

**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
January, 2007.

In the Matter of Fidelity Natural Gas, Inc.'s)	
Purchased Gas Adjustment (PGA) Factors to be)	
Audited in Its 2004-2005 Actual Cost Adjustment)	<u>Case No. GR-2006-0170</u>

ORDER ESTABLISHING ENDING ACA BALANCES

Issue Date: January 30, 2007

Effective Date: February 9, 2007

This case was opened to receive the 2004-2005 Actual Cost Adjustment (ACA) filing of Fidelity Natural Gas Inc. On December 21, 2006, the Staff of the Public Service 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, 2004 through August 31, 2005, included in Fidelity's computation of its ACA balances. Staff also conducted a hedging review for Fidelity.

During the 2004-2005 ACA period, Fidelity was an independent company. Subsequently, however, Laclede Gas Company purchased Fidelity, effective February 28, 2006. Laclede now provides natural gas service to the area formerly served by Fidelity. As a result, Staff's recommendations regarding Fidelity's ACA filing will now affect Laclede.

Staff's recommendation set out the ending balances contained in Fidelity's ACA filing, but did not recommend any adjustments to those ending balances. Staff did offer some recommendations regarding Fidelity's hedging practices during the 2004-2005 ACA period, but recognized that Laclede will be purchasing gas for the former Fidelity service

area in the future. Laclede filed a response January 22, 2007, stating that it does not object to Staff's recommendations.

After reviewing Staff's recommendations and Laclede's response, the Commission concludes that Staff's recommendations should be accepted as a resolution of Fidelity's 2004-2005 ACA audit.

IT IS ORDERED THAT:

1. The ending (over)/under recovery balances for Fidelity Natural Gas, Inc.'s 2004-2005 Actual Cost Adjustment are established as provided in the following table:

Description	8-31-05 Ending Balances Per Filing	Staff Adjustments 2004-2005 ACA	8-31-05 Ending Balances Per Staff
2003-2004 ACA Ending Balance	\$107,712 (A)	\$0	\$107,712
Cost of Gas	\$1,476,631	\$0	\$1,476,631
Cost of Transportation	\$348,618	\$0	\$348,618
Revenues	(\$1,957,671)	\$0	(\$1,957,671)
ACA Approach for Interest Calculation	\$64	\$0	\$64
Refunds	\$0	\$0	\$0
Take or Pay	\$0	\$0	\$0
Total (over)/Under Recovery	(\$24,646)	\$0	(\$24,646)

2. This order shall become effective on February 9, 2007.

3. This case shall be closed on February 10, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

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

Woodruff, Deputy Chief Regulatory Law Judge