

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 3rd
day of January, 1995.

In the matter of the application of Fidelity Natural Gas, Inc., for a waiver of 4 CSR 240-40.040(6).)
) Case No. GO-95-104
)

ORDER GRANTING WAIVER

On September 26, 1994, Fidelity Natural Gas, Inc. (FNG or Applicant) filed a Request For Order Indicating Compliance With Rule Or Alternatively For A Waiver Of 4 CSR 240-40.040(6). 4 CSR 240-40.040(6) states, in relevant part:

(6) Each gas corporation subject to the commission's jurisdiction shall submit a depreciation study, data base and property unit catalog to the manager of the commission's energy department, and to the Office of the Public Counsel, as required by the terms of subsection (6)(B).

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(B) A gas company shall submit its depreciation study, data base and property unit catalog on the following occasions:

1. On or before the date adjoining the first letter of the name under which the corporation does business, excluding the word the, as indicated by the tariffs on file with the commission.

A. The alphabetical categories and submission due dates are as follows:

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(II) E, F, G, H: July 1, 1994;

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B. However--

(I) A gas company need not submit a depreciation study, data base or property unit catalog to the extent that the

commission's staff received these items from the utility during the three (3) years prior to the due dates listed in subparagraph (6)(B)1.A.; or

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2. When the utility files its tariff(s) with the commission proposing a general rate increase, as that term is used in the commission's rules pertaining to minimum filing requirements. However, a gas company need not submit a depreciation study, data base or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the utility filing for a general rate increase; or

3. Before five (5) years have elapsed since the last time the commission's staff received a depreciation study, data base and property unit catalog from the utility.

FNG states that it is in compliance with 4 CSR 240-40.040(6) because:

(1) the Commission approved specific depreciation rates for FNG in GA-91-299, which Report And Order was issued by the Commission on January 10, 1992; and
(2) FNG submitted its property unit catalog to the Commission Staff on November 16, 1992, which dates are each within three (3) years prior to July 1, 1994. FNG requests a waiver of 4 CSR 240-40.040(6) in the event the Commission believes FNG has not complied with the provisions of 4 CSR 240-40.040(6).

On November 7, 1994, Staff filed a memorandum to the official case file. Staff states that it does not agree with the Applicant's request for an order stating compliance with the rule, because FNG has not filed a depreciation study or data base. However, Staff does agree with FNG's request for a waiver. Staff points out that regardless of the number of customers served by FNG, the rule requires FNG to periodically perform a depreciation study. Staff states that FNG has been heavily engaged in the process of building and installing a local distribution company ever since the granting of a certificate to FNG in GA-91-299 on January 10, 1992. Staff states that the relevance of historical

data at this time in the determination of new or revised depreciation rates would be statistically insignificant due to the short period of time that this plant has been in service. Staff believes that the cost of a depreciation study would not be beneficial for FNG at the current time due to the lack of retirement activity and associated data. Staff states that it has conducted an on-site inspection of primary plant accounts in use, the depreciation reserve by primary account, the continuing property records, system maps, and the property unit catalog. Based upon its review of these items, Staff believes sufficient data is being gathered to conduct a meaningful depreciation study in the future.

Having reviewed FNG's application and Staff's memorandum in this matter, the Commission determines that good cause exists for the waiver of 4 CSR 240-40.040(6) as it pertains to FNG because submission of the data required by 4 CSR 240-40.040(6) to the Staff at this time would of be little or no benefit.

IT IS THEREFORE ORDERED:

1. That the request of Fidelity Natural Gas, Inc., for a waiver of the 4 CSR 240-40.040(6) requirement to file a depreciation study on or before July 1, 1994, is hereby granted.

2. That Fidelity Natural Gas, Inc., shall submit its depreciation study, updated data base and property unit catalog to the Manager of the Commission's Depreciation Department on or before July 1, 1999, or at such time that Fidelity Natural Gas, Inc., files tariffs with the Commission proposing a general rate increase, whichever comes first.

3. That this order shall become effective on the 13th day of
January, 1995.

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., concur.

BY THE COMMISSION



David L. Rauch
Executive Secretary