



December 17, 2004

TO THE GOVERNING BODY OF COLLEGE STATION

Filed herewith is an original of Atmos Energy Corp., Mid-Tex Division's (formerly known as TXU Gas Distribution, a division of TXU Gas Company) (the "Company") *Annual Gas Reliability Infrastructure Program Rate Adjustment for the Company's Distribution System*. The Company makes this filing in accordance with the provisions of Section 104.301 of the Texas Utilities Code, which allows a gas utility to adjust its rates annually on an interim basis to account for incremental investment in the gas utility's system. The incremental investment included herein is for the calendar year 2003. While information herewith includes the Company's investments in its entire Distribution System, your municipality only has original jurisdiction over the Company's Distribution System rates within the city limits of your municipality.

Should your municipality conclude that the interim rate adjustment tariff as proposed by the Company is appropriate under Section 104.301 of the Texas Utilities Code, no action is necessary on the part of your municipality, because the tariff is self-implementing. However, should your municipality conclude that the rate adjustment tariff as proposed by the Company is not appropriate, the Company requests that you deny the Company's request on or before February 15, 2005 so that the Company can appeal the decision to the Railroad Commission of Texas (the "Commission").

Regardless of the decision made by your municipality, the Company will not implement the interim rate adjustment tariff until after the Commission has taken final action on the interim rate adjustment filing made with the Commission for service in the Company's environs service areas and on all appeals of municipal actions taken with regard to the Company's comparable filings with all other municipalities. In addition, if the Commission approves an interim rate adjustment tariff that contains lower interim rate adjustments than contained in the attached filing, then the Company will implement the Commission-approved tariff with the lower interim rate adjustments in your municipality. This will assure that the same interim rate adjustment is made for each customer within a particular customer class across the Company's entire Distribution System.

If you have any questions, please feel free to contact me.

Yours truly,

Receipt Acknowledged By:

Name: Yvonne S. Casaus

Title: Assistant City Secretary

Date: 12-15-04

Enclosures