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OVERNIGHT DELIVERY

November 20, 2015

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

Case No. 2015-00384

RE: Atmos Energy – Application For Authorization Of Term Loan

Dear Mr. Derouen:

I am enclosing herewith, an original, plus eleven (11) copies, of Atmos' Application for authorization for a Term Loan in an amount not to exceed \$200 million. Thanks.

Very truly yours,



Mark R. Hutchinson

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COMMISSION

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PUBLIC SERVICE
COMMISSION

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF THE APPLICATION)
OF ATMOS ENERGY CORPORATION)
FOR AN ORDER AUTHORIZING A TERM)
LOAN IN AN AMOUNT NOT TO EXCEED)
\$200 MILLION)
)

CASE NO. 2015-00384

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 for authorizing Atmos to borrow up to \$200 million over a period of up to five (5) years (“Term Loan”).

2. At a meeting held November 3-4, 2015, the Board of Directors of Atmos (“Board”) authorized the Chief Executive Officer, the Senior Vice President and Chief Financial Officer, and the Vice President and Treasurer of the Company to negotiate, through the end of fiscal 2016, a loan for up to \$200 million from a syndicate of up to four financial institutions (“Banks”) with a term of up to five years at a variable rate of interest. Further, the Board authorized all acts necessary to obtain approval of the Term Loan from the Public Service Commission of the Commonwealth of Kentucky.

3. The net proceeds from the Term Loan will be used for the repayment of all or a portion of the Company’s short-term debt, for the purchase, acquisition, or construction of additional properties, as well as improvement to the Company’s existing utility plant and general corporate purposes. 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. Approval of this application is in the public interest because it will be beneficial to Atmos and its service to its customers and the public will be convenience thereby. In addition, the Term Loan will provide Atmos with greater flexibility in its financing options.

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 Term Loan may be executed as soon as negotiation with the Banks is complete.

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 Term Loan 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 Applicant to borrow up to \$200 million over at term of up to five (5) years as outlined herein, and granting to Atmos such other, further and different relief in the premises as the Commission may deem appropriate.

Respectfully submitted on this _____ day of November, 2015.

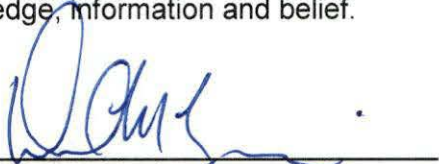
Mark R. Hutchinson
Attorney at Law
611 Federica St.
Owensboro, Kentucky 42301
randy@whplawfirm.com
COUNSEL FOR ATMOS ENERGY CORPORATION

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.

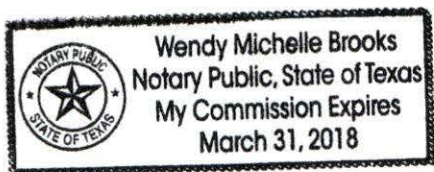


Daniel M. Meziere
Vice President and Treasurer
Atmos Energy Corporation

Subscribed and sworn to before me this 17 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		<u>\$ 782,926,707</u>		<u>\$ 2,045,267</u>
TOTAL LINES OF CREDIT		<u>\$ 782,926,707</u>		<u>\$ 4,247,197</u>

(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	<u>1,607,690</u>
Operating expenses:	
Operation and maintenance	740,304
Depreciation and amortization	270,284
Income Taxes	<u>181,390</u>
Total operating expenses	<u>1,191,978</u>
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 borrow up to \$200 million from a syndicate of up to four financial institutions with a term of up to five years at a variable rate of interest that has yet to be determined.

18(d) The funds are to be used 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 November 3-4, 2015 and such resolutions have not been altered, amended, rescinded, or repealed and are now in full force and effect:

RESOLVED, that the Chief Executive Officer, the Senior Vice President and Chief Financial Officer, and the Vice President and Treasurer of the Company are authorized to continue negotiations, through the end of fiscal 2016, with respect to a loan for up to \$200 million from a syndicate of up to four financial institutions (the "Banks") with a term of up to five years at a variable rate of interest ("Term Loan"), the concept of which was discussed with the Board this day;

RESOLVED FURTHER, that the officers and other representatives of the Company are authorized to perform all acts as may be necessary in order to obtain the approval of the transactions contemplated in the Term Loan from each of the regulatory commissions of the State of Colorado and the Commonwealths of Kentucky and Virginia;

RESOLVED FURTHER, that the Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Vice President and Treasurer, or any Senior Vice President or Vice President of the Company is hereby authorized and directed, in the name of and on behalf of the Company, to execute and deliver such instruments, agreements and documents evidencing the Term Loan, and to take such other actions as the officer so acting deems necessary or desirable in order to effectuate the transactions contemplated by these resolutions and the intent and purposes thereof;

RESOLVED FURTHER, that the actions of each of the officers or other representatives of the Company, which have been heretofore taken in connection with the Term Loan, if any, and the transactions

Exhibit B

contemplated thereby, are hereby ratified, confirmed, authorized, and approved in all respects;

RESOLVED FURTHER, that the execution by any officers of any paper or document, or the doing by them of any act, in connection with the foregoing resolutions shall evidence their approval and authorization of such paper or document or act where such approval and authorization is required or permitted by the foregoing resolutions; and

RESOLVED FURTHER, that the Banks are authorized to rely upon the aforesaid resolutions until receipt by them of written notice of any change, which changes of whatsoever nature shall not be effective as to the Banks to the extent that they have theretofore relied upon the aforesaid resolutions in the above form.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Company this 13th day of November 2015.


Suzanne Johnson
Assistant Corporate Secretary

