

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 22nd
day of November, 1995.

In the matter of Fidelity Natural Gas, Inc.'s tariff)
revisions to be reviewed in its 1993-1994 Actual Cost) Case No. GR-95-155
Adjustment (ACA).)
)

ORDER APPROVING AGREEMENT

This case was established on November 4, 1994, by the filing by Fidelity Natural Gas, Inc. (Fidelity) of its Purchase Gas Adjustment (PGA) tariff for 1993-1994. On September 1, 1995, Commission Staff filed a memorandum in which it made several recommendations concerning Fidelity's PGA tariff. Those recommendations are:

- (1) to adjust the Firm sales [Actual Cost Adjustment (ACA)] balance by \$47,212 from the filed overrecovery balance of \$1,553 to the Staff adjusted overrecovery balance of \$48,765 (Exhibit B). The total adjustment should be included as a separate line item adjustment applied to the ending 1994-95 ACA balance. The 1994-95 ACA balance will be filed by Fidelity during mid-October, 1995 and become effective November 1, 1995.
- (2) to file an amended tariff sheet No. 22 which would remove all tariff language pertaining to the proration of PGA factors.
- (3) to request Fidelity to develop a design peak analysis. The analysis would serve a dual purpose of: (a) allocating excess capacity to Fidelity and its affiliate if required; and (b) to determine the appropriate level of capacity on [Panhandle Eastern Pipe Line Company]. The peak day study should be utilized by Fidelity and available for the Staff's review for the period on and after December 1, 1995.
- (4) to develop and maintain a monthly summary schedule of all intercompany gas cost transactions between Fidelity and its affiliate. Cost components should be designated as marginal commodity costs, customer charge, transportation costs, and gas costs.
- (5) to file a written response to Staff's recommendation within 30 days.

On September 27, 1995, Fidelity filed a response to Staff's memorandum. In its response Fidelity states that it agrees with Staff's recommendations. On October 31, 1995, Staff filed another memorandum in which it indicated that Fidelity (1) has made the adjustment to its Firm sales Actual Cost Adjustment (ACA) balance by \$47,212 in its 1994-1995 ACA filing (Case No. GR-95-125); (2) will amend its tariff sheet No. 22 to remove all language pertaining to the proration of PGA factors upon receipt of a Commission order; (3) agreed to develop a design peak analysis by December 1, 1995, for Fidelity and its affiliate; and (4) agreed to develop and maintain a monthly summary schedule of all intercompany gas cost allocations between Fidelity and its affiliate in conformance with Staff's recommendation.

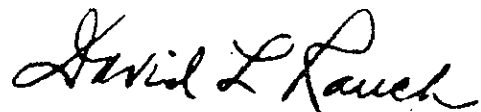
The Commission has reviewed the memoranda of Staff and Fidelity's response and finds that since Staff's recommendations have been agreed to, no further action is necessary by the Commission. The recommendations appear reasonable. This case will be closed.

IT IS THEREFORE ORDERED:

1. That Fidelity Natural Gas, Inc., shall complete those actions regarding its operations as recommended by Commission Staff which have not been completed.
2. That this case be hereby closed.
3. That this order shall become effective on the 5th day of December, 1995.

(S E A L)

BY THE COMMISSION



**David L. Rauch
Executive Secretary**

Mueller, Chm., McClure, Kincheloe,
Crompton and Drainer, CC., concur.