission
Associated Natural Gas Company

FROM: *TI* *mm* Tom Imhoff, Gas Department - Tariffs/Rate Design *mm*

Wesley Headlee 10.25.99 Thomas R. Schwanz Jr. 10/26/99
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 25, 1999

On October 15, 1999, 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, 1999. 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 increase the firm PGA factor for the 1999-2000 winter season to \$0.37454 per Ccf from a summer season firm PGA factor of \$0.29136 per Ccf. This represents an approximate 28.5% increase in gas costs to consumers.

For ANG's Kirksville District, the effect of these changes will increase the firm PGA factor for the 1999-2000 winter season to \$0.44061 per Ccf from a summer season firm PGA factor of \$0.29924 per Ccf. This represents an approximate 47.2% increase 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 1999-2000 winter season to \$0.44647 per Ccf from a summer season firm PGA factor of \$0.38368 per Ccf. This represents an approximate 16.4% increase in gas costs to consumers.

Case No. GR-99-392, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 1998-1999 ACA filing. Case No. GR-98-399 was established to address ANG's PGA factors that will be

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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. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-97-191, GR-98-399 and GR-99-392.

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 August 1, 2000.

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

17th Revised Sheet No. 16T, Cancelling 16th Revised Sheet No. 16T.

Copies: Director - Utility Operations Division
Director - Research and Public Affairs Division
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General Counsel
Manager - Financial Analysis Department
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Manager - Gas Department
Ricky Gunter, Director, Rates and Regulation (ANG)
Mark S. Kidd, Manager, Regulatory Affairs
Jeffery L. Dangeau, Attorney (ANG)
Gary W. Duffy - Attorney with Brydon Swearengen & England
P.C. (ANG)
Office of the Public Counsel