

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
March 30, 1999**

CASE NO: GR-99-392


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, P.O. Box 3578
Fayetteville, AR 72702

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

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

Mark S. Kidd
Supervisor, Rate analysis
Associated Natural Gas Co.
1001 Sain Street, P.O. Box 3578
Fayetteville, AR 72702

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 30th
day of March, 1999.

In the Matter of Associated Natural Gas)
Company's purchased gas adjustment factors to be)
reviewed in its 1998-1999 Actual Cost)
Adjustment.)
Case No. GR-99-392

ORDER APPROVING INTERIM RATES

Associated Natural Gas Company (ANG or Company), a division of Arkansas
Western Gas Company of Fayetteville, Arkansas, submitted a tariff sheet to the
Commission on March 15, 1999, carrying an effective date of April 1, 1999. 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.

For ANG's Butler District, the effect of these changes will decrease the firm
PGA factor for the 1999 summer season to \$0.29136 per Ccf from a winter season
firm PGA factor of \$0.33752 per Ccf. This represents an approximate 13.7% decrease
in gas costs to consumers.

For ANG's Kirksville District, the effect of these changes will decrease the
firm PGA factor for the 1999 summer season to \$0.29924 per Ccf from a winter
season firm PGA factor of \$0.33886 per Ccf. This represents an approximate 11.7%
decrease in gas costs to consumers.

For ANG's Southeast Missouri (SEMO) District, the effect of these changes will decrease the firm PGA factor for the 1999 summer season to \$0.38368 per Ccf from a winter season firm PGA factor of \$0.42558 per Ccf. This represents an approximate 9.8% decrease in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in ANG's PGA factors were calculated in conformance with the Company's approved PGA Clause. The 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 1, 1999, on an interim basis, subject to refund, pending final Commission decisions in ANG's ACA Case Nos. GR-97-191, GR-98-399 and GR-99-392.

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 is of the opinion that the proposed tariff sheet should be approved to become effective on and after the requested effective date of April 1, 1999, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted on March 15, 1999, by Associated Natural Gas Company of Fayetteville, Arkansas, be approved on an interim basis, subject to refund, to become effective on April 1, 1999. The tariff sheet approved is:

16th Revised Sheet No. 16T, Cancelling 15th Revised Sheet No. 16T

2. That this order shall become effective on April 1, 1999.

BY THE COMMISSION



Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

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

Hopkins, Regulatory Law Judge

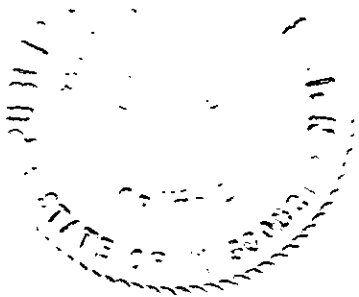
ALJ/Sec'y: Hopkins
3/25/99 GR-99-392
Date Circulated CASE NO.
[Signature]
Lumpe, Chair
[Signature]
Crumpton, Commissioner
[Signature]
Murray, Commissioner
[Signature]
Schemenauer, Commissioner
[Signature]
Drainer, Vice-Chair
3/30/99
Agenda Date
Action taken: 5-0 AS
Must Vote Not Later Than _____

**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 30TH day of MARCH, 1999.



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