



January 17, 2001

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

FILED²
JAN 18 2001
Missouri Public
Service Commission

Dear Mr. Roberts:

6R- 2001- 397

United Cities Gas Company herewith submits for filing the 9th 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. The Company's responses to the Commission's letter dated December 22, 2000 are being submitted under separate cover since the data is highly confidential.

This filing reflects an increase in rates of approximately 51.57% for Bowling Green, 52.31% for Hannibal/Canton and 54.52% for Palmyra. This filing also reflects an increase in rates of 46.51% for Neelyville.

Your review and approval of these sheets to become effective February 1, 2001 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

200100752

T:MO/New-PGA

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	\$ 1.2204	\$ 1.1562	\$ 1.2204	\$ 1.1562	\$ 1.2204	\$ 1.1562	\$ 1.2954	\$ 1.2276
Refund Adjustment in Effect for a Twelve Month Period Commencing on Effective Date Shown Below:								
December 1, 2000	\$ 0.0005	\$ 0.0005	\$ (0.0104)	\$ (0.0104)	\$ (0.0495)	\$ (0.0495)	\$ (0.0009)	\$ (0.0009)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Take-Or-Pay Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition Cost Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated Actual Cost Adjustment	\$ 0.0014	\$ (0.0001)	\$ 0.0014	\$ (0.0001)	\$ 0.0014	\$ (0.0001)		
Actual Cost Adjustment	\$ 0.0074	\$ 0.0074	\$ 0.0038	\$ 0.0209	\$ 0.1618	\$ 0.1642	\$ (0.0187)	\$ (0.0327)
Total PGA	\$ 1.2297	\$ 1.1640	\$ 1.2152	\$ 1.1666	\$ 1.3341	\$ 1.2708	\$ 1.2758	\$ 1.1940

* All rates are \$/Ccf.

TRANSPORTATION SERVICE PGA FACTORS:

Transportation Charges

Take-Or-Pay Adjustment	\$ -	\$ 0.0007	\$ (0.0003)	\$ 0.0008
Consolidated Take-Or-Pay Adjust.	\$ 0.0001	\$ 0.0001	\$ 0.0001	
Transition Cost Adjustment	\$ -	\$ -	\$ -	\$ -

DATE OF ISSUE: January 17, 2001DATE EFFECTIVE: February 1, 2001ISSUED BY: Thomas R. Blose, Jr., President

Name of Officer

Title

Franklin, TN

Address

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

	<u>Rate Schedules</u>	<u>Volume of Gas</u>	<u>Current Rates</u>	<u>Current Cost</u>
<u>FIXED GAS COST</u>				
FACTOR D:				
Panhandle Eastern Pipe Line Company				
WS Demand	Dth	12,960	\$3.3500	\$43,416.00
WS Capacity	Dth	108,000	\$0.4028	\$43,502.40
WS Injection	Dth	108,000	\$0.0033	\$356.40
WS Withdrawal	Dth	108,000	\$0.0033	\$356.40
FS Demand	Dth	114,132	\$2.9700	\$338,972.04
FS Capacity	Dth	399,468	\$0.4246	\$169,614.11
FS Injection	Dth	399,468	\$0.0385	\$15,379.52
FS Withdrawal	Dth	399,468	\$0.0385	\$15,379.52
EFT Demand (FS - Winter)	Dth	46,500	\$6.2700	\$291,555.00
EFT Demand (FS - Summer)	Dth	31,556	\$6.2700	\$197,856.12
TOTAL FACTOR D				<u>\$1,116,387.51</u>
FIRM SALES (Ccf)				<u>17,383,058</u>
CURRENT DEMAND COST PER Ccf (TOTAL FACTOR D)/FIRM SALES				<u>\$0.0642</u>
<u>ANNUALIZED GAS COSTS</u>				
FACTOR P:				
Spot Market Commodity	Dth	1,994,782	\$10.1788	\$20,304,487.02
Panhandle Eastern Pipe Line Company				
EFT Demand	Dth	96,540	\$5.8700	\$566,689.80
EFT Demand (WS - Winter)	Dth	5,310	\$5.7930	\$30,760.83
EFT Demand (WS - Summer)	Dth	3,836	\$4.9000	\$18,796.40
IOS Demand	Dth	31,800	\$3.3500	\$106,530.00
IOS Capacity	Dth	264,996	\$0.4028	\$106,740.39
IOS Injection	Dth	264,996	\$0.0033	\$874.49
IOS Withdrawal	Dth	264,996	\$0.0033	\$874.49
TOTAL FACTOR P				<u>\$21,135,753.42</u>
TOTAL SALES (Ccf)				<u>18,280,414</u>
CURRENT ANNUALIZED GAS COSTS PER Ccf (Total Factor P)/TOTAL SALES				<u>\$1.1562</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 T SALES (Ccf)				<u>0</u>
CURRENT ANNUALIZED FERC APPROVED SURCHARGES PER Ccf (TOTAL FACTOR T)/FACTOR T SALES				<u>\$0.0000</u>
FIRM GCA (FACTORS D+P+T)				<u>\$1.2204</u>
NON-FIRM GCA (FACTORS P+T)				<u>\$1.1562</u>

