



July 13, 2000

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Room 530
Jefferson City, MO 65102

Dear Mr. Roberts:

United Cities Gas Company herewith submits for filing the 7th Revised Sheet No. 58 (P.S.C. Mo. No. 3) which reflects a revised Purchased Gas Adjustment (PGA) applicable to its Consolidated District (Bowling Green, Hannibal/Canton and Palmyra) and the Neelyville District. Enclosed with Sheet No. 58 are the supplementary sheets setting forth the detailed calculations of such revised PGA. This out-of-period filing is being made pursuant to the Request for Variance from tariff provisions.

This filing reflects an increase in rates of approximately 22.4% for Bowling Green, 26.3% for Hannibal/Canton and 29.9% for Palmyra. This filing also reflects an increase in rates of 32.1% for Neelyville.

Your review and approval of these sheets to become effective August 1, 2000 are respectfully requested. Please address any correspondence to my attention at Atmos Energy Corporation, 381 Riverside Drive, Suite 440, Franklin, TN 37064-8934. If you have any questions, please feel free to contact me at (615) 595-7700, extension 235 or Judy Dunlap at extension 234.

Very truly yours,

Mark A. Martin
Senior Analyst / Rate Administration

MAM/jd

Enclosures

pc: Office of Public Counsel

T:MO/New-PGA

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Missouri Public
Service Commission
GR 2000-392

UNITED CITIES GAS COMPANY
GAS CHARGE ADJUSTMENT
CONSOLIDATED DISTRICT
(Bowling Green / Hannibal / Canton / Palmyra)

	Rate Schedules	Volume of Gas	Current Rates	Current Cost
<u>FIXED GAS COST</u>				
FACTOR D:				
Panhandle Eastern Pipe Line Company				
WS Demand	Dth	69,360	\$3.3500	\$232,356.00
WS Capacity	Dth	578,000	\$0.4028	\$232,818.40
WS Injection	Dth	578,000	\$0.0033	\$1,907.40
WS Withdrawal	Dth	578,000	\$0.0033	\$1,907.40
PS Demand	Dth	55,200	\$2.9700	\$163,944.00
PS Capacity	Dth	326,600	\$0.4246	\$138,674.36
PS Injection	Dth	326,600	\$0.0385	\$12,574.10
PS Withdrawal	Dth	326,600	\$0.0385	\$12,574.10
EFT Demand (PS - Winter)	Dth	22,370	\$6.3000	\$140,931.00
EFT Demand (PS - Summer)	Dth	11,690	\$6.3000	<u>\$73,647.00</u>
TOTAL FACTOR D				<u>\$1,011,333.76</u>
FACTOR Vf (Ccf)				<u>23,164,321</u>
CURRENT DEMAND COST PER Ccf (TOTAL FACTOR D)/FACTOR Vf				<u>\$0.0437</u>
<u>ANNUALIZED GAS COSTS</u>				
FACTOR P:				
Spot Market Commodity	Dth	2,446,895	\$4.2843	\$10,483,232.25
Panhandle Eastern Pipe Line Company				
EFT Demand	Dth	96,540	\$5.9300	\$572,482.20
EFT Demand	Dth	12,720	\$10.5720	\$134,475.84
EFT Demand (WS - Winter)	Dth	28,325	\$5.8420	\$165,474.65
EFT Demand (WS - Summer)	Dth	20,545	\$4.9600	\$101,903.20
IOS Demand	Dth	28,104	\$3.3500	\$94,148.40
IOS Capacity	Dth	234,200	\$0.4028	\$94,335.76
IOS Injection	Dth	234,200	\$0.0033	\$772.86
IOS Withdrawal	Dth	234,200	\$0.0033	<u>\$772.86</u>
TOTAL FACTOR P				<u>\$11,647,598.02</u>
FACTOR Vt (Ccf)				<u>24,042,654</u>
CURRENT ANNUALIZED GAS COSTS PER Ccf (Total Factor P)/FACTOR VT				<u>\$0.4845</u>
<u>FERC APPROVED SURCHARGES</u>				
FACTOR T:				
Panhandle Eastern Pipe Line Company				<u>\$0.00</u>
TOTAL FACTOR T				<u>\$0.00</u>
FACTOR Vt (Ccf)				<u>27,244,893</u>
CURRENT ANNUALIZED FERC APPROVED SURCHARGES PER Ccf (TOTAL FACTOR T)/FACTOR VT				<u>\$0.0000</u>
FIRM GCA (FACTORS D+P+T)				<u>\$0.5282</u>
NON-FIRM GCA (FACTORS P+T)				<u>\$0.4845</u>
Memorandum component -				
Avoided commodity cost for transportation customers:		\$10,483,232.25 / 27,244,893		<u>\$0.3848</u>

