

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
April 1, 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
Fayetteville, AR 72702

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

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

**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 1st
day of April, 1998.

In the matter of Associated Natural Gas Company's)
Purchased Gas Adjustment factors to be audited) Case No. GR-98-399
in its 1997-1998 Actual Cost Adjustment.)

ORDER APPROVING INTERIM RATES

Associated Natural Gas Company (ANG or Company) of Fayetteville, Arkansas, submitted a tariff sheet to the Commission on March 23, 1998, carrying an effective date of April 6, 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 summer season. The summer season includes the months of April through October.

The effect of these changes for the area served by the Butler District will decrease the firm PGA factor for the summer season to \$0.39709 per Ccf from a winter season firm PGA factor of \$0.40469 per Ccf. This represents an approximate 2% reduction in gas costs to consumers.

The effect of these changes for the area served by the Kirksville District will decrease the firm PGA factor for the summer season to \$0.34961 per Ccf from a winter season firm PGA factor of \$0.39817 per Ccf. This represents an approximate 12% reduction in gas costs to consumers.

The effect of these changes for the area served by the SEMO District will decrease the firm PGA factor for the summer season to \$0.37636 per Ccf from a winter season firm PGA factor of \$0.42940 per Ccf. This represents an approximate 12% reduction in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in ANG's PGA were calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheet to become effective on April 6, 1998. 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 April 6, 1998, on an interim basis,

subject to refund, pending final Commission decisions in ANG's ACA Case Nos. GR-96-227, GR-97-191, and GR-98-399.

The Commission has reviewed the tariff sheet and Staff's recommendation, 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 finds that the proposed tariff sheet should be approved to become effective on and after the requested effective date of April 6, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

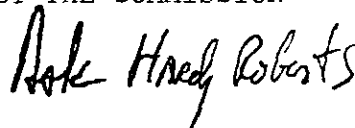
1. That the tariff sheet submitted on March 23, 1998, by Associated Natural Gas Company of Fayetteville, Arkansas, is approved on an interim basis, subject to refund, to become effective on April 6, 1998. The tariff sheet approved is:

P.S.C. MO. No. 6

13th Revised SHEET No. 16T, Cancelling 12th Revised SHEET No. 16T

2. That this order shall become effective on April 6, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

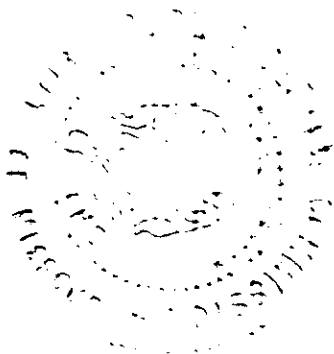
Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC., concur.

George, Regulatory Law Judge

**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 1st day of April, 1998.**



A handwritten signature in cursive script that reads "Dale Hardy Roberts".

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