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OVERNIGHT DELIVERY

November 18, 2015

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

RECEIVED

NOV 19 2015

PUBLIC SERVICE
COMMISSION

RE: Atmos Energy - Application

Dear Mr. Derouen:

I am enclosing herewith, an original, plus eleven (11) copies, of Atmos' Application for approval of 2,500,000 shares through its LTFP. Thanks.

Very truly yours,



Mark R. Hutchinson

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NOV 19 2015

PUBLIC SERVICE COMMISSION

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF THE APPLICATION)
OF ATMOS ENERGY CORPORATION)
FOR AN ORDER AUTHORIZING THE)
ISSUANCE OF UP TO 2,500,000)
SHARES OF COMMON STOCK)
THROUGH ITS LONG-TERM INCENTIVE)
PLAN)

CASE NO. _____

APPLICATION

1. Pursuant to KRS 278.300, and all other applicable law, Atmos Energy Corporation (“Applicant” or “Atmos”), files its Application herein for an Order authorizing the issuance of up to 2,500,000 additional shares of Common Stock, no par value, of Applicant (the “Shares”) through and pursuant to Applicant’s 1998 Long-Term Incentive Plan (“LTIP”).

2. Atmos seeks an Order of the Commission granting it the authority to issue up to 2,500,000 Shares under the LTIP. The LTIP is to attract and retain the services of able persons as employees and non-employee directors, to provide such persons with a proprietary interest in Atmos through the granting of securities and to motivate employees and non-employee directors using performance related incentives linked to longer-range performance goals and the interest of Atmos’ shareholders. LTIP grants, whether made singly, in combination or in tandem, will increase the interest of employees and non-employee directors in Applicant’s welfare, furnish an incentive for such persons to continue their services to Atmos and provide a means through which Applicant may continue to attract and retain able persons as employees and non-employee directors. The types of awards that may be granted under the LTIP include incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, bonus shares and other stock unit

awards. Employees receiving cash bonuses pursuant to Applicant's Annual Incentive Plan for Management have the option to convert all or a portion of the cash bonus to shares of stock issued pursuant to the LTIP. The Commission has previously approved the issuance of securities pursuant to the LTIP in Case No. 98-509, Case No. 2007-00098, and Case No. 2011-00087. A copy of the LTIP was provided to the Commission in Case No. 98-509.

3. The Shares to be issued will be used solely for the LTIP. No proceeds will be generated by the issuance of these securities. All of the foregoing are lawful purposes and are appropriate or consistent with the proper performance by Atmos of its service to the public and will not impair its ability to perform that service and is reasonable, necessary and appropriate for such purposes.

4. The issuance of the Shares will be registered with the Securities and Exchange Commission ("SEC").

5. Applicant, a Virginia and Texas corporation, is duly qualified under the laws of Kentucky to carry on its business in the Commonwealth of Kentucky. Atmos operates as a public utility in the business of purchasing, transmitting and distributing natural gas to residential, commercial and industrial users in western and south central Kentucky. No transfer of ownership or control, or right to control, Applicant, by sale of assets, transfer of stock or otherwise, will occur as a result of this transaction.

6. Applicant's principal operating office and place of business in Kentucky is 3275 Highland Pointe Drive, Owensboro, Kentucky 42303. The post office address of Applicant is P.O. Box 650205, Dallas, Texas 75265-0205.

7. A certified copy of Applicant's Restated Articles of Incorporation, as Amended, together with all amendments thereto, is on file in the records of the Commission and the same are incorporated herein by reference. See Case No. 2012-00533.

8. Correspondence and communications with respect to this Application should be directed to:

Mark Martin
Vice President, Rates and Regulatory Affairs
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, Kentucky 42303
Mark.Martin@atmosenergy.com

Erikka L. Hise
Attorney
Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265-0205
Erikka.Hise@atmosenergy.com

Mark R. Hutchinson
Attorney at Law
611 Frederica St.
Owensboro, Kentucky 42301
randy@whplawfirm.com

9. Pursuant to KRS 278.300, the Applicant respectfully requests expedited consideration of this Application so that the addition Shares to be issued under the LTIP may be implemented.

10. To comply with the requirements of 807 KAR 5:001, Sections 12 and 18 of the Commission's Administrative Regulations, there is attached hereto and incorporated herein by reference, Exhibit A, which contains all of the financial information therein required. A copy of Applicant's Board of Directors resolutions authorizing the additional Shares to be issued under the LTIP is attached as Exhibit B.