UNITED CITIES GAS COMPANY
GAS CHARGE ADJUSTMENT
NEELYVILLE DISTRICT

	<u>Rate</u> <u>Schedules</u>	<u>Volume of</u> <u>Gas</u>	<u>Current</u> <u>Rates</u>	<u>Current</u> <u>Cost</u>
<u>FIXED GAS COST</u>				
FACTOR D:				
Natural Gas Pipeline Company of America				
	FTS (D1)	Dth	2,376	\$10.9200
	DSS (D1)	Dth	485	\$5.8008
				\$25,945.92
				<u>\$2,813.39</u>
TOTAL FACTOR D				<u>\$28,759.31</u>
FIRM SALES (Ccf)				<u>424,169</u>
CURRENT DEMAND COST PER Ccf (TOTAL FACTOR D)/FIRM SALES				<u>\$0.0678</u>
<u>ANNUALIZED GAS COSTS</u>				
FACTOR P:				
	Spot Market (TETCO)	Dth	8,049	\$10.4467
	Spot Market (NGPL)	Dth	<u>42,029</u>	\$10.3890
				\$84,085.49
				<u>\$436,639.28</u>
TOTAL FACTOR P			50,078	<u>\$520,724.77</u>
TOTAL SALES (Ccf)				<u>424,169</u>
CURRENT ANNUALIZED GAS COSTS PER Ccf (TOTAL FACTOR P)/TOTAL SALES				<u>\$1.2276</u>
<u>FERC APPROVED SURCHARGES</u>				
FACTOR T:				
	Texas Eastern			<u>\$0.00</u>
TOTAL FACTOR T				<u>\$0.00</u>
FACTOR T SALES (Ccf)				<u>0</u>
CURRENT ANNUALIZED FERC APPROVED SURCHARGES PER Ccf (TOTAL FACTOR T)/FACTOR T SALES				<u>\$0.0000</u>
FIRM GCA (FACTORS D+P+T)				<u>\$1.2954</u>
NON-FIRM GCA (FACTORS P+T)				<u>\$1.2276</u>

UNITED CITIES GAS COMPANY
COMPUTATION OF SPOT MARKET RATE
January, 2001

<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	1,000	31	31,000	\$10.3833	\$321,882.30
HANNIBAL EFT	5,418	31	<u>167,958</u>	<u>\$10.1410</u>	<u>\$1,703,262.08</u>
			<u>198,958</u>	\$10.1788 *	<u>\$2,025,144.38</u>

