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January 22, 2002

FILED

JAN 22 2002

Mr. Dale Hardy Roberts
Executive Secretary
Public Service Commission
Governor State Office Building
Jefferson City, MO

**Missouri Public
Service Commission**

HAND DELIVERY

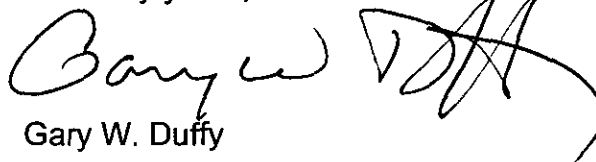
**RE: Associated Natural Gas Company
Case No. GR-2000-573**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of a "Report of ANG Concerning Compliance with First Amended Settlement Agreement and Release and Request for Issuance of Orders."

If you have any questions, please give me a call.

Sincerely yours,


Gary W. Duffy

Enclosures
cc w/encl:

Office of Public Counsel
Office of the General Counsel
James M. Fischer
Ricky Gunter
Jeff Dangeau
Regulatory Law Judge Hopkins

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

FILED

JAN 22 2002

In the matter of Atmos Energy Corporation's)
Purchased Gas Adjustment to be Reviewed in)
its 1999-2000 Actual Cost Adjustment)

Missouri Public
Service Commission
Case No. GR-2000-573

**REPORT OF ANG CONCERNING COMPLIANCE
WITH FIRST AMENDED SETTLEMENT AGREEMENT AND RELEASE
AND REQUEST FOR ISSUANCE OF ORDERS**

Comes now Associated Natural Gas Company (ANG), by and through its counsel, and respectfully states as follows:

1. The purpose of this pleading is to inform the Commission that ANG has complied with all of its obligations under a settlement agreement and to request that the Commission issue certain orders in this case which are contemplated by that settlement.

2. On November 27, 2001, the Commission issued an "Order Approving First Amended Settlement Agreement and Release." That document addressed the settlement of this case. That Order became effective on December 7, 2001. The Order approved a "First Amended Settlement Agreement and Release" ("the Settlement") which had been filed with the Commission on November 2, 2001. According to the records office of the Commission, no one filed an application for rehearing in this matter.

3. This case was specifically addressed in the Settlement. In particular, in paragraph 1.5, the Settlement called for the Commission, "within thirty (30) days after this [Settlement] Agreement is approved by a final, effective non-appealable

Commission order, and conditioned upon the payment by ANG of the Lump Sum Payment(s) described in section 1.8 hereof, and ANG's performance of the other conditions of this agreement, the parties recommend that the Commission issue an order which:

a) separates the time period relating to ANG's natural gas purchasing practices and operations in Missouri (i.e., September 1, 1999 through May 31, 2000) from the time period relating to Atmos' natural gas purchasing practices and operations in Missouri (i.e., June 1, 2000 through August 31, 2000); and,

b) creates a new and separate case into which it transfers all issues arising out of Atmos' natural gas purchasing practices and operations in Missouri during the June 1, 2000 through August 31, 2000 time period, and bars the Parties from raising any claims against Atmos in that new and separate case based on the acts, omissions, or decisions of ANG.

4. Further, the Settlement stated that "After creating the new and separate case and transferring all Atmos-specific issues into that separate case, so that the only remaining actual and potential issues in Case No. GR-2000-573 are those which are either raised or could have been raised regarding the gas costs of ANG relating to the September 1, 1999 through May 31, 2000 time period, the parties recommend that the Commission issue an order in Case No. GR-2000-573 which recognizes that the only remaining issues involve the gas costs of ANG, acknowledges this Agreement, recites that all of the issues presented or which could have been presented therein relating to ANG have been fully compromised by this Agreement, and unconditionally closes Case

No. GR-2000-573."

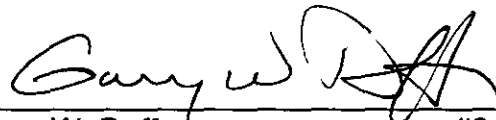
5. The Settlement also stated that "As a condition for entering into this Agreement, each party is relying upon the Commission to issue an order in conformance with these provisions."

6. On January 2, 2002, ANG transmitted to Atmos the Lump Sum Payment(s) called for in section 1.8 of the Settlement. ANG made the payment by wire transfer in one lump sum. ANG also transmitted to Atmos on January 2, 2002, the calculations called for in section 1.9(a) of the Settlement.

7. ANG believes it has fulfilled all of its obligations pertaining to this case in the Settlement and the time is ripe for the Commission to issue the orders contemplated by the Settlement to unconditionally close this case.

WHEREFORE, ANG requests that the Commission issue the orders called for in the Settlement.

Respectfully submitted,

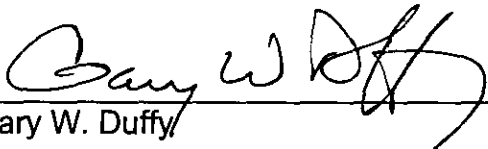


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ATTORNEYS FOR ANG

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand delivered to the Office of the General Counsel and the Office of the Public Counsel, and to James M. Fischer, this 22nd day of January, 2002.



Gary W. Duffy

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