

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS ENERGY)	
CORPORATION, THROUGH ITS DIVISION,)	
WESTERN KENTUCKY GAS COMPANY OF)	
OWENSBORO, KENTUCKY, FOR AN ORDER)	
AUTHORIZING THE ISSUANCE OF UP TO)	
\$75,000,000 IN SHARES OF COMMON)	CASE NO. 2002-00014
STOCK AND THE ASSUMPTION OF UP TO)	
\$55,000,000 OF DEBT TO EFFECTUATE THE)	
ACQUISITION BY MERGER OF MISSISSIPPI)	
VALLEY GAS COMPANY)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO WESTERN KENTUCKY GAS COMPANY

Western Kentucky Gas Company (Western), pursuant to 807 KAR 5:001, is to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due within 7 days of the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Discuss the objectives of Atmos Energy Corporation (Atmos) with regard to the optimum post-merger capital structure and how the stock issue will help to achieve the debt-to-equity ratios Atmos desires to attain. In the discussion, include any plans that Atmos may have to increase its credit facilities and the implications of such an increase on Atmos s credit rating.

2. Provide the price per share of Atmos s common stock for the 30-day period preceding the announcement of the acquisition of Mississippi Valley Gas Company (Mississippi Valley), the impact on the price per share immediately following the announcement, and the estimated value per common share after the transaction has been finalized.

3. Explain whether the acquisition of Mississippi Valley will have any effect on the day-to day operations of Western or if the acquisition will affect any short-term plans Atmos may have for Western. Explain whether Western could be exposed to increased costs for short-term debt as a result of Atmos s acquisition of Valley.

4. Explain whether the approval of the Securities Exchange Commission (SEC) has been sought. Provide a copy of the filing required by the SEC.

5. Refer to page 2 of the application. Atmos states that it will assume Mississippi Valley s debt, net of working capital, of approximately \$55,000,000. In a press release dated September 24, 2001, Atmos stated that it was assuming Mississippi Valley s debt, net of working capital of \$45,000,000. Explain the \$10,000,000 difference between the statement in the press release and the statement in the application.

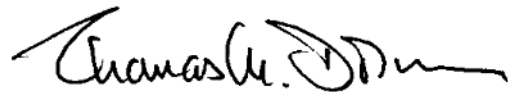
6. Provide a schedule with a pro forma calculation of return on equity for Western for the 12 months ended September 30, 2001. This schedule is to show the estimated change in the total capitalization of Western. The information is to be

presented as Actual Operating Results 9/30/2001 and After Merger - Pro Forma 9/30/2001. Capital is to be itemized by component, and each debt issuance listed separately by type of debt. In addition, for both the actual and pro forma periods, provide the following information:

- a. Western Division Capital Account.
- b. Dallas General Office Capital Allocation.
- c. Total Capital Account at 9/30/2001.
- d. Western Division Net Income before Interest.
- e. Return on Capital Account. Show the calculation methodology for

the percentage used for interest.

- f. Interest Portion of Return on Capital.
- g. Equity Portion of Return on Capital.
- h. Return on Equity.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED February 5, 2002

cc: All Parties