11. Pursuant to 807 KAR 5:001, Section 12(2)(d), Applicant has no outstanding deeds of trust or mortgages.

WHEREFORE, Atmos respectfully requests that the Commission authorize by appropriate order or certificate the issuance by Applicant of up to 2,500,000 shares of

common stock through and pursuant to the LTIP as herein requested and granting to Atmos such other, further and different relief in the premises as the Commission may deem appropriate.

Respectfully submitted on this 17 day of November, 2015.

Mark R. Hutchinson
Attorney at Law
611 Federica St.
Owensboro, Kentucky 42301
randy@whplawfirm.com
COUNSEL FOR ATMOS ENERGY CORPORATION

By: 

VERIFICATION

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The undersigned, being under oath, says that he is the Vice President and Treasurer of Atmos Energy Corporation, the Applicant named in the above and foregoing Application, that he has read said Application, knows the contents thereof and that the same is true to the best of his personal knowledge, information and belief.

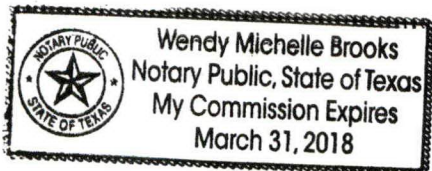


Daniel M. Meziere
Vice President and Treasurer
Atmos Energy Corporation

Subscribed and sworn to before me this 2 day of November, 2015, by Daniel M. Meziere, as Vice President and Treasurer of Atmos Energy Corporation, on behalf of the said corporation.



Notary Public, State of Texas



KENTUCKY
EXHIBIT A

References preceding each subpart of this Exhibit pertain to subsections of Sections 12 and 18 of 807 KAR 5:001.

Atmos Energy Corporation operates in Kentucky through its Kentucky division. The following includes information for Atmos Energy Corporation (unless otherwise stated) since the Kentucky division does not have a separate capital structure or authorized stock. Section 12(2):

(a) **Amount and kinds of stock authorized**

As of September 30, 2015, Atmos Energy Corporation had 200,000,000 shares of common stock (no par value) authorized.

(b) **Amount and kinds of stock issued and outstanding**

As of September 30, 2015, Atmos Energy Corporation had 101,478,818 shares of common stock issued and outstanding.

(c) **Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.**

Atmos Energy Corporation has no preferred stock.

(d) **Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.**

Not applicable.

(e) **Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.**

Please refer to (d) above.

(f) **Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.**

Outstanding Notes of Applicant are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount Outstanding at 09/30/2015</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>In favor of</u>	<u>Interest Accrued for 12 months ended 09/30/2015</u>
Sr. Notes	03/26/09	450,000,000	03/15/19	8.50%	public	39,901,000
Sr. Notes	1/11/13	500,000,000	1/15/43	4.15%	public	21,673,000
Sr. Notes	10/15/14	500,000,000	10/15/44	4.125%	public	20,575,000
Sr. Notes	10/18/04	-	10/15/14	4.95%	public	963,000
Note	12/15/95	10,000,000	12/15/25	6.67%	Cede & Co.	678,000
Debentures	07/15/98	150,000,000	07/15/28	6.75%	U.S. Bank as Trustee	10,388,000
Sr. Notes	10/15/04	200,000,000	10/15/34	5.95%	public	12,118,000
Sr. Notes	6/14/07	250,000,000	6/15/17	6.35%	public	16,454,000
Sr. Notes	06/15/11	400,000,000	6/15/41	5.50%	public	22,622,000
		<u>\$2,460,000,000</u>				<u>\$145,372,000</u>

Note that the 4.95% Note was repaid in full on October 15, 2014.

(g) **Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.**

Other indebtedness of Atmos Energy Corporation is as follows:

<u>Description</u>	<u>Lender</u>	<u>Amount Outstanding at 09/30/2015</u>	<u>Rate of Interest</u>	<u>Interest Accrued for 12 Months Ended 09/30/2015</u>
Committed Lines of Credit:				
One-year credit facility for up to \$25,000,000	Amarillo National Bank	\$ 0	Daily negotiated rate	\$ 31,248
5-year credit facility for up to \$1,250,000,000	Royal Bank of Scotland	\$ 0	Prime or LIBOR plus margin	\$ 2,170,682
TOTAL COMMITTED LINES		<u>\$ 0</u>		<u>\$ 2,201,930</u>

<u>Description</u>	<u>Lender</u>	<u>Amount Outstanding at 09/30/2015</u>	<u>Rate of Interest</u>	<u>Interest Accrued for 12 Months Ended 09/30/2015</u>
Uncommitted Money Market Lines of Credit:				
\$1,250,000,000 Commercial Paper Program		\$ 457,926,707	Money market rate as quoted	\$ 998,876
Intercompany Borrowing from Atmos Energy Holdings		\$ 325,000,000	Money market rate	\$ 1,046,391
TOTAL UNCOMMITTED LINES		\$ 782,926,707		\$ 2,045,267
TOTAL LINES OF CREDIT		\$ 782,926,707		\$ 4,247,197

(h) **Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year.**

The following is Atmos Energy Corporation's history of cash dividends paid for the past five fiscal years.

