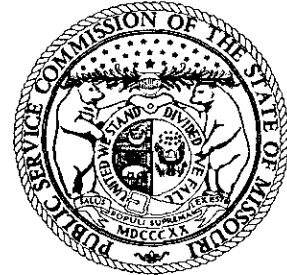


Notice of *Ex Parte* Contact

TO: Data Center
All Parties in Case No. **GM-2006-0183**

FROM: Chairman Jeff Davis

DATE: February 15, 2006



On February 14, 2006 I received the attached letter from Mr. Rick Pallardy regarding the sale of Fidelity Gas Company. The Commission is currently considering the issues discussed in this document in case **GM-2006-0183** which is a contested case. In contested cases, the Commission is bound by the same *ex parte* rule as a court of law.

Although communications from members of the public and members of the legislature are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, I submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners
Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel



Missouri Coalition For Fair Competition

612 East Capitol Avenue, PO Box 2051, Jefferson City, MO 65102

Phone: (573) 635-7570 – Fax: (573) 636-2564

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February 13, 2006

Jeff Davis
Chairman
Missouri Public Service Commission
Governor Office Building
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360

RE: Sale of Fidelity Gas Co. to Laclede Gas Co./Missouri Natural Gas Co.

Dear Chairman Davis:

In regards to the sale of Fidelity Gas Co., the Missouri Coalition For Fair Competition voiced protest as to the amount of service Fidelity Gas Co. was allowed to perform based on the provisions of the law. They were not performing any service in 1993. At that time they had just received their franchise for gas distribution and were actually subcontracting the installation of gas piping lines for both commercial and residential customers to HVAC contractors.

The gas line installation was performed by subcontractors for a period of about a year to eighteen months. Fidelity Gas Co. acquired their own crew and started to install gas lines from the meter into the customer's facilities. Somewhere shortly after that they started performing service on a fairly concealed basis. When we found that they were performing a sizable amount of service about a year later, we voiced our complaint to them and to the PSC. The reply received was that Fidelity Gas Co. had been grandfathered the right to do all service work per the PSC. Apparently they applied and were given rubber stamped approval when in fact they were not doing any of the service work that they were approved to do at the time they were supposed to have been performing it. Now with the sale of this gas company going on to Laclede Gas Co., MCFFC believes it necessary to again voice

Jeff Davis, Chairman
Public Service Commission
February 13, 2006
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complaint that the service aspect should not be passed on. It should be reviewed and denied by the PSC. Fidelity Gas Co. was not performing any service in 1993 to qualify for grandfathering.

In terms of specific proof of services provided in 1993, we recommend the PSC request service tickets from Fidelity for that time period. This should also include with the service ticket a service invoice and proof the customer actually paid the invoices. If services were provided free of charge to the customer, it is our position that should be the extent of the grandfather clause. Specifically, they should only be able to provide free services under the grandfather clause.

If you have any questions concerning this matter, please do not hesitate to contact Richard McIntosh, MCFFC's Governmental Consultant his office (573) 635-7570 or cell (573) 257-0078.

Sincerely,

A handwritten signature in black ink that reads "Rick Pallardy". The signature is written in a cursive, slightly slanted style.

Rick Pallardy
President
Missouri Coalition For Fair Competition