

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF THE APPLICATION)
OF ATMOS ENERGY CORPORATION)
FOR AN ORDER AUTHORIZING THE)
ISSUANCE OF UP TO 2,000,000)
SHARES OF COMMON STOCK)
THROUGH THE ATMOS ENERGY)
CORPORATION RETIREMENT SAVINGS)
PLAN)
)
)
)

CASE NO. 2016- 00447

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PUBLIC SERVICE
COMMISSION

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 authorizing the issuance of up to 2,000,000 additional shares of Common Stock, no par value, of Applicant (the "Shares") through and pursuant to the Atmos Energy Corporation Retirement Savings Plan and Trust ("RSP").

2. Atmos seeks an Order of the Commission granting it the authority to issue up to 2, 000,000 shares of no par value Common Stock of the Company pursuant to the RSP. The RSP is intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended, and was adopted by Applicant on October 18, 1983. Under the terms of the RSP, Applicant will match every dollar invested by an employee in the RSP up to a maximum of 4% of the employee's annual salary. The RSP therefore provides Applicant's employees with a systematic means of providing additional security for retirement or future financial needs and an opportunity to become stockholders in Applicant, thereby strengthening their direct interest in the progress and success of Applicant. The Commission previously authorized the issuance of shares pursuant to the RSP in Case No. 2014-00285.

3. The issuance of the shares is necessary for the routine operation of the RSP and will provide Applicant with additional sources of capital. Applicant will use the same to fund its capital expenditures, reduce debt, improve its capitalization ratios and preserve its credit ratings.

4. The issuance of the Shares will increase Applicant's equity to debt ratio and further strengthen Applicant's strong position as a financially sound public utility and lower its cost of capital. Therefore, approval of this Application is in the public interest because it will allow Applicant to obtain more favorable financing of its operations and allow it to continue to provide safe and adequate service to its customers.

5. The issuance of the Shares will be registered with the Securities and Exchange Commission ("SEC").

6. Applicant, a Virginia and Texas Corporation, is duly qualified under the laws of Kentucky to carry on its business in the Commonwealth of Kentucky. Applicant operates 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.

7. Company's principal operating office and place of business in the state of Kentucky is located at 3275 Highland Pointe Drive, Owensboro, Kentucky 42303. The post office address of Applicant is P.O. Box 650205, Dallas, Texas 75265-0205.

8. 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. 2015-00343.

9. 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 Street
Owensboro, Kentucky 42301
randy@whplawfirm.com

10. Pursuant to KRS 278.300, the Applicant respectfully requests expedited consideration of this Application so that the Shares may be issued at an early date.

11. To comply with the requirements of 807 KAR 5:001, Sections 12 and 16 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 the Board of Directors Resolutions authorizing the issuance is attached as Exhibit B.

12. 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 issuance by Applicant of up to 2,000,000 shares of Common Stock through and pursuant to the RSP as herein requested.

Respectfully submitted on this 29th day of December, 2016.

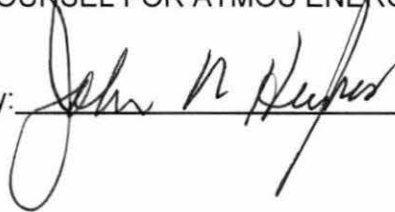
Mark R. Hutchinson
Attorney at Law
611 Frederica Street
Owensboro, Kentucky 42301
randy@whplawfirm.com

And

John N. Hughes
Attorney at Law
124 W. Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespsc.com

COUNSEL FOR ATMOS ENERGY CORPORATION

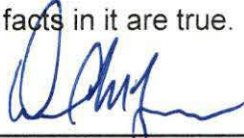
By: _____

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VERIFICATION

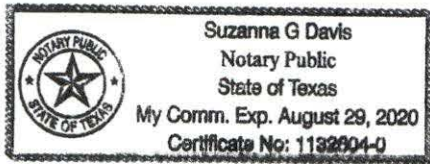
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The undersigned, being under oath, says that he is the Vice President and Treasurer of Atmos Energy Corporation, that he has read the above and foregoing Application, he has personal knowledge and that the facts in it are true.



