

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY )  
CORPORATION FOR AN ORDER )  
AUTHORIZING THE IMPLEMENTATION ) CASE NO. 2012-00533  
OF A \$1,750,000,000 UNIVERSAL )  
SHELF REGISTRATION )

ORDER

On December 3, 2012, Atmos Energy Corporation ("Atmos") submitted its application seeking Commission approval to implement a \$1,750,000,000 universal shelf registration for debt and equity financing. This universal shelf registration will include the unused authority of approximately \$900,000,000 under the universal shelf approved by the Commission in Case No. 2009-00412<sup>1</sup> together with authority for additional issuances of up to approximately \$850,000,000 for a total of \$1,750,000,000. Atmos states that three years is the current term of a Securities and Exchange Commission shelf filing. The universal shelf registration will allow Atmos to offer, from time to time, senior debt securities and/or shares of its common stock, without par value, at prices and terms to be determined at the time of sale. The proposed debt securities and/or common stock may be issued in one or more series. The universal shelf registration will provide Atmos with greater flexibility in its financing options.

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<sup>1</sup> Case No. 2009-00412, Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$1,300,000,000 Universal Shelf Registration (Ky. PSC Dec. 1, 2009).

The net proceeds may be expended for one or more of the following purposes: (1) The refinancing of approximately \$500 million of the Atmos's notes due 2014, plus any required prepayment premiums; (2) Additional debt refunding as the market allows; (3) The purchase, acquisition, and/or construction of additional properties and improvements to existing facilities; and (4) General corporate purposes.

Atmos cannot currently state exactly what mix of debt financing and equity securities will be utilized. Atmos has stated that its goal is to continue to maintain its debt-to-capitalization ratio within its 50-55 percent target range over the next few years. Atmos does not plan to implement the universal shelf registration in a manner that would materially impact this target range. It believes the use of the proposed universal shelf registration will allow it to utilize the most favorable financing option available at a particular time.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the approval of the \$1,750,000 universal shelf registration and the associated creation and issuance of related securities is for lawful objects within the corporate purposes of Atmos, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purposes. Therefore, the universal shelf registration proposed by Atmos should be approved.

Upon the issuance of these securities, Atmos should notify the Commission of the interest rate alternative selected for the issue. It should

explain how the alternative chosen represents the most reasonable interest rate available at the time of issuance. Atmos should also file copies of any interest rate management agreements executed in conjunction with the issuance.

IT IS THEREFORE ORDERED that:

1. Atmos is authorized to implement a \$1,750,000,000 universal shelf registration for equity and debt financing, subject to the provisions and terms contained within its application, superseding the previous universal shelf authority granted in Case No. 2009-00412 upon its expiration on March 31, 2013.

2. The proceeds from the transaction authorized herein shall be used only for the lawful purposes set out in the application.

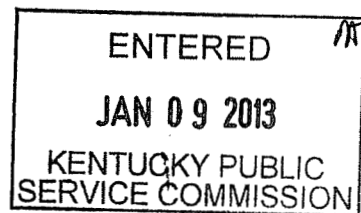
3. For any issuance of securities under the universal shelf registration, Atmos shall include, with its monthly financial report to the Commission, a supplemental report detailing the terms and conditions of such equity financing. The supplemental report shall be included with the financial report covering the month of issuance.

4. Atmos shall, within ten days after each issuance of the securities referenced herein, file with the Commission a statement setting forth the date or dates of issuance, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commission or other compensation, involved in the issuance. In addition, Atmos shall include an explanation as to how the interest rate alternative chosen represents the most reasonable interest rate available at the time of issuance, as well as copies of any executed interest rate management agreements.

5. Any documents filed pursuant to ordering paragraph 4 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

By the Commission



ATTEST

  
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