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PUBLIC SERVICE
COMMISSION

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OVERNIGHT DELIVERY

December 21, 2015

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602

RE: Case No. 2015-00384

Dear Mr. Derouen:

Atmos Energy Corporation (Company) herewith submits an original and eight (8) copies of the Company's responses to the Commission Staff's Initial Requests for Information in the above referenced case.

Please feel free to contact me at 270-926-5011 if you have any questions and/or need any additional information.

Very truly yours,

WILSON, HUTCHINSON & LITTLEPAGE



Mark R. Hutchinson

Enclosure

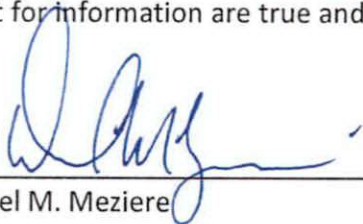
c: Erikka Hise
Mark Martin

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY CORPORATION)
FOR AN ORDER AUTHORIZING A TERM LOAN IN AN AMOUNT) Case No.
NOT TO EXCEED \$200 MILLION) 2015-00384

AFFIDAVIT

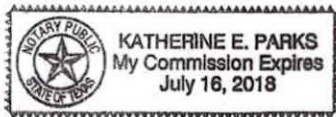
The Affiant, Daniel M. Meziere, being duly sworn, disposes and states that the attached responses to the Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

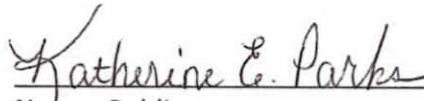


Daniel M. Meziere

STATE OF TEXAS)
COUNTY OF Dallas)

SUBSCRIBED AND SWORN to before me by Daniel M. Meziere on this the 21 day of December, 2015.





Notary Public
My Commission Expires: 7/16/18

Atmos Energy Corporation
Kentucky
Case No. 2015-00384
Commission Staff Data Request
DR Item 1
Witness: Daniel M. Meziere
Vice President and Treasurer

Data Request:

Explain how the loan amount of \$200 million was determined. Include any analysis or study Atmos has performed in the determination of the \$200 million.

Response:

The Company has anticipated borrowing the funds subject of this application as part of its overall financing plan since fiscal 2014. The amount was excluded from previous financings in order to incentivize better terms on those transactions. The negotiation of this loan has been timed to take advantage of market conditions until such time that it is advantageous to engage in another large financing. Atmos did not perform any studies or formal analysis prior to making its determination.

Atmos Energy Corporation
Kentucky
Case No. 2015-00384
Commission Staff Data Request
DR Item 2 (a) (b) and (c)
Witness: Daniel M. Meziere
Vice President and Treasurer

Data Request:

Provide a list of the banks that might provide the \$200 million of borrowed funds.

Response:

On October 1, 2015, Atmos filed with the SEC its \$1.25B Revolving Credit Facility. A copy of the revolving credit facility can be found at the following link: <http://www.sec.gov/Archives/edgar/data/731802/000119312515335478/d39736dex101.htm> Schedule II of this document lists the banks providing commitments in the Revolving Credit Facility. A combination of one or more of these banks will provide the borrowed funds.

Atmos Energy Corporation
Kentucky
Case No. 2015-00384
Commission Staff Data Request
DR Item 3
Witness: Daniel M. Meziere
Vice President and Treasurer

Data Request:

Refer to the Application, paragraph 2 and 9.

- a. Explain whether Atmos expects the term loan to be paid off in five years or refinanced.
- b. Provide the interest range of the variable rate of interest.
- c. Provide an estimate of fees that will be associated with closing up to four term loans.
- d. Paragraph 2 states that the Board of Directors of Atmos authorized negotiation through the end of fiscal 2016 for the loan at issue in this matter. Paragraph 9 seeks an expedited decision pursuant to KRS 278.300 so that the loan may be executed as soon as negotiation with the banks is complete. State the date by which Atmos requests an expedited decision.

Response:

- a. Atmos expects that the loan will be refinanced with other long term debt.
- b. The terms of the loan have not yet been negotiated. Term loans are typically negotiated to contain a floating interest rate. Typically, the rate is based upon the London Interbank Offered Rate (LIBOR) plus a spread. The LIBOR rate changes every day and as such Atmos is unable to provide the interest range of the variable rate of interest.
- c. Although the loan may be provided by a syndicate of up to four banks, there is in fact only a single loan. We estimate fees on that loan to be less than \$100,000.
- d. The Board of Directors resolutions were written to provide maximum flexibility in negotiating and executing the loan. Subject to favorable market conditions, Atmos intends to execute the loan as soon as it has received authorization from the three states that require such. Atmos has already received authorization from one state and anticipates a final order from another state prior to December 25. Atmos requests approval from Kentucky as soon as possible, ideally by the end of December, so that it may execute the loan.

Atmos Energy Corporation
Kentucky
Case No. 2015-00384
Commission Staff Data Request
DR Item 4
Witness: Daniel M. Meziere
Vice President and Treasurer

Data Request:

Refer to the Application, paragraph 3, which states, "The net proceeds for 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." Explain whether funds will be spent in Kentucky, and if so, whether any of the funds expended for utility plant will require a Certificate of Public Convenience and Necessity.

Response:

The funds will be spent primarily for repaying short-term debt. Although some portion may be used for other general corporate purposes, there are currently no plans to invest these funds in utility plant that will require a Certificate of Public Convenience and Necessity.

Atmos Energy Corporation
Kentucky
Case No. 2015-00384
Commission Staff Data Request
DR Item 5
Witness: Daniel M. Meziere
Vice President and Treasurer

Data Request:

Provide Atmos's current debt/equity ratio and the debt/equity ratio once the funds of the term loan have been borrowed.

Response:

When including short term debt, the Company's current debt to total capital ratio is 47.7%. Given that Atmos anticipates the funds of the term loan will be used for the repayment of all or a portion of the Company's short-term debt, the loan will not impact the Company's capital structure.