

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS ENERGY)	
CORPORATION (ATMOS), THROUGH ITS DIVISION,)	
WESTERN KENTUCKY GAS COMPANY OF)	CASE NO.
OWENSBORO, KENTUCKY, FOR AN ORDER)	98-224
AUTHORIZING THE CREATION AND ISSUANCE)	
OF 650,000 SHARES OF COMMON STOCK)	
THROUGH ITS RESTRICTED STOCK GRANT PLAN)	

O R D E R

On April 29, 1998, Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western"), filed an application seeking approval to create and issue to certain management and key employees a total of 650,000 shares of common stock, without par value pursuant to its Restricted Stock Grant Plan ("RSGP"). 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 purpose of the RSGP is to retain and attract exceptional management and professional employees and to encourage their commitment to corporate objectives. The participants in the RSGP shall be such employees that will be selected from time to time by the Board in its discretion. The shares to be issued will be used to solely satisfy RSGP requirements. No proceeds will be generated by the issuance of these securities.

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, will not impair its ability to perform that service, are reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Atmos is authorized to create and issue 650,000 shares of its common stock pursuant to its RSGP.
2. Western shall notify the Commission semi-annually of the number of shares issued. The first report shall cover the period from the date of this Order through December 31, 1998. Subsequent reports shall be filed every 6 months.

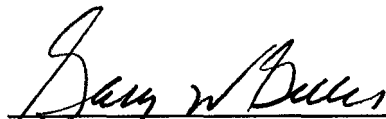
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 16th day of June, 1998.

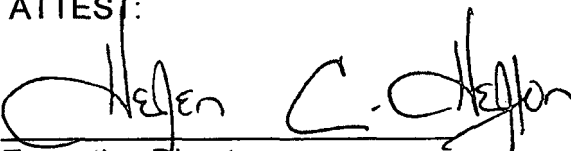
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director