

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	
ENERGY CORPORATION FOR AN ORDER)	CASE NO.
AUTHORIZING THE ISSUANCE OF UP TO)	2024-00392
2,000,000 SHARES OF COMMON STOCK)	
THROUGH ITS LONG-TERM INCENTIVE PLAN)	

ORDER

On December 12, 2024, Atmos Energy Corporation (Atmos) filed an application, pursuant to KRS 278.300, requesting authority to issue an evidence of indebtedness.

KRS 278.300(2) provides that the Commission must adjudicate an application for authority to issue securities or evidences of indebtedness within 60 days of the date that the application was filed. KRS 278.300(2) also provides that the Commission can continue its review of the application for longer than 60 days upon a showing of good cause.

In Case No. 2024-00313, the Commission approved Atmos's application for authorization to implement an \$8,000,000,000 universal shelf registration, which will allow it to periodically issue shares of its common stock and debt financing.¹ Atmos's application in this matter seeks additional authority to issue up to the 2,000,000 shares of common stock, with no par value, through and pursuant to its Long-Term Incentive Plan (LTIP) for the purpose of compensating employees and non-employee directors.

¹ Case No. 2024-00313, *Electronic Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$8,000,000,000 Universal Shelf Registration* (Ky. PSC Nov. 26, 2024), Order.

However, while it generally indicated that its LTIP was filed in its recent rate case, Case No. 2024-00276,² Atmos's application in this matter did not include the LTIP and did not identify where the LTIP was filed in the record of the rate case. Further, Atmos's application contained limited additional information regarding the circumstances under which such stock would be issued, the rate at which Atmos expects such stock to be issued, or the expected effect, if any, of such stock issuances on Atmos's capital structure, among other things.

To approve Atmos's application, the Commission must find that:

[T]he issue or assumption is for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.³

Although the Commission has approved similar applications in the past,⁴ the Commission is not able to make the required findings in this matter without additional information. Thus, the Commission, on its own motion, finds that an investigation is necessary to determine the reasonable necessity and appropriateness of the request, that the investigation cannot be completed by February 10, 2025, and therefore, finds that good cause exists to continue the application beyond the 60-day period specified in

² Case No. 2024-00276, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates; Approval of Tariff Revisions; and Other General Relief* (filed Oct. 11, 2024), Application.

³ KRS 278.300(3).

⁴ Case No. 2015-00379, *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* (Ky. PSC Jan. 12, 2016), Order.

KRS 278.300(2) so that the Commission can conduct a thorough review of the proposed transaction.

The Commission further finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as an Appendix to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. Atmos's application for approval of the proposed evidence of indebtedness is continued beyond the 60-day period specified in KRS 278.300(2).
2. The procedural schedule set forth in the Appendix to this Order shall be followed. The Commission shall amend the procedural schedule to accommodate intervenor testimony, if any intervenors are joined.
3. Atmos shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

4. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085⁵ regarding filings with the Commission.

5. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

6. Any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

⁵ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

7. Atmos shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statements: “This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov” and “Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov.” At the time publication is requested, Atmos shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

10. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

11. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

12. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

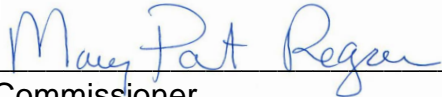
13. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

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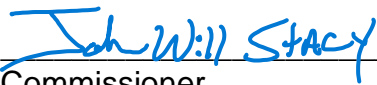
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:

Executive Director

ENTERED
JAN 28 2025
KENTUCKY PUBLIC SERVICE COMMISSION 

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00392 DATED JAN 28 2025

Last day for intervention requests to be accepted..... 01/31/2025

All initial requests for information to Atmos
shall be filed no later than 01/31/2025

Atmos shall file responses to initial requests for
information no later than..... 02/14/2025

All supplemental requests for information to Atmos
shall be filed no later than 02/28/2025

Atmos shall file responses to supplemental requests
for information no later than 03/14/2025

Last day for parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 03/17/2025

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