

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, FOR AN) CASE NO. 94-307
ORDER AUTHORIZING THE ISSUANCE OF UP)
TO \$57 MILLION OF UNSECURED SENIOR NOTES)

O R D E R

On August 18, 1994, Western Kentucky Gas Company ("Western"), a division of Atmos Energy Corporation ("Atmos"), filed an application seeking authority to create and issue up to \$57 million of unsecured senior notes. The notes will be placed with a private investor and the interest rate will be determined by the market at the time of issuance. The proceeds will be used to reduce Atmos' outstanding short-term debt which was \$33.5 million on August 17, 1994 and to repay other current or long-term indebtedness and for general corporate purposes.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale of the above securities by Western are for lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public, are reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Western be and it hereby is authorized to issue and sell up to \$57 million of unsecured senior notes at an interest rate to be determined in the manner set forth in its application. The securities will be sold in a private placement transaction utilizing the proper documentation.

2. Western shall agree only to such terms and prices which are consistent with said parameters as set out in its application.

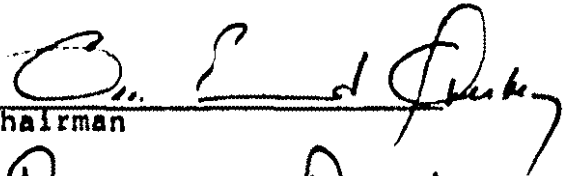
3. Western shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest or dividend rate(s), the purchasers, and all fees and expenses,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


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

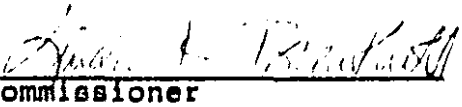
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 17th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director