

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

In the matter of Fidelity Natural Gas Co.,)
Inc., purchased gas adjustment (PGA) to)
be audited in its 2004-2005 Actual Cost)
Adjustment.)

Case No. GR-2006-0170

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation in the PGA filing of Fidelity Natural Gas Co., Inc., states:

1. On October 14, 2005, Fidelity Natural Gas, Inc. (Fidelity or Company) of Sullivan, Missouri, filed a tariff sheet proposed to become effective November 1, 2005. On October 24, 2005 Fidelity filed a substitute tariff sheet to correct typographical errors in the previously filed sheet.

2. The tariff sheet was filed to reflect scheduled changes in Fidelity's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (ACA) factor. The winter season includes the months of November through March.

4. Staff has reviewed this filing and has determined that it was calculated in conformance with Fidelity's PGA Clause. At this time, Staff does not render an opinion as to the gas purchasing practices of Fidelity. Staff's review of this PGA filing has focused on the compliance of Fidelity's calculations, market assumptions, storage position, hedging positions and other relevant factors in support of its tariff filing in accordance with its approved PGA Clause.

5. Good cause for approval of this tariff sheet, with less than thirty days notice, is demonstrated by Fidelity's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that Fidelity's tariff sheet filed October 14, 2005 as substituted on October 24, 2005, be approved, interim subject to refund, with an effective date of November 1, 2005.

WHEREFORE the Staff recommends that the Commission approve Fidelity's tariff sheets, interim subject to refund only, to become effective November 1, 2005.

Respectfully submitted,

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General Counsel

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 26th day of October 2005.

/s/ Lera L. Shemwell