* AVERAGE RATE

UNITED CITIES GAS COMPANY
COMPUTATION OF SPOT MARKET RATE
January, 2001

UNITED CITIES GAS COMPANY
COMPUTATION OF SPOT MARKET RATE
January, 2001

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

FOR AN UNSCHEDULED WINTER PGA FILING

1997-1998 Winter Season

	November	December	January	February	March	Total	Average \$/ Ccf
Purchase Volumes	217,700	227,600	247,523	228,400	279,500	1,200,723	
Commodity Cost	\$3.3380	\$2.5624	\$2.3600	\$2.2206	\$2.4897		
Total Commodity Costs	\$726,681.21	\$583,207.04	\$584,159.06	\$507,176.28	\$695,874.69	\$3,097,098.28	\$2.5794

1998-1999 Winter Season

	November	December	January	February	March	Total	Average \$/ Ccf
Purchase Volumes	174,602	221,000	279,861	162,400	144,500	982,363	
Commodity Cost	\$2.0869	\$2.1809	\$1.9564	\$1.8989	\$1.7305		
Total Commodity Costs	\$364,376.82	\$481,982.20	\$547,518.05	\$308,389.20	\$250,060.18	\$1,952,326.45	\$1.9874

1999-2000 Winter Season

	November	December	January	February	March	Total	Average \$/ Ccf
Purchase Volumes	163,400	246,982	249,813	200,287	132,810	993,292	
Commodity Cost	\$3.2266	\$2.1920	\$2.3798	\$2.6196	\$2.5978		
Total Commodity Costs	\$527,225.30	\$541,380.73	\$594,494.72	\$524,678.46	\$345,014.15	\$2,532,793.36	\$2.5499

Single highest average commodity gas cost per Ccf
{ ie, the maximum \$ / Ccf of the 3 winter periods}
[Item No. (a) (2) (i) on Tariff Sheet No. 53] **\$2.5794**

Average of the three most recent ACA winter periods
[Item No. (a) (2) (ii) on Tariff Sheet No. 53] **\$2.3722**

Average of the single highest average commodity gas cost per Ccf & the average of the three winter periods
[Item No. (a) (2) on Tariff Sheet No. 53] **\$2.4758**

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., January 2001) PEPL **\$10.1788**
[Item No. (a) (1) on Tariff Sheet No. 53]

The higher of Item No. (a) (1) & Item No. (a) (2) **CAP == > \$10.1788**
[Item No. (a) shown on Tariff Sheet No. 53]

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

FOR AN UNSCHEDULED WINTER PGA FILING

1997-1998 Winter Season

	November	December	January	February	March	Total	Average \$ / Ccf
Purchase Volumes	7,745	9,841	9,392	6,008	6,560	39,546	
Commodity Cost	\$2.9993	\$2.3350	\$2.1437	\$2.2090	\$2.3384		
Total Commodity Costs	\$23,229.95	\$22,978.88	\$20,133.49	\$13,271.75	\$15,339.77	\$94,953.84	\$2.4011

1998-1999 Winter Season

	November	December	January	February	March	Total	Average \$ / Ccf
Purchase Volumes	5,513	7,548	9,486	7,047	6,858	36,452	
Commodity Cost	\$2.1281	\$2.1448	\$1.8622	\$1.7531	\$1.6559		
Total Commodity Costs	\$11,732.16	\$16,189.03	\$17,664.74	\$12,354.15	\$11,356.07	\$69,296.15	\$1.9010

1999-2000 Winter Season

	November	December	January	February	March	Total	Average \$ / Ccf
Purchase Volumes	5,395	8,433	9,277	7,136	5,185	35,426	
Commodity Cost	\$3.0637	\$2.2069	\$2.4174	\$2.6202	\$2.6303		
Total Commodity Costs	\$16,528.61	\$18,610.65	\$22,426.45	\$18,697.48	\$13,638.26	\$89,901.45	\$2.5377

Single highest average commodity gas cost per Ccf
{ ie, the maximum \$ / Ccf of the 3 winter periods)
[Item No. (a) (2) (i) on Tariff Sheet No. 53] **\$2.5377**

Average of the three most recent ACA winter periods
[Item No. (a) (2) (ii) on Tariff Sheet No. 53] **\$2.2799**

