

FISCHER & DORITY
PROFESSIONAL CORPORATION

James M. Fischer
Larry W. Dority

Attorneys at Law
Regulatory & Governmental Consultants

101 West McCarty, Suite 215
Jefferson City, MO 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383

January 28, 2000

FILED²

JAN 28 2000

Missouri Public
Service Commission

GR-2000-392

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

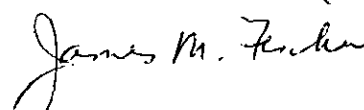
RE: In the matter of United Cities Gas Company's Request for Variance from Provisions of its 4th Revised Tariff Sheet No. 58 which Requires that its ACA Balance Be Recovered Over a One-Year Period and in Lieu thereof, Requests Authority to Recover its ACA Balance Over a Two-Year Period

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 Palmyra 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,


James M. Fischer

/jr
Enclosures

cc: Office of the Public Counsel

200000672

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED²
JAN 28 2000

Missouri Public
Service Commission

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.)

Case No. GR-2000-392

Tariff File No. 200000672

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 Palmyra 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., 52nd Revised Sheet No. 48.1 [P.S.C. Mo. No. 3]), which was designed to reflect a revised PGA applicable to its Palmyra District. The filing reflected an increase in rates of 46.24%. 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 53rd Revised Sheet No. 48.1 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 Palmyra 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.

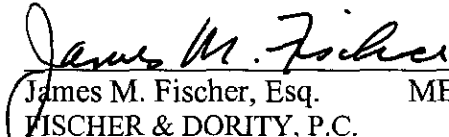
2. In order to mitigate the substantial increase in rates that have occurred during this winter season, UCGC respectfully requests that it be permitted to modify the procedures contained in its PGA tariffs to permit it to recover the ACA balance over a two-year period rather than a one-year period. Simultaneously with the filing of this Request for Variance, UCGC is filing a 54th Revised Sheet No. 48.1 ("S.C. Mo. No. 3) which is designed to cancel the 53rd Revised Sheet No. 48.1. The 54th Revised Sheet No. 48.1 has an effective date of March 1, 2000. If this variance is approved, the ACA portion of the total PGA would be reduced by 63.22%, from January 1, 2000 to March 1, 2000, for the Palmyra District. Natural gas rates would decrease by 5.32% for the Palmyra 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 Palmyra 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,

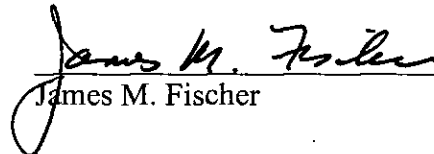

James M. Fischer, Esq. MBN 27543
FISCHER & DORITY, P.C.
101 West McCarty Street, Suite 215
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Facsimile: (573) 636-0383

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 28th day of January 2000, to:

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


James M. Fischer