UNITED CITIES GAS COMPANY
GAS CHARGE ADJUSTMENT
NEELYVILLE DISTRICT

<u>Rate Schedules</u>	<u>Volume of Gas</u>	<u>Current Rates</u>	<u>Current Cost</u>
<u>FIXED GAS COST</u>			
FACTOR D:			
Natural Gas Pipeline Company of America			
FTS (D1)	Dth	2,376	\$8.9900
FSS (D1)	Dth	480	\$1.2900
FSS (Capacity)	Dth	4,746	\$0.2881
TOTAL FACTOR D			<u>\$21,360.24</u>
			<u>\$619.20</u>
			<u>\$1,367.32</u>
			<u>\$23,346.76</u>
FACTOR Vf (Ccf)			<u>570,766</u>
CURRENT DEMAND COST PER Ccf (TOTAL FACTOR D)/FACTOR Vf			<u>\$0.0409</u>
<u>ANNUALIZED GAS COSTS</u>			
FACTOR P:			
Spot Market (TETCO)	Dth	12,319	\$4.6658
Spot Market (NGPL)	Dth	45,899	\$5.1977
TOTAL FACTOR P		58,218	<u>\$57,477.99</u>
			<u>\$238,569.23</u>
			<u>\$296,047.22</u>
FACTOR Vt (Ccf)			<u>570,766</u>
CURRENT ANNUALIZED GAS COSTS PER Ccf (TOTAL FACTOR P)/FACTOR Vt			<u>\$0.5187</u>
<u>FERC APPROVED SURCHARGES</u>			
FACTOR T:			
Texas Eastern			<u>\$0.00</u>
TOTAL FACTOR T			<u>\$0.00</u>
FACTOR Vt (Ccf)			<u>570,766</u>
CURRENT ANNUALIZED FERC APPROVED SURCHARGES PER Ccf (TOTAL FACTOR T)/FACTOR Vt			<u>\$0.0000</u>
FIRM GCA (FACTORS D+P+T)			<u>\$0.5596</u>
NON-FIRM GCA (FACTORS P+T)			<u>\$0.5187</u>
Memorandum component -			
Avoided commodity cost for transportation customers (Factor P)			<u>\$0.5187</u>

United Cities Gas Company

Name of Issuing Corporation

PURCHASED GAS ADJUSTMENT FOR ALL DISTRICTS*

SALES SERVICE PGA FACTORS:

	CONSOLIDATED DISTRICT						NEELYVILLE DISTRICT	
	BOWLING GREEN		HANNIBAL/CANTON		PALMYRA		FIRM	INTERRUPTIBLE
	FIRM	INTERRUPTIBLE	FIRM	INTERRUPTIBLE	FIRM	INTERRUPTIBLE		
Gas Charge Adjustment	\$ 0.5282	\$ 0.4845	\$ 0.5282	\$ 0.4845	\$ 0.5282	\$ 0.4845	\$ 0.5596	\$ 0.5187
Refund Adjustment in Effect for a Twelve Month Period Commencing on Effective Date Shown Below:								
October 1, 1999	\$(0.0003)	\$ (0.0003)	\$(0.0010)	\$ (0.0010)	\$ -	\$ -	\$(0.0025)	\$ (0.0025)
Take-Or-Pay Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition Cost Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Cost Adjustment	\$ 0.0601	\$ 0.0601	\$(0.0223)	\$ 0.0004	\$ 0.0302	\$ 0.0459	\$(0.0445)	\$ (0.0645)
Total PGA	\$ 0.5880	\$ 0.5443	\$ 0.5049	\$ 0.4839	\$ 0.5584	\$ 0.5304	\$ 0.5126	\$ 0.4517

* All rates are \$/Ccf.

TRANSPORTATION SERVICE PGA FACTORS:

Transportation Charges

Take-Or-Pay Adjustment	\$ -	\$ (0.0018)	\$ (0.0059)	\$ 0.0009
Transition Cost Adjustment	\$ -	\$ -	\$ -	\$ -

DATE OF ISSUE: July 13, 2000DATE EFFECTIVE: August 1, 2000ISSUED BY: Thomas R. Blose, Jr., PresidentFranklin, TN

Name of Officer

Title

Address

**United Cities Gas Company,
A Division of Atmos Energy Corporation
Cap Calculation
Consolidated District**

FOR AN UNSCHEDULED SUMMER PGA FILING

1996-1997 Summer Season

	June 1996	July	August	September	October	April 1997	May	Total	Average \$/ Ccf
Purchase Volumes	180,600	185,225	129,425	48,000	133,673	350,710	209,620	1,237,253	
Commodity Cost	\$2.1200	\$1.8831	\$2.2235	\$1.8269	\$1.8179	\$1.8479	\$2.0496		
Total Commodity Costs	\$382,864.11	\$348,788.66	\$287,775.46	\$87,689.30	\$243,003.20	\$648,063.89	\$429,632.17	\$2,427,816.79	\$1.9623

