

**ATMOS ENERGY CORP., MID-TEX § BEFORE THE RESPECTIVE
DIVISION ANNUAL GAS RELIABILITY § GOVERNING BODY OF THE
INFRASTRUCTURE PROGRAM RATE § ATMOS ENERGY CORP.,
ADJUSTMENT FOR THE COMPANY'S § MID-TEX DIVISION CITIES AND
DISTRIBUTION SYSTEM § TOWNS**

**ATMOS ENERGY CORP., MID-TEX DIVISION ANNUAL GAS RELIABILITY
INFRASTRUCTURE PROGRAM RATE ADJUSTMENT FOR THE COMPANY'S
DISTRIBUTION SYSTEM**

TO THE HONORABLE CITY OR TOWN COUNCIL:

NOW COMES Atmos Energy Corp., Mid-Tex Division (the "Company") and, in accordance with Section 104.301 of the Texas Utilities Code, files this Annual Gas Reliability Infrastructure Program Rate Adjustment for the Company's Distribution System, and would show as follows:

I.

BUSINESS ADDRESS

The Company's business address and telephone number are: Atmos Energy Corp., Mid-Tex Division, 300 S. St. Paul Street, 8th Floor, Dallas, Texas, 75201, 214.875.6975.

II.

AUTHORIZED REPRESENTATIVES

The Company's authorized representatives for service of all pleadings and other documents are:

Richard Reis	and	Douglas C. Walther
Atmos Energy Corp., Mid-Tex Division		Atmos Energy Corporation
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General inquiries concerning the filing should be directed to Mr. Reis at the above-referenced address and phone number. All pleadings, motions, and other documents filed in this proceeding should be served on both Mr. Reis and Mr. Walther at the above-referenced addresses.

III.

SCOPE OF FILING

The Company is making this filing in accordance with the provisions of Section 104.301 of the Texas Utilities Code ("Section 104.301"). Pursuant to Section 104.301, a gas utility that has filed a rate case within the preceding two years may file a tariff or rate schedule that provides for an annual gas reliability infrastructure program interim rate adjustment in the utility's monthly customer charge or initial block rate to recover the cost of changes in the investment in service for gas utility services. On October 1, 2004, Atmos Energy Corporation merged with TXU Gas Company and began operating the natural gas system that was formerly operated by TXU Gas Company (the "Former TXU Gas System"). The distribution portion of the Former TXU Gas System is operated by Atmos Energy Corp., Mid-Tex Division. This filing applies only to the distribution portion of the Former TXU Gas System that is located inside the corporate boundaries of your city or town and is not applicable to any of the Company's other gas utility facilities.

On or about May 23, 2003, TXU Gas Company filed a rate case with your city related to the Former TXU Gas System located inside the corporate limits of your city, utilizing a December 31, 2002 test year. In that proceeding, it was requested that your city deny the rate request or defer jurisdiction to the Railroad Commission of Texas (the "Commission") so that the Commission could establish system-wide rates for all customers. Such system-wide rates were established by the Commission on May 25, 2004 in the Commission's Final Order in Gas Utilities Docket No. 9400.

In this filing, the Company seeks an interim rate adjustment based on the difference between the value of the invested capital for the distribution portion of the Former TXU Gas System as of December 31, 2003 and the value of the invested capital as of December 31, 2002, as approved by the Commission in GUD No. 9400.

IV.

CONTENTS OF FILING

The filing includes three primary components. Included in the Section marked "Tariff and Tariff Calculation" are:

- (a) the proposed tariff that implements the requested interim rate adjustment labeled as "Exhibit A". The proposed implementation date of the tariff is February 15, 2005;

- (b) the Company's calculations of the Gas Reliability Infrastructure Tariff Amount. The Tariff Calculation section of the filing also includes schedules showing the computations of the tariff calculation by class of customer;
- (c) the affidavits of Charles R. Yarbrough attesting to the method and date on which notice will be given, and that of Barbara W. Myers, which verifies that schedules attached to this pleading are true and correct summaries of the Company's books and records related to the invested capital for the Former TXU Gas System;
- (d) The Texas Railroad Commission's ("Commission's") Interim Cost Recovery and Rate Adjustment Report.

Additionally, this filing includes the following schedules:

- In the section labeled "EMR Schedule GRIP-1" are the Company's calculations in compliance with Section 104.301(f) of the Texas Utilities Code, that demonstrates the Company's earnings during 2003 related to the Former TXU Gas System, and the Commission's Annual Earnings Monitoring Report.
- A Project Report, labeled as Schedule GRIP-2, which, in accordance with Section 104.301(e) of the Texas Utilities Code, describes the investment projects completed and placed in service during 2003 and the investments retired or abandoned during 2003. Schedule GRIP-2 also states the cost, need, and customers benefited by the change in investment.

V.

NOTICE

The Company will provide notice of this proceeding to affected customers by bill insert or direct mail within 45 days after filing in accordance with Section 104.301.

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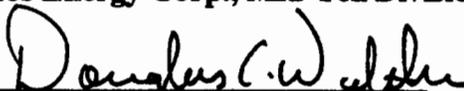
VI.

PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, the Company respectfully requests that your city either deny the annual gas reliability infrastructure program interim rate adjustment tariff attached hereto as Exhibit "A" or allow the annual gas reliability infrastructure program interim rate adjustment tariff to go into effect by operation of law, and award the Company such other and further relief to which the Company may show itself to be justly entitled.

Respectfully submitted,

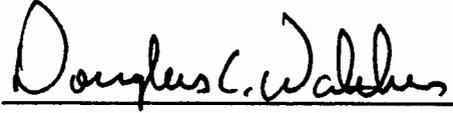
Atmos Energy Corp., Mid-Tex Division

By: 
Douglas C. Walther, Senior Counsel

Charles R. Yarbrough, II
State Bar No. 22130700
Vice President, Rates and Regulatory
Affairs

Certificate of Service

The undersigned hereby certifies that a true and correct copy of this pleading was served on the persons listed below by hand delivery, overnight delivery, or first class mail on this 17th day of December, 2004.



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