

MEMORANDUM

FILED

MAR 25 1999

Missouri Public
Service Commission

TO: Missouri Public Service Commission Official Case File,
Case No. GR-99-392, File No. 9900680,
Associated Natural Gas Company

FROM: Niza Simunyola, Gas Department - Tariffs/Rate Design *fm*

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Wes Anderson 3-24-99
Utility Operations Division/Date

Thomas R. Schwan Jr. 3/24/99
General Counsel's Office/Date

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

DATE: March 22, 1999

On March 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 April 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 summer season.

For ANG's Butler District, the effect of these changes will decrease the firm PGA factor for the 1999 summer season to \$0.29136 per Ccf from a winter season firm PGA factor of \$0.33752 per Ccf. This represents an approximate 13.7% decrease in gas costs to consumers.

For ANG's Kirksville District, the effect of these changes will decrease the firm PGA factor for the 1999 summer season to \$0.29924 per Ccf from a winter season firm PGA factor of \$0.33886 per Ccf. This represents an approximate 11.7% decrease in gas costs to consumers.

For ANG's Southeast Missouri (SEMO) District, the effect of these changes will decrease the firm PGA factor for the 1999 summer season to \$0.38368 per Ccf from a winter season firm PGA factor of \$0.42558 per Ccf. This represents an approximate 9.8% decrease 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 reviewed in its 1997-1998 ACA filing. Case No. GR-97-191 was established to

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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.

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

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

Copies: Director - Utility Operations Division
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Director - Utility Services Division
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