1997-1998 Summer Season

	June 1997	July	August	September	October	April 1998	May	Total	Average \$/ Ccf
Purchase Volumes	147,510	142,507	83,607	90,810	148,087	251,100	173,600	1,037,221	
Commodity Cost	\$2.1928	\$2.0836	\$2.1593	\$2.4971	\$3.3405	\$2.3165	\$2.2566		
Total Commodity Costs	\$323,457.88	\$296,932.29	\$180,531.61	\$226,765.33	\$494,677.74	\$581,679.34	\$391,746.03	\$2,495,790.22	\$2.4062

1998-1999 Summer Season

	June 1998	July	August	September	October	April 1999	May	Total	Average \$/ Ccf
Purchase Volumes	118,100	110,050	108,485	61,750	116,370	122,154	229,046	865,955	
Commodity Cost	\$2.0144	\$2.3203	\$1.8970	\$1.5295	\$1.9260	\$1.7346	\$2.2304		
Total Commodity Costs	\$237,896.88	\$255,349.00	\$205,797.20	\$94,443.96	\$224,125.96	\$211,891.24	\$510,867.53	\$1,740,371.77	\$2.0098

Single highest average commodity gas cost per Ccf
(ie, the maximum \$ / Ccf of the 3 summer periods)
[Item No. (a) (2) (i) on Tariff Sheet No. 53] **\$2.4062**

Average of the three most recent ACA summer periods
[Item No. (a) (2) (ii) on Tariff Sheet No. 53] **\$2.1261**

Average of the Average of the single highest average commodity gas cost per Ccf & the average of the three summer periods
[Item No. (a) (2) on Tariff Sheet No. 53] **\$2.2662**

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., July 2000)
[Item No. (a) (1) on Tariff Sheet No. 53] **\$4.2843**

The higher of Item No. (a) (1) & Item No. (a) (2)
[Item No. (a) shown on Tariff Sheet No. 53] **CAP == >\$4.2843**

UNITED CITIES GAS COMPANY
COMPUTATION OF SPOT MARKET RATE
July, 2000

<u>SUPPLIER</u>	<u>DAILY VOLUME</u>	<u>NUMBER OF DAYS</u>	<u>MONTHLY VOLUME</u>	<u>RATE</u>	<u>MONTHLY COST</u>
BOWLING GREEN SCT	160	31	4,960	\$4.5561	\$22,598.26
Hann FS/WS	2,230	31	69,130	\$4.2527	\$293,989.15
HANNIBAL EFT	915	31	<u>28,365</u>	\$4.3138	<u>\$122,360.94</u>
			<u>102,455</u>	\$4.2843 *	<u>\$438,948.35</u>

* AVERAGE RATE

**United Cities Gas Company,
A Division of Atmos Energy Corporation
Cap Calculation
Neelyville District**

FOR AN UNSCHEDULED SUMMER PGA FILING

1996-1997 Summer Season

	June 1996	July	August	September	October	April 1997	May	Total	Average \$/ Ccf
Purchase Volumes	1,260	1,084	1,516	1,909	3,404	3,833	2,219	15,225	
Commodity Cost	\$2,3344	\$2,4595	\$4,4743	\$1,9572	\$1,8614	\$2,2257	\$1,9944		
Total Commodity Costs	\$2,941.38	\$2,666.07	\$6,782.99	\$3,736.33	\$6,336.34	\$8,531.28	\$4,425.58	\$35,419.97	\$2.3264

1997-1998 Summer Season

	June 1997	July	August	September	October	April 1998	May	Total	Average \$/ Ccf
Purchase Volumes	1,253	1,135	1,116	2,336	2,737	2,172	1,186	11,935	
Commodity Cost	\$2,4161	\$2,1811	\$2,3740	\$2,4136	\$3,3853	\$3,3078	\$2,4105		
Total Commodity Costs	\$3,027.32	\$2,475.53	\$2,649.40	\$5,638.27	\$9,265.50	\$7,184.61	\$2,858.85	\$33,099.48	\$2.7733

1998-1999 Summer Season

	June 1998	July	August	September	October	April 1999	May	Total	Average \$/ Ccf
Purchase Volumes	754	654	805	767	1,581	1,320	746	6,627	
Commodity Cost	\$2,7764	\$5,0804	\$3,2170	\$2,7768	\$3,2762	\$4,1331	\$4,4233		
Total Commodity Costs	\$2,093.37	\$3,322.59	\$2,589.66	\$2,129.79	\$5,179.70	\$5,455.68	\$3,299.78	\$24,070.57	\$3.6322

Single highest average commodity gas cost per Ccf
{ ie, the maximum \$ / Ccf of the 3 summer periods}
[Item No. (a) (2) (i) on Tariff Sheet No. 53] **\$3.6322**

