



Commissioners  
KELVIN L. SIMMONS  
Chair  
CONNIE MURRAY  
SHEILA LUMPE  
STEVE GAW  
BRYAN FORBIS

## Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.psc.state.mo.us>

February 6, 2002

ROBERT J. QUINN, JR.  
Executive Director  
WESS A. HENDERSON  
Director, Utility Operations  
ROBERT SCHALLENBERG  
Director, Utility Services  
DONNA M. PRENGER  
Director, Administration  
DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge  
DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Case No. GR-99-392**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **JOINT MOTION TO CLOSE CASE**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Dennis L. Frey  
Associate General Counsel  
(573) 751-8700  
(573) 751-9285 (Fax)  
[dfrey03@mail.state.mo.us](mailto:dfrey03@mail.state.mo.us)

DLF:ccl  
Enclosure  
cc: Counsel of Record

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

**FILED**  
FEB 06 2002  
Missouri Public  
Service Commission

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

**JOINT MOTION TO CLOSE CASE**

**COME NOW** the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), Associated Natural Gas Company ("ANG"), a division of Arkansas Western Gas Company, Atmos Energy Corporation ("Atmos") and the Office of the Public Counsel, and for their Joint Motion To Close Case, respectfully state as follows:

**Procedural History**

1. On August 1, 2000, the Staff filed its recommendation in this case regarding its audit of the natural gas costs of ANG for the Actual Cost Adjustment ("ACA") period of September 1, 1998 through August 31, 1999. In addition to changes to ANG's ACA balances, Staff recommended that the Commission order ANG to continue to provide certain information regarding the reliability of its system gas supply. Specifically, the requested reliability information included: (1) an estimate of the peak day demand and annual demand for each of the five districts/pipeline service areas with each year's ACA submittal; (2) a review and update of assumptions made to estimate the peak and annual demand; (3) an explanation of how the capacity will meet this demand; and (4) the following information:

35

a. For the integrated system, include a discussion of how capacity would meet demand of a peak day occurrence in February, when the TETCO storage volume may be at a reduced inventory level.

b. For each of the five (now former) ANG districts/pipeline service areas, (1) submit (with the 1999/2000 ACA filing) a comparison of actual sendout and heating degree days for two or more peak days to the estimated demand for those conditions (heating degree days and number of customers), and (2) provide an explanation when the model does not reasonably agree with the actual load encountered.

c. For each of the five (now former) 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.

2. On September 8, 2000, pursuant to the Commission's August 9, 2000 Order Directing Filing, ANG timely filed its response to the aforementioned Staff recommendation. ANG addressed the Staff's proposed changes to the ending ACA balance, but also suggested that Atmos is the proper party to address system reliability because Atmos, pursuant to a Commission-approved Unanimous Stipulation And Agreement in Case No. GM-2000-312, has owned and operated the system since June 1, 2000.

3. On October 12, 2000, Atmos filed an application to intervene in this case. An October 26, 2000 Commission order granted intervenor status and directed Atmos to respond to the Staff's October 18, 2000 Response And Recommendation, wherein the Staff recommended that the Commission direct Atmos to respond to the Staff's aforementioned August 1 recommendation for peak day analysis.

4. On November 27, 2000, in its Response To Staff Recommendation, Atmos agreed to provide the peak day analysis and related information requested by the Staff with Atmos' next filing for the 1999/2000 ACA period. In a pleading filed on December 7, 2000, Staff noted that Atmos had agreed, as part of the Stipulation And Agreement in Case No. GM-2000-312, to file a peak day study with the Commission by December 31, 2000. The Staff stated that if the

December 31 filing was sufficient, it would also satisfy the Staff's filing in the instant case. However, upon review of the Atmos peak day study filed in Case No. GM-2000-312, the Staff had some concerns that would require Atmos to provide additional data, analyses and documentation. The Staff so stated in its January 30, 2001 response, filed in that same case.

5. In response to a February 1, 2001 Commission order in the instant case, the Staff timely filed a Response To Atmos' Peak Day Study, which incorporated by reference Staff's January 30, 2001 response in Case No. GM-2000-312. The Staff's response detailed the deficiencies of the peak day study and requested that the Commission order Atmos to provide additional data, analyses, and documentation to enable Staff to conduct a meaningful review of the Atmos' peak day requirements and resources. On February 20, 2001, the Commission so ordered. The Commission issued a second order to that effect on May 3, 2001. Atmos, which had already submitted its supplemental peak day study to Staff on May 1, so advised the Commission via a Notice filed on May 7, 2001.

6. On November 2, 2001, the parties to this case filed the First Amended Settlement Agreement And Release ("Agreement"), which was approved by a Commission order dated November 27, 2001. The Agreement resolves the ACA audit as to ANG for the 1998-1999 time period; however, it does not address the issues between Atmos and Staff related to the peak day study and associated reliability issues. Among other things, the Agreement provides that within thirty days after its approval by final, effective non-appealable Commission order, and conditioned upon the payment by ANG of the lump-sum payment(s) described in the Agreement, and ANG's performance of other conditions of this Agreement, the parties recommend that the Commission issue an order in the instant case that:

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 Atmos issues.