Daniel M. Meziere
Vice President and Treasurer
Atmos Energy Corporation

Subscribed and sworn to before me this 16th day of December, 2016, 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, 2016, 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, 2016, Atmos Energy Corporation had 103,930,560 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 09/30/2016</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>In favor of</u>	<u>Interest Accrued for 12 months ended 09/30/2016</u>
Sr. Notes	03/26/09	450,000,000	03/15/19	8.50%	public	39,838,000
Sr. Notes	01/11/13	500,000,000	01/15/43	4.15%	public	21,603,000
Sr. Notes	10/15/14	500,000,000	10/15/44	4.125%	public	21,315,000
Note	12/15/95	10,000,000	12/15/25	6.67%	Cede & Co.	677,000
Debentures	07/15/98	150,000,000	07/15/28	6.75%	U.S. Bank as Trustee	10,367,000
Sr. Notes	10/15/04	200,000,000	10/15/34	5.950%	public	12,090,000
Sr. Notes	6/14/07	250,000,000	6/15/17	6.35%	public	16,419,000
Sr. Notes	06/15/11	400,000,000	6/15/41	5.50%	public	22,567,000
		<u>\$2,460,000.000</u>				<u>\$144,876,000</u>

(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 09/30/2016</u>	<u>Rate of Interest</u>	<u>Interest Accrued for 12 Months Ended 09/30/2016</u>
One-year credit facility for up to \$25,000,000	Amarillo National Bank	\$ 0	Daily negotiated rate	\$ 31,333
\$1,250,000,000 Commercial Paper Program		\$829,811,164	Prime/LIBOR plus margin	\$6,717,209
Intercompany Borrowing from Atmos Energy Holdings		\$ 197,000,000	Money market rate	\$ 1,133,044
TOTAL LINES OF CREDIT		<u>\$ 1,026,811,164</u>		<u>\$ 7,881,586</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>Shares at End of Each Fiscal Year</u>
Fiscal 2012	\$1.38	\$126,279,587	90,239,900
Fiscal 2013	\$1.40	\$128,859,121	90,640,211
Fiscal 2014	\$1.48	\$147,125,284	100,388,092
Fiscal 2015	\$1.56	\$160,017,543	101,478,818
Fiscal 2016	\$1.68	\$175,125,919	103,930,560

(i) **Detailed income statement and balance sheet.**

The following is the separate company income statement and balance sheet for the utility operations of Atmos Energy Corporation

**ATMOS ENERGY CORPORATION
STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED
September 30, 2016
(Thousands of Dollars)
(Unaudited)**

Operating revenues	\$ 2,396,307
Purchased gas cost	714,669
Gross profit	<u>1,681,638</u>
Operating expenses:	
Operation and maintenance	757,645
Depreciation and amortization	288,611
Income Taxes	186,329
Total operating expenses	<u>1,232,585</u>
Operating income	449,053
Other income	9,902
Interest charges and other expenses	127,555
Equity in earnings of unconsolidated non-regulated subsidiaries	18,704
Net income	<u>\$ 350,104</u>

ATMOS ENERGY CORPORATION
BALANCE SHEET
September 30, 2016
(Thousands of Dollars)
(Unaudited)

ASSETS

Property, plant and equipment	\$ 10,659,879
Less accumulated depreciation and amortization	<u>2,430,457</u>
Net property, plant and equipment	8,229,422
Investments in and advances to Subsidiaries	347,957
Current assets	
Cash and cash equivalents	10,263
Accounts receivable, net	208,100
Inventories and other current assets	43,826
Gas stored underground	173,792
Deferred gas costs	44,328
Intercompany receivables	<u>1,018,739</u>
Total current assets	1,499,048
Goodwill	708,696
Deferred charges and other assets	<u>273,554</u>
	<u>\$ 11,058,677</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity	
Common stock	\$ 520
Additional paid-in capital	2,388,027
Retained earnings	1,262,534
Accumulated other comprehensive loss	<u>(188,022)</u>
Shareholders' equity	3,463,059
Long-term debt	<u>2,188,779</u>
Total capitalization	5,651,838
Current liabilities:	
Current maturities of long-term debt	250,000
Short-term debt	829,811
Intercompany loans	197,000
Accounts payable and accrued liabilities	295,251
Customers' deposits	51,368
Deferred gas costs	20,180
Other current liabilities	261,552
Intercompany payables	<u>950,215</u>
Total current liabilities	2,855,377
Deferred income taxes	1,595,250
Deferred credits and other liabilities	<u>956,212</u>
	<u>\$ 11,058,677</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, 2016, the cost to the Applicant was \$10,659,879.
- 18(c) Atmos Energy proposes to issue up to 2,000,000 in additional shares of Common Stock, no par value.
- 18(d) The shares are to be issued for Atmos Energy Corp's Retirement Savings Plan (RSP).
- 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 9, 2016 and such resolutions have not been altered, amended, rescinded, or repealed and are now in full force and effect:

