

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 30th
day of January, 1996.

In the matter of the tariff of Fidelity	)	
Natural Gas Company relating to provision	)	Case No. GT-96-134
of transportation service, billing	)	
practices and affiliate transactions.	)	

ORDER APPROVING STIPULATION AND AGREEMENT

This docket was opened to receive a Stipulation and Agreement entered into by Fidelity Natural Gas, Inc. (FNG), the Staff of the Missouri Public Service Commission (Staff), and the Office of Public Counsel (OPC) for Commission approval.

The Stipulation and Agreement, appended to this order as Attachment A and incorporated herein, provides for the modification of FNG's commercial service, large volume service, and transportation tariffs to eliminate the current FNG practice of selling transportation service to a marketing affiliate, which, in turn, currently sells a bundled service to various large commercial customers on the FNG system.

The Stipulation calls for the revision of the FNG tariffs to prohibit the current practice and to establish a set of flex rates to allow FNG to fairly compete with local alternate fuel choices. In the presentation of this Stipulation and Agreement and further discussions with the Staff, as provided for in the agreement, the Commission finds the Stipulation and

Agreement and resulting proposed tariff revisions to be reasonable. The Commission will approve the Stipulation and Agreement.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement, attached hereto and incorporated as Attachment A, is hereby approved.

2. That Fidelity Natural Gas, Inc. is hereby ordered to file tariffs in full compliance with the Stipulation and Agreement and this order within 10 days of the effective date herein.

3. That this order shall become effective February 9, 1996.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure,
Crumpton, and Drainer, CC., Concur.
Kincheloe, C., Absent.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the tariff of Fidelity)
Natural Gas Company relating to)
provision of transportation service, billing)
practices and affiliate transactions.

Case No. *GT-96-134*

STIPULATION AND AGREEMENT

On April 20, 1995, and in several subsequent meetings, the Staff of the Missouri Public Service Commission (Staff), Fidelity Natural Gas, Inc. (Fidelity or Company) and the Office of the Public Counsel (OPC) met to discuss possible revisions to Fidelity's filed tariff language. After much discussion, the parties have agreed to abide by the terms and conditions set forth in this Stipulation and Agreement.

1. As a result of the April 20, 1995 meeting, the parties to this Stipulation and Agreement have reached the following agreements and recommendations:

a. Fidelity agrees to amend its currently effective tariff to include the following definition of "customer":

Customer - Any person or legal entity responsible for payment for service at any single specified location on Fidelity's distribution system, except one denoted as a guarantor. A customer of Fidelity must be the end-user of natural gas at any single specified location on its distribution system. Fidelity will not offer any natural gas service (sales or transportation) to any person or legal entity who is not an end-user of natural gas on Fidelity's distribution system.

This definition is intended to be specific enough to prevent any entity that is not the end user of gas delivered or transported by Fidelity from being identified as a customer under Fidelity's tariff.

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b. Fidelity agrees to amend its currently effective tariff to include the following prohibition against the resale, delivery or redistribution of natural gas or natural gas service or both of Fidelity:

Resale - Natural gas service supplied to a customer shall be for the exclusive use of the customer and shall not be remetered, submetered, redistributed or resold to another or others. The Company shall not offer any natural gas service (including sales and transportation service) to any entity which is not a customer (end-user).

c. Fidelity will not provide transportation service over its distribution system with Fidelity Energy Resources (FER), its marketing affiliate, for service after June 1, 1996. Fidelity shall not provide any expansion of transportation service to FER through June 1, 1996. Fidelity shall not provide transportation service on its system to any affiliate or non-affiliated marketer or broker.

d. Fidelity shall modify its tariff immediately to include the following language:

When requested, the Company will provide a billing service for marketers whereby it will add to the Company's transportation service billing, the marketer charges for gas supplies. Any partial payment of a combined bill will first be credited to pay Company Transportation Service and any related regulated utility charges with any remainder then credited to pay the marketer's charges.

A customer will not be subject to discontinuance for failure to pay any part of a marketer's charges. Company will at no time be deemed to have title to the volumes of gas transported.

The Company will bill the marketer a billing service charge of \$15.00 per bill per month.

2. If the Public Service Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights:

- a. to call, examine or cross-examine witnesses pursuant to Section 536.070(2), RSMo 1994;
- b. to present oral argument and written briefs pursuant to Section 536.080.1, RSMo 1994;
- c. to have the Commission read any transcript resulting from this proceeding pursuant to Section 536.080.2, RSMo 1994; and
- d. to judicial review pursuant to Section 386.510, RSMo 1994.

3. Nothing in this Stipulation and Agreement shall constitute an agreement by the parties as to the reasonableness of the amount or value for ratemaking purposes of any specific planned or completed expenditure made by the Company.

4. The provisions of this Stipulation and Agreement have resulted from extensive negotiations among the signatories and are interdependent. If the Commission does not approve this Stipulation and Agreement in total, it shall be void and no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions hereof.

5. Except as specified herein, no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions hereof in any future proceeding, or in any proceeding currently pending under a separate docket.

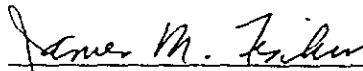
6. At the Commission's request, the Staff may give the Commission a written explanation of its rationale for entering into this Stipulation and Agreement, if the Staff also gives a copy of its explanation to each signatory to this Stipulation and Agreement. In that event, each signatory may give the Commission a responsive written explanation within five (5) business days of receipt of the Staff's explanation, if the responding signatory

contemporaneously gives a copy of such responsive written explanation to all other signatories. Each signatory agrees to keep the Staff's and other signatories' explanations confidential, and to treat them as privileged to the same extent as settlement negotiations under the Commission's rules. No signatory acquiesces in or adopts the explanations of another signatory. Such explanations shall not become a part of this proceeding's record, nor bind or prejudice any signatory in any proceeding.

7. The Staff may provide whatever oral explanation the Commission requests at any agenda meeting, if the Commission has given notice that it may consider this Stipulation and Agreement at the meeting. The Staff shall inform the other signatories as soon as practicable when the Staff learns that the Commission will request such explanation. The Staff's explanation in agenda shall be subject to public disclosure, except to the extent it pertains to matters protected from disclosure.

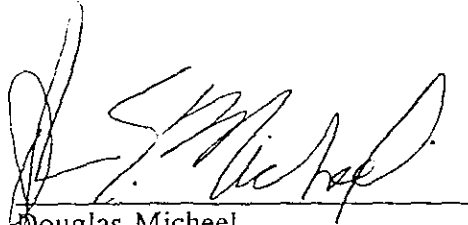
WHEREFORE, the parties respectfully request from the Commission that it approve this Stipulation and Agreement in its entirety.

Respectfully submitted,



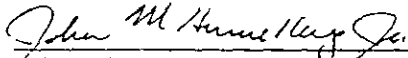
James M. Fischer
101 West McCarty St., Ste. 215
Jefferson City, MO 65101
(314) 636-6758

Attorney for Fidelity Natural
Gas, Inc.



Douglas Micheel
P.O. Box 7800
Jefferson City, MO 65102
(314) 751-1304

Attorney for the Office of the
Public Counsel



John M. Himmelberg, Jr.
P.O. Box 360
Jefferson City, MO 65102
(314) 751-7485

Attorney for the Staff of the
Missouri Public Service
Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was mailed, postage prepaid, this 26th day of October, 1995.

