

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On November 23, 2015, Atmos Energy Corporation (“Atmos” or “the Company”) filed an application for authority to borrow up to \$200 million over a period of up to five years (“Term Loan”). Atmos responded to two sets of Commission Staff requests for information. There are no intervenors in this proceeding.

Atmos states in its application that the net proceeds from the Term Loan will be used primarily for the repayment of all or a portion of the Company’s short-term debt. In addition, some portion may be used for the purchase, acquisition, or construction of additional properties, as well as for improvement to the Company’s existing utility plant and general corporate purposes. Atmos plans to negotiate, through the end of its 2016 fiscal year, the Term Loan from a syndicate of up to four financial institutions with a term of up to five years at a variable rate of interest. The variable interest rate will be charged daily based on the London Interbank Offered Rate (“LIBOR”) plus a spread at the time of the negotiated loan.¹ Atmos stated in response to a Commission Staff request for information that the terms of the proposed Term Loan will be very similar to

¹ Atmos’s Response to Commission Staff’s First Request for Information, Item 3.b.

the terms of its current short-term borrowing credit facility, and that since its commercial paper balances peak during the winter months with the seasonal nature of its business, Atmos believes that the proposed form of financing will allow it to maintain adequate liquidity.²

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed implementation of a term loan in an amount up to \$200 million over a period of up to five years as set out in Atmos's application should be approved. The Commission also finds that the proposed financing is for lawful objects within the corporate purposes of Atmos's utility operations, is 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, is reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Atmos is authorized to negotiate and execute, through the end of its 2016 fiscal year, a term loan for up to five years in an amount not to exceed \$200 million with a variable rate.
2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.
3. Atmos shall agree only to such terms and prices that are consistent with the parameters set out in its application.
4. Atmos shall, within 30 days from the date of closing, file with this Commission a statement setting forth the date or dates of implementation of the term

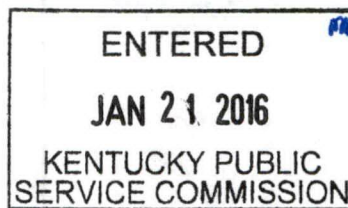
² Atmos's Response to Commission Staff's Second Request for Information, Item 1.

loan authorized herein, the interest rate, and all fees and expenses, including underwriting discounts or commissions or other compensation.

5. Any documents filed pursuant to ordering paragraph 4 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

6. 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.

By the Commission



ATTEST



Executive Director

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