

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
May, 2005.

In the Matter of Fidelity Natural Gas, Inc.'s Purchased)
Gas Adjustment (PGA) Factors to be Audited in Its)
2003-2004 Actual Cost Adjustment) **Case No. GR-2004-0466**

**ORDER ADOPTING STAFF RECOMMENDATIONS AND REQUIRING ADJUSTMENT
OF ACA BALANCE**

Issue Date: May 17, 2005

Effective Date: May 27, 2005

This case was opened to receive the 2003-2004 Actual Cost Adjustment (ACA) filing of Fidelity Natural Gas, Inc. On April 14, 2005, the Staff of the Commission filed a recommendation and memorandum indicating that Staff has completed an audit of billed revenues and actual gas costs for the period September 1, 2003 to August 31, 2004, included in Fidelity's computation of its ACA rate. Staff recommended that the Commission issue an order requiring Fidelity to:

1. Adjust the firm sales ACA balance by \$218, increasing the filed under-recovery balance of \$107,494, to the Staff adjusted under-recovery balance of \$107,712, to reflect interest costs associated with (over)/under-recovery ACA balances, as shown in the following table:

Description	Ending ACA Balance Per Filing	Staff Adjustments	Ending ACA Balance Per Staff
2002-2003 ACA Balance	\$128,243	\$0	\$128,243
Cost of Gas	\$1,273,744	\$0	\$1,273,744
Cost of Transportation	\$354,347	\$0	\$354,347
Revenues	\$(1,648,840)	\$0	\$(1,648,840)
ACA Approach for Interest Calculation	\$0	\$218	\$218
Total (Over)/Under Recovery	\$107,494	\$218	\$107,712

2. File a written response to the above recommendations by May 6, 2005.

On April 18, the Commission issued an order directing Fidelity to respond to Staff's recommendations by May 6. Fidelity filed its response on April 18, indicating that it accepts Staff's recommendations. Fidelity requests that the Commission issue an order adopting Staff's recommendations.

After reviewing Staff's recommendations and Fidelity's response, the Commission concludes that Staff's recommendations should be implemented.

IT IS THEREFORE ORDERED:

1. That Fidelity Natural Gas, Inc., shall adjust the ACA account balances in its next ACA filing to reflect the Staff adjustment set out in Staff's Memorandum and in the body of this order.
2. That this order shall become effective on May 27, 2005.

3. That this case may be closed on May 28, 2005.

BY THE COMMISSION

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Woodruff, Senior Regulatory Law Judge