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FILED

JAN 22 2002

Missouri Public
Service Commission

January 22, 2002

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

HAND DELIVERY

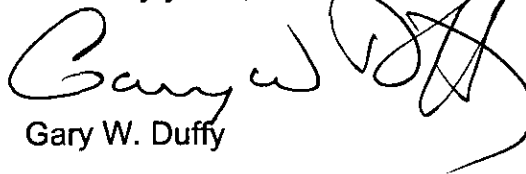
RE: Associated Natural Gas Company
Case No. GR-98-399

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 Order."

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**

In the matter of Associated Natural Gas)
Company's Purchased Gas Adjustment)
Factors to be Reviewed in its 1997-)
1998 Actual Cost Adjustment)

Case No. GR-98-399

FILED
JAN 22 2002
Missouri Public
Service Commission

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

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 an order in this case which is 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 1.3, 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 acknowledges this Agreement, recites that all of the issues presented in Case No. GR-98-399, or which could have been presented in that case, have been fully compromised by this Agreement, and unconditionally closes Case No. GR-98-399."

4. The Settlement 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."

5. On December 12, 2001, the Commission issued an Order Directing Filing in this case, directing the Staff to inform the Commission of ANG's fulfillment of the conditions in the Settlement. ANG's counsel was unaware of the existence of this Order until it was brought to his attention on January 18, 2002. ANG's counsel has kept counsel for all parties informed of the progress of the implementation of the settlement in a timely manner.

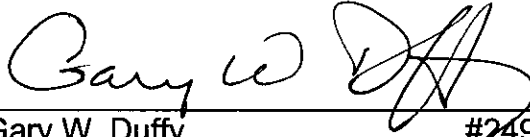
6. On January 2, 2002, ANG transmitted to Atmos the Lump Sum Payment(s) called for in section 1.8 of the Settlement. ANG made the payment by wire transfer in one lump sum. ANG also transmitted to Atmos on January 2, 2002, the calculations called for in section 1.9(a) of the Settlement.

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 order contemplated by the Settlement to unconditionally close this case.

WHEREFORE, ANG requests that the Commission issue the order called for in

the Settlement.

Respectfully submitted,

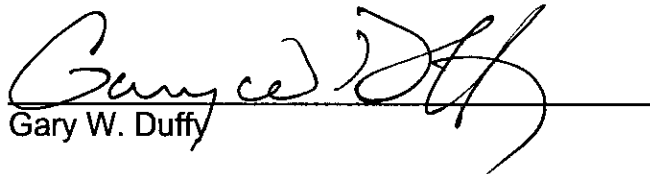


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ATTORNEYS FOR ANG

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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