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PUBLIC SERVICE
COMMISSION

March 7, 2019

Mr. Jeff Cline
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RE: Atmos Energy Corporation

Docket No. 2018-00280

Dear Mr. Cline:

Pursuant to the Order of the Kentucky Public Service Commission entered into on September 19, 2018, enclosed is the report of action for Atmos Energy Corporation. The report, in accordance with the above referenced docket, relates to the issuance of securities pursuant to the \$3,000,000,000 universal shelf registration and the Prospectus Supplement which details the terms and conditions of the offering.

If you have any questions or need further assistance, please contact me at 972-855-4031. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jason Schneider". The signature is fluid and cursive, written over the printed name.

Jason Schneider
Assistant Treasurer

COMMONWEALTH OF KENTUCKY
CASE NO: 2018-00280

REPORT OF ACTION
Prepared March 7, 2019

Reference is made to the order entered into on September 19, 2018, which requires the Company to make a report to the Commission concerning the issuance of securities under the \$3,000,000,000 universal shelf registration.

Atmos hereby reports:

On February 25, 2019 Atmos Energy Corporation ("Atmos Energy") entered into an underwriting agreement (the "Underwriting Agreement") with BNP Paribas Securities Corp., CIBC World Markets Corp., Credit Agricole Securities (USA) Inc. and Wells Fargo Securities, LLC, as representatives of the several underwriters, with respect to the offering and sale in an underwritten public offering (the "Offering") by Atmos Energy of \$450 million aggregate principal amount of its 4.125% Senior Notes due 2049 (the "Notes"), with a yield to maturity of 4.148% and an effective yield to maturity of 4.862%, after giving effect to related fees, original issuance discount and the settlement of interest rate swaps.

On March 4, 2019, Atmos Energy Corporation ("Atmos Energy") completed the offering of \$450,000,000 aggregate principal amount of its 4.125% Senior Notes due 2049 (the "Notes"). The offering has been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a registration statement on Form S-3 (Registration No. 333-228342) of Atmos Energy and the Prospectus Supplement dated February 25, 2019, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on February 27, 2019. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses payable by it, of approximately \$443 million.

Despite the busy new issue calendar, the Atmos Energy transaction managed to attract a strong orderbook prior to official guidance. The announcement of initial price thoughts at T+125 bps area allowed for the orderbook to gain attention from top investors in the investment grade arena, including: Prudential, Blackrock, NISA, Guardian Life, PPM America, and many others. A number of "anchor" orders came into the book later in the morning, a factor of broader activity, competing supply from PacifiCorp, and the relatively quiet issuance pattern from Atmos Energy previously. This late build did not hinder pricing as guidance was communicated tighter at T+115 bps area. The orderbook maintained its high quality through guidance, allowing Atmos Energy to price at T+112.5 bps. Prior to the offering (on Friday), the syndicate quoted the Atmos Energy 4.30% 2048s at T+110 bps, implying only 2.5 bps of new issue concession for the new 2049s. In addition, the Atmos Energy offering outperformed the PacifiCorp offering by pricing 2.5 bps inside of the competing 30-year tranche, in spite of the secured nature of that paper and higher ratings (A1/A+ vs A2/A). As of this morning, CIBC's utility trader is quoting the Atmos Energy notes flat to new issue spread, implying a fairly priced offering.

The Notes were issued pursuant to an indenture dated as of March 26, 2009 (the "Base Indenture") between Atmos Energy and U.S. Bank National Association, as trustee (the "Trustee"), and an officers' certificate delivered to the Trustee pursuant to Section 301 of the Base Indenture (the "Officers' Certificate," and the Base Indenture, as modified by the Officers' Certificate, is referred to herein as the "Indenture"). The Notes are represented by a global security executed by Atmos Energy on March 4, 2019 (the "Global Security") and are unsecured obligations ranking equally with all of Atmos Energy's existing and future senior indebtedness and senior in right of payment to any future indebtedness that is subordinated to the Notes. The Notes bear interest at an annual rate of 4.125%, payable by Atmos Energy on March 15 and September 15 of each year, beginning on September 15, 2019, and mature on March 15, 2049. Atmos Energy intends to use the net proceeds from this offering, together with available cash, to repay at maturity our \$450 million aggregate principal amount of 8.50% Senior Unsecured Notes due March 15, 2019.

Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the aggregate principal amount of notes listed next to its name in the following table:

Underwriter	Principal Amount of the Notes
BNP Paribas Securities Corp.	\$ 64,125,000
CIBC World Markets Corp.	64,125,000
Credit Agricole Securities (USA) Inc.	64,125,000
Wells Fargo Securities, LLC	64,125,000
Mizuho Securities USA LLC	43,500,000
MUFG Securities Americas Inc.	43,500,000
TD Securities (USA) LLC	43,500,000
Regions Securities LLC	31,500,000
BB&T Capital Markets, a division of BB&T Securities, LLC	15,750,000
The Williams Capital Group, L.P.	15,750,000
Total	\$ 450,000,000

A list of estimated and actual fees and expenses related to the debt offering is shown on the attachment labeled Exhibit A. We will submit a final list of fees and expenses once all Invoices have been received. Please refer to the SEC website for confirmed copies of the registration statement and prospectus supplement to complete our filing requirements.

Atmos Energy Corporation



Jason Schneider
Assistant Treasurer

Atmos Energy Corporation
March 2019 Debt Offering Summary - Estimate
As of March 6, 2019

Exhibit A

Offering in March 2019:

\$450,000,000 Senior Notes, 4.125%; due 2049; offered at 99.606%	\$ 450,000,000	
Less: Original Issue Discount	1,773,000	
Less: Underwriting discount at 0.875%	<u>3,937,500</u>	
Net Proceeds before legal, accounting and other offering costs		\$ 444,289,500

Less: Expenses (to be capitalized; amortized over life of debt)

Attorneys Fees	125,000	①
Accounting Fees	100,000	①
SEC Filing Fee	54,325	①
Printing & Postage Expenses (Donnelley)	25,000	①
Trustee fees	11,000	①
Rating agency fees	607,500	①
Misc	<u>77,175</u>	①

Net Proceeds \$ 443,289,500

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 443,289,500

Σ ① = 1,000,000 Total Expenses