

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 31st
day of August, 2000.

In the Matter of Fidelity Natural Gas,
Inc.'s Filing Pursuant to
4 CSR 240-40.017(8)

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Case No. GE-2000-826

NOTICE RECOGNIZING EXEMPTION

On June 16, 2000, Fidelity Natural Gas, Inc. (FNG) filed a pleading entitled Exemption Filing of Fidelity Natural Gas, Inc. FNG represents that it is currently engaged in activities that qualify as heating, ventilating and air conditioning (HVAC) services as defined by the HVAC Services Act (Sections 386.754 to 386.764, RSMo (Supp. 1999)). The HVAC Services Act provides that a gas, electric or steam heating utility may not provide certain services relating to HVAC equipment unless it provides such services through an affiliate. Subsection 7 of Section 386.756 of the Act establishes an exemption to this requirement that permits a utility to continue to directly provide HVAC services so long as the utility provided the same type of HVAC Services five years prior to August 28, 1998. 4 CSR 240.017(8) requires a utility seeking to claim the exemption to file a pleading before the Commission asserting its entitlement to the exemption.

On August 15, the Staff of the Commission (Staff) filed a Recommendation in which it indicates that it has investigated FNG's claim to exemption and concludes that FNG is entitled to the exemption for the following services:

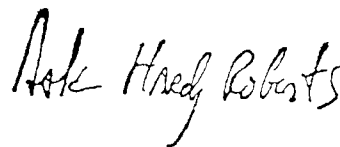
Conversion of Furnaces
Conversion of Ranges and Ovens
Conversion of Range Tops
Conversion of Hot Water Heaters

Conversion of Built-in Ovens
Conversion of Clothes Dryers
Conversion of Fireplaces
Conversion of Gas Grills
Conversion of Gas Deep Fryers
Conversion of Gas Cooling Units for Air Conditioning
Conversion of Gas Cooling Units for Refrigeration
Conversion of Gas Operated Production Equipment
Service and Repair of Gas Furnaces
Service and Repair of Gas Appliances (residential)
Service and Repair of Gas Appliances (Commercial)
Service and Repair of Gas Appliances (industrial)
Service and Repair of Gas Operated Production Equipment (industrial)

Because the exemption is established by statute, the Commission need not take any action to grant the exemption. It will merely recognize that FNG is entitled to the exemption for the services listed in Staff's Recommendation.

Based on Staff's Recommendation, the Commission recognizes that Fidelity Natural Gas, Inc. is entitled to the exemption established by Section 386.756(7), RSMo Supp. 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray, Schemenauer,
and Simmons, CC., concur

Woodruff, Regulatory Law Judge