STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 8th day of August, 1997.

In the Matter of Associated Natural Gas Company's)
Tariff revisions to be Reviewed in Its 1995-1996)
Actual Cost Adjustment.)

ORDER PERMITTING RESPONSE TO STAFF RECOMMENDATION

This case was established to consider Associated Natural Gas Company's (ANG's) Actual Cost Adjustment (ACA) for the year ending October 31, 1996. ANG submitted tariff sheets designed to revise the ACA factors for each of its three Missouri districts which were approved on October 30, 1996, on an interim, subject to refund basis. In the same order the Commission directed its Procurement Analysis Department (Staff) to conduct an audit of the ACA period and submit its recommendation by August 1, 1997. Staff conducted the required audit and submitted its recommendation on August 4, 1997. Staff recommended a number of adjustments to ANG's ACA filing and requested that the Commission schedule a prehearing conference within 30 days for the purpose of establishing a procedural schedule.

Historically, the company subject to an ACA audit has been permitted 30 days to respond to the Staff's recommendation. In some cases, the company response has permitted the Commission to approve adjustments without the need for a contested proceeding. In this instance, Staff wishes the Commission to forgo the 30-day response period but has offered no reason to support its request and made no indication in its

recommendation that the company has expressed disagreement with the proposed adjustments. Accordingly, the Commission will permit ANG 30 days to respond to the Staff's recommendation. If ANG's response indicates disagreement with Staff's recommendations, a prehearing conference can be set at that time.

IT IS THEREFORE ORDERED:

- 1. That Associated Natural Gas Company may file its response to Staff's recommendation filed on August 4 no later than September 4, 1997.
 - 2. That this order shall become effective on August 8, 1997.

BY THE COMMISSION

Cecil I. Wright Executive Secretary

(S E A L)

Crumpton, Drainer, Murray and Lumpe, CC., concur. Zobrist, Chm., absent.

ALJ: Wickliffe