In addition, the Agreement recommends that after the peak day and reliability issues, (which relate solely to Atmos) are transferred to said new and separate case, the Commission issue an order: a) recognizing that the only actual and potential issues remaining in the instant case involve the gas costs of ANG; b) acknowledging the Agreement; c) reciting that all of the new and potential issues in the new and separate case relate strictly to Atmos and not to ANG, and that all of the issues relating to ANG that could have been presented in the instant case have been fully compromised by the Agreement; and unconditionally closing the instant case.

7. On December 4, 2001, the Commission issued an Order Directing Filing Of Status Report, requiring that the parties jointly prepare a report giving the status on the instant case no later than February 27, 2002.

8. On January 22, 2002, ANG filed a Report Of ANG Concerning Compliance With First Amended Settlement Agreement And Release And Request For Issuance Of Orders ("Compliance Report"). The Compliance Report stated that on January 2, 2002, ANG had: a) executed a lump-sum wire transfer to Atmos of the payment called for in section 1.8 of the Agreement; and b) transmitted to Atmos the calculations called for in section 1.9(a) of the Agreement. Asserting its belief that it had fulfilled all of its obligations under the Agreement pertaining to the instant case, ANG requested that the Commission issue the orders contemplated by the Agreement and unconditionally close this case.

9. On January 30, 2002, the Commission issued an order requiring the Staff and ANG, jointly or separately, to file a pleading indicating "exactly what the 'Atmos issues' are."

The Commission indicated its intention to use this information to determine whether it is necessary to create a new case.

#### Discussion

10. In support of this Joint Motion To Close Case, the parties state as follows:

a. With respect to the "Atmos issues" for which, under the Agreement, the creation of a new and separate case was contemplated, the Staff has completed its review of the supplemental peak day report submitted by Atmos on May 1, 2001. Atmos has satisfactorily provided the information requested by Staff in its August 1, 2000 recommendation. Follow-up concerns related to reliability are being addressed in subsequent ACA cases (*i.e.*, GR-2000-573 and GR-2001-396). Accordingly, there is no need to establish a new and separate case for Atmos issues.

b. The representations made by ANG in its January 22, 2002 Compliance Report regarding GR-99-392 are correct. Therefore, given that ANG has complied with the terms of the Agreement as they pertain to the instant case, there are no longer any ANG-related issues to be resolved in this case.

11. Inasmuch as there are no remaining issues to be resolved in the instant case, the case may be closed. Further, it is to be noted that, by filing this Joint Motion To Close Case, the parties believe they have satisfied their obligation, pursuant to the aforementioned December 4, 2001 Commission order, to file a status report concerning the instant case.

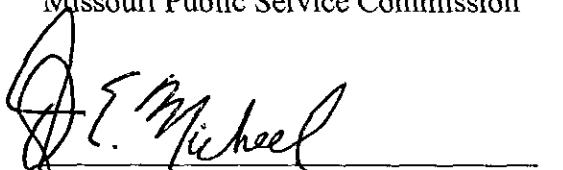
**WHEREFORE**, the parties respectfully request that the Commission issue an order closing Case No. GR-99-392, as well as any orders called for in the Agreement as it pertains to Case No. GR-99-392; except that the parties recommend that no new and separate case be established for "Atmos issues," since there is no longer a need for such a case.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

  
Dennis L. Frey, Mo. Bar No. 44697  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 751-8700  
(573) 751-9285 (fax)  
e-mail: dfrey03@mail.state.mo.us

Attorney for the Staff of the  
Missouri Public Service Commission

  
Douglas E. Micheel, Mo. Bar No. 38371  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102-7800  
(573) 751-5560  
(573) 751-5562 (fax)  
e-mail: dmicheel@mail.state.mo.us

Attorney for the  
Office of the Public Counsel

  
Dean L. Cooper, Mo. Bar No. 36592  
Brydon, Swearngen & England P.C.  
P.O. Box 456  
312 E. Capitol Avenue  
Jefferson City, MO 65102-0456  
(573) 635-7166  
(573) 635-3847 (fax)  
e-mail: dcooper@brydonlaw.com

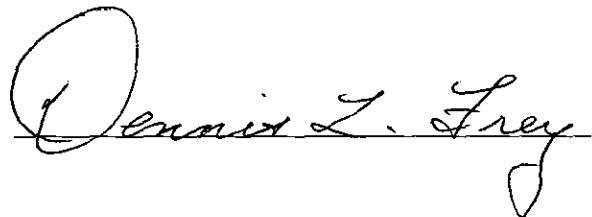
Attorney for Associated Natural Gas

  
James M. Fischer, Mo. Bar No. 27543  
Fischer & Dority, P.C.  
101 Madison, Suite 400  
Jefferson City, MO 65101  
(573) 636-0383  
(573) 756-0373 (fax)  
e-mail: jfischerpc@aol.com

Attorney for Atmos Energy Corp.

### Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 6th day of February 2002.



**Service List for  
Case No. GR-99-392  
Revised: February 6, 2001 (cel)**

**Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102**

**Gary W. Duffy  
Brydon, Swearngen & England P.C.  
P.O. Box 456  
Jefferson City, MO 65102**

**Mark S. Kidd  
Associated Natural Gas Company  
1001 Sain Street  
P.O. Box 3578  
Fayetteville, AR 72702-3578**

**James M. Fischer  
Fischer & Dority, P.C.  
101 Madison Street, Suite 400  
Jefferson City, MO 65101**