

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 5th
day of March, 1993.

In the matter of Associated Natural Gas Company's tariff)
reflecting a change in rates pursuant to the provisions) Case No. GR-90-38
of its PGA clause on file with the Commission; and) (consolidated with
tariffs reflecting a change in rates to be reviewed,) GR-90-106, GR-91-208
respectively, in its 1989-1990, 1990-1991 and 1991-1992) and GR-92-104)
actual cost adjustments.)

ORDER REQUIRING RESPONSE

On May 19, 1992 the Commission issued its Order directing the Commission's Staff (Staff) to conduct an audit of the 1990 and 1991 Actual Cost Adjustment (ACA) of Associated Natural Gas Company (ANG) in its Case No. GR-91-208 and to submit its recommendation on or before November 1, 1992. On September 9, 1992 the Commission issued its order consolidating Case Nos. GR-90-38, GR-90-106, GR-91-208, and GR-92-104 and designating Case No. GR-90-38 as the lead case, *inter alia*. The date for the filing of the Staff's recommendation was subsequently extended several times to February 26, 1993. On February 26, 1993 the Staff did file its recommendation concerning a prudence review and compliance audit of ANG covering the period from September 1988 to August 1991. On March 1, 1993 the Staff filed its recommendation concerning a prudence review and compliance audit of ANG covering the period from September 1991 to August 1992. The Staff's recommendations, *inter alia*, request:

- (a) That the Commission issue an order directing ANG to file a response to the Staff's memorandum, with the response to be due within 30 days.
- (b) That ANG be directed to include in its response specific comments on the valuation of the premium paid to SEECO, Inc. (SEECO) for swing service and long term gas supply commitment, the prior period take-or-pay costs of \$121,049.45 which were rolled into open ACAs from a past closed ACA period, and the unavailability of interruptible transportation to the Butler District from April 1989 to August 1989.

- (c) That ANG also be directed to provide the SEECO rate of return and cost information relating to SEECO's long term gas supply commitment and swing service.
- (d) That in the event these issues cannot be resolved, the Staff and ANG be directed to propose procedural schedules.

The Commission determines that Staff's requests are reasonable and necessary for the settlement negotiations to proceed, but that it will postpone setting a procedural schedule at this time until such time as ANG files its response herein ordered, as will facilitate the settlement negotiations. It would be anticipated that the Staff and ANG propose a procedural schedule by May 1, 1993 if a settlement is not reached.

IT IS THEREFORE ORDERED:

1. That Associated Natural Gas Company be hereby ordered to file a response to the Staff's recommendations within thirty (30) days of the effective date of this order, on April 5, 1993.

2. That Associated Natural Gas Company be directed to include in its response specific comments on the valuation of the SEECO, Inc. for swing service and long term gas supply commitment, the prior period take-or-pay costs of \$121,049.45 which were rolled into open ACAs from a past closed ACA period, and the unavailability of interruptible transportation to the Butler District from April 1989 to August 1989.

3. That Associated Natural Gas Company be directed to provide in its response the SEECO rate of return and cost information relating to SEECO's long term gas supply commitment and swing service.

4. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, Perkins
and Kincheloe, CC., concur.
McClure, Chm., absent.