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January 28, 2000

FILED²
JAN 2 8 2000

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 3660
Jefferson City, Missouri 65102

Missouri Public Service Commission GR-2000-392

RE:

In the matter of United Cities Gas Company's Request for Variance from Provisions of its 4th Revised Tariff Sheet No. 58 which Requires that its ACA Balance Be Recovered Over a One-Year Period and in Lieu thereof, Requests Authority to Recover its ACA Balance Over a Two-Year Period

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and fourteen (14) copies of United Cities Gas Company's Request for Variance for the Bowling Green District. A copy of the foregoing Request for Variance has been hand-delivered or mailed this date to parties of record.

Thank you for your attention to this matter.

Sincerely,

lames M. Fischer

/jr

Enclosures

cc:

Office of the Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

Case No.



Missouri Public Service Commission
GR2000-392

Tariff File No. 20000 673

In the matter of United Cities Gas Company's Request for Variance from Provisions of its 4th Revised Tariff Sheet No. 58 which Requires that its ACA Balance Be Recovered Over a One-Year Period and in Lieu thereof, Requests Authority to Recover its ACA Balance Over a Two-Year Period.

REQUEST FOR VARIANCE FROM TARIFF PROVISIONS

COMES NOW United Cities Gas Company, a division of Atmos Energy Corporation ("UCGC") or ("Company"), by and through its attorney, and requests that the Missouri Public Service Commission ("Commission") grant a variance from the provisions of UCGC's tariffs, for good cause shown, and permit UCGC to recover the current balance in its Actual Cost Adjustment ("ACA") account for the Bowling Green District over a two-year period, rather than over a one-year period as required by the 4th Revised Sheet No. 58 of UCGC's tariffs. In support of its Request for Variance, UCGC states as follows:

1. On November 29, 1999, UCGC filed its Purchased Gas Adjustment ("PGA") tariff (i.e., 83rd Revised Sheet No. 47 [P.S.C. Mo. No. 3]), which was designed to reflect a revised PGA applicable to its Bowling Green District. The filing reflected an increase in rates of 14.15% for January 2000. This filing followed the procedures of UCGC's 4th Revised Tariff Sheet No. 58, which requires recovery from ratepayers of the balance over a one-year period. On December 28, 1999, UCGC also filed its 84th Revised Sheet No. 47 which was designed to reflect a slightly lower commodity cost than the commodity cost included in the November 29, 1999 filing. As a result,

there will be a slight decrease in rates for the Bowling Green District when it becomes effective on February 1, 2000. However, the most recent filing continued to follow the procedures of UCGC's 4th Revised Tariff Sheet No. 58, including recovery of the ACA balance over a one-year period.

- 2. In order to mitigate the substantial increase in rates that have occurred during this winter season, UCGC respectfully requests that it be permitted to modify the procedures contained in its PGA tariffs to permit it to recover the ACA balance over a two-year period rather than a one-year period. Simultaneously with the filing of this Request for Variance, UCGC is filing an 85th Revised Sheet No. 47 (P.S.C. Mo. No. 3) which is designed to cancel the 84th Revised Sheet No. 47. The 85th Revised Sheet No. 47 has an effective date of March 1, 2000. If the variance is approved, the ACA portion of the total PGA will be reduced by 49.96%, from January 1, 2000 to March 1, 2000, for the Bowling Green District. Natural gas rates would decrease by 5.2% for the Bowling Green District, as of March 1, 2000.
- 3. By approving this Request for Variance, UCGC will be permitted to lessen the substantial increase in rates in the Bowling Green District which would otherwise result from its normal PGA/ACA procedures. As a result, it is in the public interest to grant the requested variance, for good cause shown.

WHEREFORE, Applicant United Cities Gas Company, a division of Atmos Energy Corporation, respectfully requests the Commission to grant it a variance from the provisions of its tariffs, as discussed herein, and permit the Company to recover from ratepayers the ACA balance over a two-year period.

Respectfully submitted,

ames M. Fischer, Esq.

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Attorney for United Cities Gas Company, a division of Atmos Energy Corporation

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, First Class, postage prepaid, this _38 day of January 2000, to:

Office of the Public Counsel P.O. Box 7800 Jefferson City MO 65102