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October 18, 2000

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Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GR-2001-250

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

FILED²
OCT 18 2000
Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
OCT 18 2000
Missouri Public
Service Commission

In the matter of Fidelity Natural Gas,)
Inc.'s Purchased Gas Adjustment factors)
to be reviewed in its 1999-2000 Actual)
Cost Adjustment.)

Case No. GR-2001-250

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission")
in the above-captioned matter and for its recommendation states as follows:

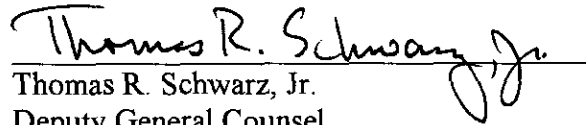
1. Fidelity Natural Gas, Inc. ("Company") filed a tariff sheet on October 16, 2000,
proposed to be effective November 1, 2000. The filing was made to reflect changes in
Company's Purchased Gas Adjustment ("PGA") factors for the upcoming winter season.

2. Staff has reviewed the proposed tariff sheet, and recommends that it be approved
effective November 1, 2000. The recommendation of the Gas Department – Tariffs/Rate Design
Staff is attached as Attachment A hereto. Staff notes that good cause has been shown pursuant
to §393.140 (11) RSMo to permit the tariff to become effective on less than thirty days notice.
Staff also recommends that the rates be interim, subject to refund

WHEREFORE, the Staff recommends that the Commission approve the proposed tariff sheet.

Respectfully submitted,

DANA K. JOYCE
General Counsel

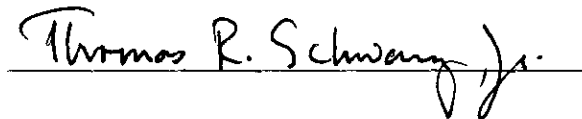

Thomas R. Schwarz, Jr.

Deputy General Counsel
Missouri Bar No. 29645

Attorney for the Staff of the
Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 18th day of October, 2000.


Thomas R. Schwarz, Jr.

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-250, File No. 200100450,
Fidelity Natural Gas, Inc.

FROM: Tom Imhoff, ^{TMS} Gas Department - Tariffs/Rate Design

Wes Henderson 10/18/00 Thomas R. Schwanz Jr 10/18/00
Utility Operations Division/Date General Counsel's Office/Date

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

DATE: October 18, 2000

On October 16, 2000, Fidelity Natural Gas, Inc. (Fidelity or Company) filed a tariff sheet proposed to become effective November 1, 2000. 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 2000-2001 winter season to \$0.3939 per Ccf from the 1999-2000 winter season firm PGA factor of \$0.2901 per Ccf. Fidelity did not file a 1999 summer PGA factor change.

Case No. GR-2001-250, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Interim subject to refund status should be maintained pending a final Commission decision in Case No. GR-2001-250.

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 June 1, 2001.

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

10th revised Sheet No. 29 Cancelling 9th revised Sheet No. 29

Attachment A

MO PSC CASE NO. GR-2001-250

OFFICIAL CASE FILE MEMORANDUM

PAGE 2 OF 2

copies: Director - Utility Operations Division
Director - Research & Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Gas Department
John Davis, President (Fidelity)
James M. Fischer, Attorney (Fidelity)
Office of the Public Counsel

**Service List for
Case No. GR-2001-250
October 18, 2000**

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