Average of the three most recent ACA summer periods
[Item No. (a) (2) (ii) on Tariff Sheet No. 53] **\$2.9106**

Average of the single highest average commodity gas cost per Ccf & the average of the three summer periods
[Item No. (a) (2) on Tariff Sheet No. 53] **\$3.2714**

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., July 2000) **TETCO** **\$4.6658**
[Item No. (a) (1) on Tariff Sheet No. 53]

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., July 2000) **NGPL** **\$5.1977**
[Item No. (a) (1) on Tariff Sheet No. 53]

The higher of Item No. (a) (1) & Item No. (a) (2)
[Item No. (a) shown on Tariff Sheet No. 53] **CAP == >\$5.1977**

INTEROFFICE CORRESPONDENCE

TO: Pat Childers- UCG Regulatory

FROM: Patti Dathe

DATE: 7/10/00

SUBJECT: July, 2000 Third Party Spot and Term Purchases

CC: John Hack-Gas Supply
 Bobby Cline-Rates
 Mark Martin-Rates
 Alicia Rye-Rates
 Judy Dunlap- Rates
 Linda Nave- Rates
 David Lord- Acctg.
 Rob Wagner- Acctg.

United Cities Gas Company estimates that baseload gas purchases will be as follows during the month of July, 2000 as listed below.
 Premiums and upstream transportation costs are included in the supplier and city gate prices on a 100% load factor basis.

PIPELINE	DESCRIPTION	LOCATION	DAILY NOM. (MMBTU)	PRICE (including premium)	CITY GATE PRICE
ANR	FT	OK	1,100	\$4.2135	\$4.4621
COL. GULF	FTS-1 (Saturn)	Rayne	2,260	\$4.4600	\$4.4600
	FTS-1(Mid-TN)	Rayne	3,850	\$4.2697	\$4.4739
MRT	FTS	LA	89	\$4.3600	\$4.5600
NGPL	FT -Vandalia	Midcont	765	\$4.1750	\$5.1977
	FT-Altamont	Midcont	380	\$4.1750	\$5.3567
PANHANDLE	Hann FS /WS	Fld. Zone	2,230	\$4.2049	\$4.2527
	Hannibal EFT	Mkt. Zone	915	\$4.2600	\$4.3138
	BG SCT	Mkt. Zone	160	\$4.2600	\$4.5561
	Viriden SCT	Mkt. Zone	295	\$4.2600	\$4.5406
SOUTHERN NATURAL	FT-Columbus	LA Georgia	16,720	\$4.3400	\$5.1730
TENNESSEE (TGP via CGT)	FT to E. TN.	TX (0)	23,450	\$4.2030	\$4.3997
	FT to E. TN.	LA (1)	11,550	\$4.2430	\$4.4578
ETN	FT	APP	10,161	\$4.5453	\$4.6291
TETCO - IL	FT	ELA	0	N/A	N/A
	FT	WLA	0	N/A	N/A
	FT	ETX	0	N/A	N/A
	FT	STX	1,990	\$4.2325	4.4648
	FT(M1 ctygt)	ELA	600	\$4.6300	\$4.6300
TETCO - MO	SCT	STX	10	\$4.2325	\$4.6658
TETCO - Mid-TN	FT	STX	552	\$4.1997	\$4.4915
	FT	ETX	319	\$4.2063	\$4.4391
	FT	WLA	626	\$4.2297	\$4.4809
	FT	ELA	2,353	\$4.2397	\$4.4731
TEXAS GAS	FT	ZNSL	1,000	\$4.2663	\$4.4141
	to Bamsley	ZN 3	6,000	\$4.2663	\$5.1165
TRANSCO	GA - FS	Zone 3	807	\$4.1760	\$4.1960
	SC - FS	Zone 3	550	\$4.1760	\$4.2043
	SC- FT	Zone 1	595	\$4.3550	\$4.3976
	SC- FT	Zone 2	875	\$4.3550	\$4.3964
	SC- FT	Zone 3	2,030	\$4.3550	\$4.3945
	SC- FT	Sta. 85(Z4)	0	N/A	N/A
	GA- FT	Zone 1	735	\$4.2800	\$4.3051
	GA- FT	Zone 2	1,081	\$4.3200	\$4.3439
	GA- FT	Zone 3	2,507	\$4.3600	\$4.3820
	GA- FT	Sta. 85(Z4)	0	N/A	N/A
TRUNKLINE	SST-Metropolis	TX-N.Fld.Z.	428	\$4.3025	\$5.1191
	SST-Viriden	TX-N.Fld.Z.	19	\$4.3025	\$5.2344
	SST-Salem	TX-N.Fld.Z.	3	\$4.3025	\$5.1191