

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE ATMOS ENERGY	)	
CORPORATION, THROUGH ITS DIVISION,	)	
WESTERN KENTUCKY GAS COMPANY OF	)	
OWENSBORO, KENTUCKY, FOR AN ORDER	)	CASE NO. 93-240
AUTHORIZING THE ISSUANCE OF 2,329,330	)	
SHARES OF ITS COMMON STOCK	)	

O R D E R

On July 9, 1993, Atmos Energy Corporation ("Atmos") filed an application through its division, Western Kentucky Gas Company ("Western") seeking authority to create and issue 2,329,330 shares of its common stock, without par value, to a wholly owned subsidiary. Western is subject to the jurisdiction of the Kentucky Public Service Commission ("Commission"); however, as a division of Atmos, it does not have a separate capital structure, and the securities are to be issued by Atmos subject to the approval of this Commission.

The proposed stock is to be issued to Greeley Gas Acquisition Corporation ("Acquisition Corp.") which was created to facilitate a merger between Atmos and Greeley Gas Company ("Greeley"), a gas utility serving customers in Colorado, Kansas and Missouri. After exchanging the proposed stock for all the outstanding shares of Greeley stock, Acquisition Corp. is then to merge with Atmos, with the acquired utility properties being operated as an unincorporated division of Atmos. No acquisition or construction of any property or facilities within the Commonwealth of Kentucky is proposed.

Atmos does not anticipate any changes in Western's financial performance, management or operations.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the creation and issuance of the above securities by Atmos are for lawful objects within the corporate purposes of Atmos's utility operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes and should, therefore, be approved. In approving the creation and issuance of stock to facilitate the purchase of Greeley, the Commission makes no determination herein regarding the merits of the transfer or whether or not the transfer requires approval pursuant to KRS 278.030(4) or (5).

IT IS THEREFORE ORDERED that:

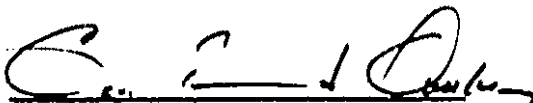
1. Atmos be and it hereby is authorized to create and issue 2,329,330 shares of its common stock to Acquisition Corp.
2. The common stock issuance authorized herein shall be used only for the lawful purposes set out in the application.
3. Atmos shall, within 30 days of the issuance authorized herein, file with this Commission a statement setting forth the date of issuance, as well as the date, actual or projected, of the completion of the merger.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the

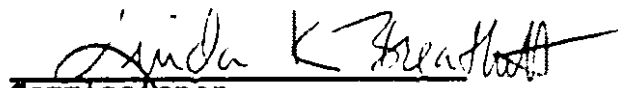
Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 7th day of September, 1993.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director