Average of the single highest average commodity gas cost per Ccf & the average of the three winter periods
[Item No. (a) (2) on Tariff Sheet No. 53] **\$2.4088**

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., January 2001) **TETCO** **\$10.4467**
[Item No. (a) (1) on Tariff Sheet No. 53]

Gas Commodity Costs per Ccf in the month the PGA filing is made (e.g., January 2001) **NGPL** **\$10.3890**
[Item No. (a) (1) on Tariff Sheet No. 53]

The higher of Item No. (a) (1) & Item No. (a) (2) **CAP == > \$10.4467**
[Item No. (a) shown on Tariff Sheet No. 53]

INTEROFFICE CORRESPONDENCE

TO: Pat Childers- UCG Regulator

FROM: Patti Dathe

DATE: 1/11/01

SUBJECT: January, 2001 Third Party Term and Spot Purchases

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

United Cities Gas Company estimates that baseload gas purchases will be as follows during the month of January, 2001 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	3,000	\$9.9499	\$10.4681
COL. GULF	FTS-1 (Saturn)	Rayne	6,775	\$10.0700	\$10.0700
	FTS-1(Mid-TN)	Rayne	18,134	\$9.8600	\$10.2952
	FTS-1(E-TN)	Rayne	15,000	\$9.8600	\$10.2952
MRT	FTS	LA	73	\$10.1400	\$10.8723
	FTS	LA	200	\$10.9600	\$11.0629
NGPL	FT -Vandalia	Midcont	2,100	\$9.9150	\$10.3890
	FT-Altamont	Midcont	1,400	\$9.9150	\$10.1639
PANHANDLE	Hannibal EFT	Mkt. Zone	5,418	\$10.0400	\$10.1410
	BG SCT	Mkt. Zone	1,000	\$10.0400	\$10.3833
	Virden SCT	Mkt. Zone	2,200	\$10.0400	\$10.3457
SOUTHERN NATURAL	FT-Columbus	LA	25,850	\$9.8400	\$10.3890
	FT- ETNG	LA	17,500	\$9.8500	\$10.3996
TENNESSEE (TGP via CGT)	FT to E. TN.	TX (0)	28,316	\$9.6900	\$10.1143
	FT to E. TN.	LA (1)	13,947	\$9.8033	\$10.2051
ETN	FT (Nora)	APP	12,272	\$9.9950	\$9.9950
TETCO - IL	FT	ELA	565	\$9.8325	\$10.1450
	FT	WLA	784	\$9.8125	\$10.2689
	FT	ETX	115	\$9.8450	\$10.2658
	FT	STX	477	\$9.6275	\$10.2550
TETCO - MO	SCT	ELA	97	\$9.6275	\$10.4467
TETCO-Mid-TN	FT	STX	2,878	\$9.6533	\$10.1872
	FT	ETX	1,665	\$9.7533	\$10.1742
	FT	WLA	3,267	\$9.7933	\$10.2505
	FT	ELA	12,272	\$9.8000	\$10.2214
TEXAS GAS	FT-Union City to Barnsley	ZNSL	2,000	\$9.8600	\$10.1624
		ZN 3	0	\$9.8600	\$10.8648
TRANSCO	GA - FS	Zone 3	320	\$10.0260	\$10.0480
	GA- FT	Zone 1	640	\$9.8700	\$9.8951
	GA- FT	Zone 2	942	\$9.9000	\$9.9239
	GA- FT	Zone 3	2,185	\$9.9700	\$9.9920
	GA- FT	Sta. 85(Z4)	3,933	\$10.0200	\$10.0589
TRUNKLINE	SST-Metropolis	TX-N.Fld.Z.	1,500	\$9.7600	\$10.7227
	SST-Metropolis	TX-N.Fld.Z.	1,350	\$9.8600	\$10.8259
	SST-Virden	TX-N.Fld.Z.	128	\$9.8600	\$10.9606
	SST-Salem	TX-N.Fld.Z.	22	\$9.8600	\$10.8259