

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ATMOS ENERGY )  
CORPORATION, THROUGH ITS DIVISION, )  
WESTERN KENTUCKY GAS COMPANY FOR ) CASE NO. 92-311  
AN ORDER AUTHORIZING IT TO BORROW )  
\$10 MILLION )

O R D E R

On July 24, 1992, Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western"), filed an application requesting authority to issue and sell long-term debt in the form of unsecured senior notes in the aggregate principal amount of \$10,000,000 and to execute a promissory note in the amount of \$10,000,000 payable to The Variable Annuity Life Insurance Company, a Texas company. The interest rate applicable to the debt would be 7.95 percent, with a maturity of 14 years. The proceeds would be used to refund an 8.4 percent note payable to Central Louisiana Electric Company, Inc., in the amount of \$9,807,812 dated July 1, 1986 and for general corporate purposes and thereby reduce the overall cost of capital.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale by Atmos of \$10,000,000 of unsecured senior notes due 2006 are for the lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public, and are reasonably

necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Atmos be and it hereby is authorized to issue and sell \$10,000,000 in unsecured senior notes at interest not to exceed 7.95 percent in the manner set forth in its application.

2. Atmos shall agree only to such terms and prices which will result in a positive net present value savings and which are consistent with said parameters as set out in its application.

3. Atmos be and it hereby is authorized to execute and deliver the agreements as set out in the application and to perform the transactions contemplated by the agreements.

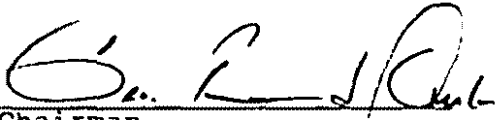
4. Atmos shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.

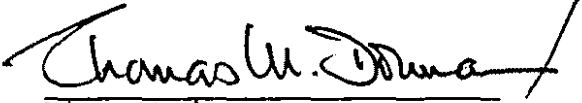
5. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

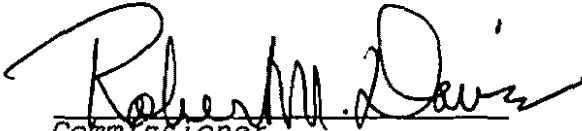
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 26th day of August, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director