

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Fidelity Natural Gas, Inc.'s Purchased)
Gas Adjustment (PGA) Factors to be Audited in its)
2003-2004 Actual Cost Adjustment)

Case No. GR-2004-0466
Tariff No. YG-2005-0286

**FIDELITY NATURAL GAS, INC.'S
RESPONSE TO STAFF RECOMMENDATION**

COMES NOW Fidelity Natural Gas, Inc. ("Fidelity" or "Company"), and pursuant to the Commission's Order Directing Response issued on April 18, 2005, states its response to the Staff's Recommendation filed on April 14, 2005, as follows:

1. On April 14, 2005, the Commission Staff filed its recommendations following the completion of the audit of the Actual Cost Adjustment ("ACA") rates for the 2003-2004 period.

The Commission Staff reviewed Fidelity's calculations and made the following recommendations:

The Staff recommends that the Commission issue an order requiring Fidelity Natural Gas to:

1. Adjust the firm sales ACA balance by \$218 increasing the filed over-recovery balance of \$107,494 to the Staff adjusted over-recovery balance of \$107,712, to reflect interest costs associated with (over)/under-recovery ACA balances.
2. File a written response to the above three recommendations by May 6, 2005.

(Staff Recommendation, Page 3 of 3).

2. Having reviewed the Staff Recommendation, Fidelity wishes to inform the Commission that the Staff Recommendation is acceptable to the Company, and recommends that the Staff Recommendation be accepted by the Commission.

WHEREFORE, Fidelity Natural Gas, Inc. respectfully requests the Commission accept this Response, issue an Order Approving Staff Recommendation, and accept the adjusted rates on a permanent basis.

Respectfully submitted,

/s/ James M. Fischer

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, First Class, postage prepaid, this 18th day of April, 2005, to:

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102

/s/ James M. Fischer

James M. Fischer