<u>Fiscal Year Ended Sept 30</u>	<u>Atmos Dividend Rate</u>	<u>Amount of Dividends Paid</u>	<u>Average Shares For Each Fiscal Year</u>
Fiscal 2011	\$1.36	\$124,010,562	90,652,000
Fiscal 2012	\$1.38	\$126,279,587	91,172,000
Fiscal 2013	\$1.40	\$128,859,121	91,711,000
Fiscal 2014	\$1.48	\$147,125,284	97,608,000
Fiscal 2015	\$1.56	\$160,017,543	101,892,000

(i) **Detailed income statement and balance sheet.**

The following is the separate company income statement and balance sheet for the regulated operations of Atmos Energy Corporation.

ATMOS ENERGY CORPORATION
STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED
September 30, 2015
(Thousands of Dollars)
(Unaudited)

Operating revenues	\$ 2,862,464
Purchased gas cost	<u>1,254,774</u>
Gross profit	1,607,690
Operating expenses:	
Operation and maintenance	740,304
Depreciation and amortization	270,284
Income Taxes	<u>181,390</u>
Total operating expenses	1,191,978
Operating income	415,712
Other income	8,347
Interest charges and other expenses	127,643
Equity in earnings of unconsolidated non-regulated subsidiaries	18,659
Net income	<u>\$ 315,075</u>

ATMOS ENERGY CORPORATION
BALANCE SHEET
September 30, 2015
(Thousands of Dollars)
(Unaudited)

ASSETS

Property, plant and equipment	\$ 9,146,173
Less accumulated depreciation and amortization	<u>1,769,419</u>
Net property, plant and equipment	7,376,754
Investments in and advances to Subsidiaries	461,449
Current assets	
Cash and cash equivalents	17,592
Accounts receivable, net	203,570
Inventories and other current assets	51,474
Gas stored underground	188,413
Deferred gas costs	9,570
Intercompany receivables	<u>923,383</u>
Total current assets	1,394,002
Goodwill	707,991
Deferred charges and other assets	<u>250,840</u>
	<u>\$ 10,191,036</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity	
Common stock	\$ 507
Additional paid-in capital	2,230,591
Retained earnings	1,073,029
Accumulated other comprehensive loss	<u>(109,330)</u>
Shareholders' equity	3,194,797
Long-term debt	<u>2,455,388</u>
Total capitalization	5,650,185
Current liabilities:	
Current maturities of long-term debt	-
Short-term debt	457,927
Intercompany loans	325,000
Accounts payable and accrued liabilities	258,003
Customers' deposits	64,934
Deferred gas costs	28,100
Other current liabilities	256,659
Intercompany payables	<u>867,410</u>
Total current liabilities	2,258,033
Deferred income taxes	1,413,964
Deferred credits and other liabilities	<u>868,854</u>
	<u>\$ 10,191,036</u>

- 18(b) The Applicant's property is comprised primarily of gas utility plant and related facilities of a local distribution company operating in Tennessee, Virginia, Colorado, Kansas, Kentucky, Texas, Mississippi and Louisiana and transmission plant of a regulated intra-state pipeline in Texas. At September 30, 2015, the cost to the Applicant was \$9,146,172,344.
- 18(c) Atmos Energy proposes to issue up to \$750,000,000 of Common Stock and \$1,750,000,000 in Long-term debt.
- 18(d) The shares are to be issued for Atmos Energy Corp's general corporate purposes.
- 18(e) Please refer to 18(d) above.
- 18(f) Please refer to 18(d) above.
- 18(2)(a) Please refer to 12(2)(a) through 12(2)(i) above.
- 18(2)(b) Not applicable.
- 18(2)(c) Not applicable.

