

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
October 26, 2000**

CASE NO: GR-99-392

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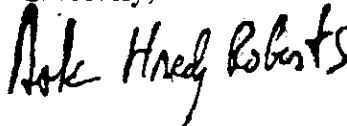
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Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Associated Natural Gas)	
Company's Purchased Gas Adjustment)	<u>Case No. GR-99-392</u>
Factors to be Reviewed in its 1998-1999)	
Actual Cost Adjustment)	

ORDER GRANTING APPLICATION TO INTERVENE
AND ORDER DIRECTING FILING

Associated Natural Gas Company (ANG) filed its tariff on October 15, 1999, with the Missouri Public Service Commission (Commission) to establish purchase gas adjustment factors to be effective November 1, 1999. ANG also filed revised actual cost adjustment (ACA) transition cost and refund factors. ANG filed changes for each of its three operating districts, i.e., Butler, Kirksville and Southeast Missouri.

On August 1, 2000, the Staff of the Commission (Staff) filed its recommendation, stating that it had, *inter alia*, conducted an audit of ANG's billed revenues and gas costs for the period of September 1, 1998, to August 31, 1999, and reviewed the reliability of ANG's distribution system. Part of Staff's recommendation was that ANG continue to report capacity and demand statistics, including the following information: for each of the ANG districts/pipeline service areas, estimate, and submit with the 1999/2000 ACA filing, the reserve margin for the 1999/2000 ACA period and for three to five years beyond that.

ANG filed its response to the Staff's recommendation on September 8, 2000. One of ANG's main issues is that the Missouri properties of ANG have been sold to Atmos Energy Corporation (Atmos). Thus, while ANG agreed that

it has obligations to the Commission it must fulfill with regard to the time when it was operating its facilities within the state of Missouri, it did not appear meaningful to ANG for it to be required to perform the reporting requirements when ANG has no control over how Atmos will operate the properties. ANG suggested that the Staff may wish to reconsider the need for ANG to perform any of the reporting requirements recommended by Staff in light of the fact that Atmos has owned and operated the former ANG properties since June 1, 2000. If the tasks are appropriate, argued ANG, then they are the responsibility of Atmos, not ANG.

On September 18, 2000, Staff filed its motion for an extension of time to file Staff's response to ANG's response. On September 29, 2000, the Commission granted Staff's motion, giving it until October 18, 2000, to file its response. On October 18, 2000, Staff filed its response and recommendation, where it requested that the Commission direct Atmos to respond to its recommendation for peak day analysis included in its August 1, 2000 filing. Staff noted that at such time as Atmos, the present operator of the former ANG Missouri properties, has responded to the Staff's initial recommendation, the Staff will respond fully to the positions of all parties.

The Commission will direct Atmos to respond to the Staff's recommendation for peak day analysis included in its August 1, 2000 filing.

On October 12, 2000, Atmos filed its application to intervene (application). Atmos stated that it is a corporation organized and existing under the laws of the State of Texas and the Commonwealth of Virginia, with its principal place of business located in Dallas, Texas. According to the application, Atmos is a "gas corporation" and "public

utility" pursuant to Sections 386.020(16) and (32), RSMo 1994,¹ and is under the jurisdiction of the Commission. Atmos informed the Commission that it conducts all of its utility activities in the state of Missouri through two divisions, i.e., the United Cities Gas Company Division (United) and the Greeley Gas Company Division. Atmos reported that on June 1, 2000, it acquired the Missouri property of ANG and began operating the former Missouri service territory of ANG as part of United, pursuant to the Commission's order approving stipulation and agreement in case number GM-2000-312, issued on April 20, 2000.

Atmos argued that since it is, through United, currently operating the service area formerly operated by ANG, it would be logical for Atmos to address any reporting requirements related to the former ANG properties. Therefore, Atmos maintained, it has an interest in this proceeding which is different from that of the general public. Atmos claimed that its intervention will also promote the public interest.

Atmos did not state in its application the position of Staff nor of the Office of the Public Counsel (Public Counsel) regarding Atmos' filing of its application to intervene. Commission Rule 4 CSR 240-2.080(16) states: "Parties shall be allowed not more than ten (10) days from the date of filing in which to respond to any pleading unless otherwise ordered by the commission." Thus, the Commission was required to wait at least ten days after the filing of Atmos' application for intervention to determine what response, if any, Staff or Public Counsel made to that pleading. Neither Staff nor Public Counsel responded to Atmos' application to intervene.

¹ All citations to statutes refer to the 1994 Revised Statutes unless otherwise stated.

From the arguments of Atmos as set forth above, the Commission finds that (1) Atmos has made a showing that it is a proposed intervenor which falls under Commission Rule 4 CSR 240-2.075(4)(A), i.e., a proposed intervenor having an interest which is different from that of the general public and which may be adversely affected by a final order; and (2) granting Atmos intervention would serve the public interest, as set forth in Commission Rule 4 CSR 240-2.075(4)(B), i.e., granting the proposed intervention would serve the public interest.

The proposed intervention will be granted.

IT IS THEREFORE ORDERED:

1. That the application to intervene filed by Atmos Energy Corporation on October 12, 2000, is granted on a finding that it is a proposed intervenor having an interest which is different from that of the general public and which may be adversely affected by a final order and a finding that granting the application to intervene would serve the public interest.

2. That Atmos Energy Corporation shall file a response to the recommendation of the Staff of the Missouri Public Service Commission as set forth above, no later than November 27, 2000.

3. That this order shall become effective on November 5, 2000.

BY THE COMMISSION

(S E A L)



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Bill Hopkins, Senior Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 1994.

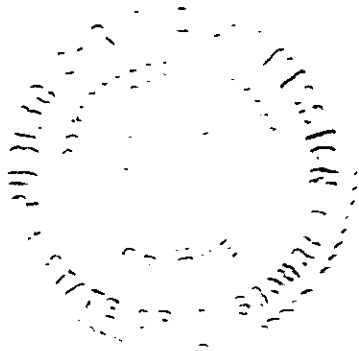
Dated at Jefferson City, Missouri,
on this 26th day of October, 2000.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 26th day of Oct. 2000.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge