STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY October 29, 1998

CASE NO: GR-98-399

Office of the Public Counsel P.O. Box 7800 Jefferson City, MO 65102 General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Associated Natural Gas Company 1001 Sain Street PO Box 3578 Fayettville, AR 72702

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

Sincerely, Hole Hold Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

Uncertified Copy:

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 28th day of October, 1998.

| In the Matter of Associated Natural Gas |) | | |
|--|---|----------|-----------|
| Company's purchased gas adjustment factors to be |) | | |
| reviewed in its 1997-1998 Actual Cost |) | Case No. | GR-98-399 |
| Adjustment. |) | | |

ORDER APPROVING INTERIM RATES

Associated Natural Gas Company (ANG or Company), a division of Western Gas Company of Fayetteville, Arkansas, submitted a tariff sheet to the Commission on October 15, 1998, carrying an effective date of November 1, 1998. The tariff sheet was filed to reflect scheduled changes in ANG's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming winter season. Additionally, the Actual Cost Adjustment (ACA), Transition Cost (TC), and the Refund factors changed.

For ANG's Butler District, the effect of these changes will decrease the firm PGA factor for the 1998-1999 winter season to \$0.33752 per Ccf from a summer season firm PGA factor of \$0.39709 per Ccf. This represents an approximate 15% decrease in gas costs to consumers.

For ANG's Kirksville District, the effect of these changes will decrease the firm PGA factor for the 1998-1999 winter season to \$0.33886 per Ccf from a summer season firm PGA factor of \$0.34961 per Ccf. This represents an approximate 3% decrease 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 1998-1999 winter season to \$0.42558 per Ccf from a summer season firm PGA factor of \$0.37636 per Ccf. This represents an approximate 13% increase in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the Changes in ANG's PGA factors were calculated in conformance with the Company's approved PGA Clause. The Staff stated that ANG's PGA Clause allows for ten (10) business days notice for filings reflecting PGA changes. Staff recommends that the Commission approve the tariff sheet to become effective November 1, 1998, on an interim basis, subject to refund, pending final Commission decisions in ANG's ACA Case Nos. GR-96-277, GR-97-191 and GR-98-399. The Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding this ACA filing on or before September 1, 1999.

The Commission has reviewed the tariff sheet, Staff's recommendation and request, and finds that the tariff sheet conforms to the Company's Commission approved PGA Clause and is therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission is of the opinion that the proposed tariff sheet should be approved to become effective on and after the requested effective date of November 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on October 15, 1998, by Associated Natural Gas Company of Fayetteville, Arkansas, be approved on an interim basis, subject to refund, to become effective on November 1, 1998. The tariff sheet approved is:

P.S.C. MO. No. 6

15th Revised Sheet No. 16T, Cancelling 14th Revised Sheet No. 16T

- 2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendations regarding this ACA filing on or before September 1, 1999.
 - 3. That this order shall become effective on November 1, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Lumpe, Ch., Crumpton, Murray, Schemenauer, and Drainer, CC., concur.

Mills, Regulatory Law Judge

ALI/Sec'y: MIS

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| Date Circulated CASE NO. |
| Lumpe, Chair |
| Complent, Commissioner |
| Complent Commissioner |
| Complent Commissioner |
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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 29th day of October, 1998.

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Dale Hardy Roberts

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Secretary/Chief Regulatory Law Judge