



December 17, 2004

TO THE GOVERNING BODY OF TAYLOR

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: M. Haas

Title: Admin. Assist.

Date: 12-15-04

Enclosures

Atmos Energy Corporation
300 South St. Paul Street, Dallas, Texas 75201

December 21, 2004

City Official

Re: Rider GCR - Rate Filing under Docket No. 9400

Enclosed is the Atmos Energy Corp., Mid-Tex Division Statement of Rider GCR applicable January 2005 prepared in accordance with the order of the Railroad Commission of Texas under Docket No. 9400. No action is required by your city.

Should you have any questions, please let me know.

Sincerely,



Richard Reis

Attachment

ATMOS ENERGY CORP., MID-TEX DIVISION
 STATEMENT OF RIDER GCR
 JANUARY 2005 - MARCH 2005
 PREPARED IN ACCORDANCE WITH
 GAS UTILITIES DOCKET NO. 9400

<u>Line</u>	<u>Part (a)</u>				
1	Estimated Gas Cost per Unit:		\$5.6410		
2	Estimated City Gate Deliveries:		43,544,000		
3	Estimated Gas Cost:		<u>\$245,631,704</u>		
4	Lost and Unaccounted For Gas %		2.7376%		
5	Estimated Lost and Unaccounted for Gas		\$6,724,414		
6	Total Estimated City Gate Gas Cost:		<u>\$252,356,118</u>		
7	Estimated Sales Volume:		<u>30,855,000</u>		
8	Estimated Gas Cost Factor - (EGCF)		<u>\$8.1788</u>		
9	Reconciliation Factor - (RF):		-\$0.0502		
10	Taxes (TXS):		\$0.0000		
11	Adjustment - (ADJ):		<u>\$0.0167</u>		
12	Gas Cost Recovery Factor - (GCRF)		<u>\$8.1453 per Mcf</u>	Btu Factor	Per MMBtu
				1.024	\$7.9543
13	<u>Part (b)</u>				
	Estimated Cost of Pipeline Services (P)		\$20,811,300		
14	Pipeline Allocation Factor (D)		0.4997415	Rate C - Commercial (Mcf)	Rate I - Industrial Service
15	Allocated Cost of Pipeline Services		\$10,400,269	0.2798351	0.2204234
16	Estimated Volume:		18,447,000	\$5,823,732	\$4,587,298
17	Pipeline Cost Factor (PCF)			11,589,000	12,562,656
18	Gas Cost Recovery Factor - (GCRF)		\$0.5638	\$0.5025	\$0.3652
			<u>\$8.1453</u>	<u>\$8.1453</u>	<u>\$7.9543</u>
19	Rider GCR		<u>\$8.7091</u>	<u>\$8.6478</u>	<u>\$8.3195</u>
				<u>Rate T -</u>	<u>\$0.3652</u>

¹ Industrial Service and Transportation are reported in MMBtu. An MMBtu conversion factor of 1.024 is used.