ATMOS ENERGY CORPORATION
SECRETARY'S CERTIFICATE

The undersigned, being the Assistant Corporate Secretary of ATMOS ENERGY CORPORATION, a Texas and Virginia corporation (the "Company"), does hereby certify that the following resolutions were duly adopted by the Board of Directors of the Company at a meeting of the Board held on August 4-5, 2015:

RESOLVED, that the Board of Directors of the Company considers it desirable and in the best interests of the Company and its shareholders that the Company be authorized and empowered to issue, from time to time, up to 2,500,000 shares of common stock, no par value, of the Company (the "Shares") for use in the 1998 Long-Term Incentive Plan (the "Plan") in addition to the Shares currently authorized and registered for use in the Plan; and

FURTHER RESOLVED, that the Board of Directors hereby recommends that, for purposes of meeting the requirements of the rules of the New York Stock Exchange (the "NYSE"), the proposed increase of up to 2,500,000 Shares issuable under the Plan be submitted for approval to the shareholders of the Company at the 2016 annual meeting of shareholders, together with the recommendation of the Board of Directors to vote "For" the proposal; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare and file, or cause to be prepared and filed, with all applicable state regulatory commissions, applications for approval of the issuance of the Shares, and other such documents in connection therewith, as they may deem necessary, appropriate, or desirable, all in such form as may be approved by the proper officers and directors executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof; and

FURTHER RESOLVED, that upon approval of the foregoing proposal by requisite vote of the shareholders of the Company, the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare, or cause to be prepared, and to execute, verify, and file, or cause to be filed, with the Securities and Exchange Commission (the "Commission"), a registration statement (the "Registration Statement") on Form S-8, pursuant to the Securities Act of 1933, as amended, together with any and all exhibits and documents or supplemental information relating thereto, in connection with the proposed issuance and sale by the Company of the Shares pursuant to the Plan, and that the form of such Registration Statement shall be as approved by the officers and directors of the Company executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof, and that any actions heretofore taken in connection therewith be, and they hereby are, ratified, approved, and confirmed in all respects; and

FURTHER RESOLVED, that upon approval of the foregoing proposal by requisite vote of the shareholders of the Company, the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to notify the NYSE of the foregoing registration and to take or cause to be taken any and all such actions as may be necessary, appropriate, or desirable to comply with the requirements of such organization; and

FURTHER RESOLVED, that upon approval of the foregoing proposal by requisite vote of the shareholders of the Company, the proper officers of the Company be, and each hereby is, authorized and directed to take, or cause to be taken, all actions necessary or advisable to effect the listing and trading of the Shares on the NYSE, including the preparation, execution, and filing of all necessary applications, documents, forms, and agreements with the NYSE and the Commission, the payment by the Company of filing, listing, or application fees, the preparation of certificates for the Shares, and the appearance of any such officer before NYSE officials; and

FURTHER RESOLVED, that the transfer agent and registrar for the Shares continue to be American Stock Transfer & Trust Co.; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare and file, or cause to be prepared and filed, with the Commission such amendments (including, without limitation, post-effective amendments) and supplements to the Registration Statement and such other papers or documents in connection therewith as they may deem necessary, appropriate, or desirable, all in such form as may be approved by the proper officers and directors executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof; and

FURTHER RESOLVED, that each officer and director of the Company who may execute the Registration Statement or any amendment or supplement thereto, be and hereby is, authorized to execute a power of attorney appointing Kim R. Cocklin or Bret J. Eckert, or either of them acting alone or together, as his true and lawful attorney-in-fact for him and in his name and stead and in his capacity as an officer or director to sign such Registration Statement, any and all amendments and supplements thereto, and all instruments, papers, or documents in connection therewith, and to file the same with the Commission, with full power and authority granted to said attorney-in-fact to do and perform in the name and on behalf of each of said officers or directors each and every act whatsoever necessary or appropriate in connection with the registration of the Shares to the same extent that such officer or director might or could do in person; and

FURTHER RESOLVED, that Louis P. Gregory, Senior Vice President, General Counsel and Corporate Secretary of the Company, be, and hereby is, designated as the Company's agent to receive any letters of comment to the Registration Statement; and

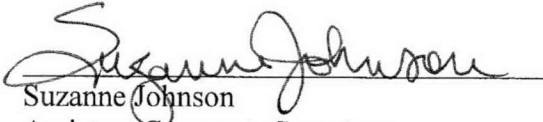
FURTHER RESOLVED, that the proper officers and directors, or any of them, be, and they hereby are, authorized to do or cause to be done any and all acts and things and to execute and deliver any and all agreements, undertakings, consents, documents, instruments, and certificates as, in their opinion, may be necessary or appropriate or desirable in order to carry out the purposes and intent of the foregoing resolutions and to perform, or cause to be performed, any actions related to the Plan, the Registration

Statement, or any other agreement referred to herein and to cause the Shares to become listed and admitted to trading on the NYSE; and

FURTHER RESOLVED, that all actions taken and expenses incurred by any officer or director heretofore in furtherance of any of the actions authorized by the foregoing resolutions hereby are expressly ratified, confirmed, and approved.

I FURTHER CERTIFY that the above resolutions have not been altered, amended, rescinded, or repealed and are now in full force and effect.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Company this 16th day of November, 2015.


Suzanne Johnson
Assistant Corporate Secretary

