

MEMORANDUM

FILED³

OCT 26 1999

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-285, File No. 200000357,
Fidelity Natural Gas, Inc.

Missouri Public
Service Commission

FROM: *mm* Mike Straub, Gas Department - Tariffs/Rate Design *tom*

Wes Anderson 10-25-99
Utility Operations Division/Date

Thomas R. Schwan Jr 10/26/99
General Counsel's Office/Date

SUBJECT: Staff Recommendation For Fidelity's Scheduled Winter Season PGA
Filing

DATE: October 22, 1999

On October 14, 1999, Fidelity Natural Gas, Inc. (Fidelity or Company) filed a tariff sheet proposed to become effective November 1, 1999. 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. Additionally, this tariff filing reflects a change in the Actual Cost Adjustment (ACA) factor of Fidelity.

The effect of these changes will increase the firm PGA factor for the 1999-2000 winter season to \$0.2901 per Ccf from the 1998-1999 winter season firm PGA factor of \$0.2724 per Ccf. Fidelity did not file a 1999 summer PGA factor change. This represents an approximate 7% increase in gas costs to consumers.

Case No. GR-2000-285, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 1998-1999 ACA filing. Interim subject to refund status should be maintained pending a final Commission decision in Case No. GR-2000-285.

Because of the short time available to review documentation supporting the ACA factor represented in this filing, the Commission's Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding information included in this ACA filing to the Commission on or before July 1, 2000.

The Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that it was calculated in conformance with

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Fidelity's PGA Clause. Staff is of the opinion that 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 the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No. 1

9th revised Sheet No. 29 Cancelling 8th revised Sheet No. 29

copies: Director - Utility Operations Division
Director - Research & Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
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