RESOLVED, that the Board of Directors of the Company considers it desirable and in the best interests of the Company and its shareholders that the Company be, and it hereby is, authorized and empowered to issue, from time to time, up to 2,000,000 shares of Common Stock, no par value, of the Company (the "Shares") to the Atmos Energy Corporation Retirement Savings Plan and Trust (the "Plan") in addition to the shares of Common Stock currently authorized and registered for use by such Plan; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare, or cause to be prepared, and to execute, verify, and file, or cause to be filed, with the Securities and Exchange Commission (the "Commission"), a registration statement (the "1933 Act Registration Statement") on Form S-8, pursuant to the Securities Act of 1933, as amended, together with any and all exhibits and documents or supplemental information relating thereto, in connection with the proposed issuance and sale by the Company of the Shares pursuant to the Plan, and that the form of such 1933 Act Registration Statement shall be as approved by the officers and directors of the Company executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof, and that any actions heretofore taken in connection therewith be, and they hereby are, ratified, approved, and confirmed in all respects; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to notify the New York Stock Exchange (the "NYSE") of the foregoing registration and to take or cause to be taken any and all such actions as may be necessary, appropriate, or desirable to comply with the requirements of such organization; and

FURTHER RESOLVED, that the proper officers of the Company be, and each hereby is, authorized and directed to take, or cause to be taken, all actions necessary or advisable to effect the listing and trading of the Shares on the NYSE, including the preparation, execution, and filing of all necessary applications, documents, forms, and agreements with the NYSE and the Commission, the payment by the Company of filing, listing, or application fees, the preparation of certificates for the Shares, and the appearance of any such officer before NYSE officials; and

FURTHER RESOLVED, that the transfer agent and registrar for the Shares be American Stock Transfer & Trust Company; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare and file, or cause to be prepared and filed, with the Commission such amendments (including, without limitation, post-effective amendments) and supplements to the 1933 Act Registration Statement and such other papers or documents in connection therewith as they may deem necessary, appropriate, or desirable, all in such form as may be approved by the proper officers and directors executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof; and

FURTHER RESOLVED, that each officer and director of the Company who may execute the 1933 Act Registration Statement or any amendment or supplement thereto, be and hereby is, authorized to execute a power of attorney appointing Kim R. Cocklin, as his true and lawful attorney for him and in his name and stead and in his capacity as an officer or director to sign such 1933 Act Registration Statement, any and all amendments and supplements thereto, and all instruments, papers, or documents in connection therewith, and to file the same with the Commission, with full power and authority granted to said attorney to do and perform in the name and on behalf of each of said officers or directors each and every act whatsoever necessary or appropriate in connection with the registration of the Shares to the same extent that such officer or director might or could do in person; and

FURTHER RESOLVED, that the proper officers and directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare and file, or cause to be prepared and filed, with all applicable state regulatory commissions, applications for approval of the issuance of the Shares, and other such documents in connection therewith, as they may deem necessary,

appropriate, or desirable, all in such form as may be approved by the proper officers and directors executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof; and

FURTHER RESOLVED, that the Board of Directors of the Company further considers it desirable and in the best interests of the Company that the Shares be qualified or registered for sale in various states; that the Chief Executive Officer, the President or any Vice President and the Corporate Secretary or any Assistant Corporate Secretary, be and hereby are, authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the Shares as said officers may deem advisable; that said officers be, and hereby are, authorized to perform on behalf of the Company or cause to be performed any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states and in connection therewith to execute and file, or cause to be filed, all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents, and appointments of attorney for service of process, and to take any and all further actions that they may deem necessary or advisable in order to maintain any such registration or qualification for so long as they deem necessary or as required by law; and that the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Company and the approval and ratification by the Company of the papers and documents as executed in the action so taken; and

FURTHER RESOLVED, that the form and substance of any resolutions required in connection with the registration or qualification of the Shares in any state, territory, or other jurisdiction be, and they hereby are, adopted, provided that the officers of the Company, or any of them, consider the adoption of such resolutions necessary or appropriate or desirable, in which case the Corporate Secretary or any Assistant Corporate Secretary of the Company is hereby directed to insert as an appendix to these Minutes a copy of such resolutions, which shall thereupon be deemed to have been adopted by the Board of Directors with the same force and effect as the other resolutions herein set forth; and

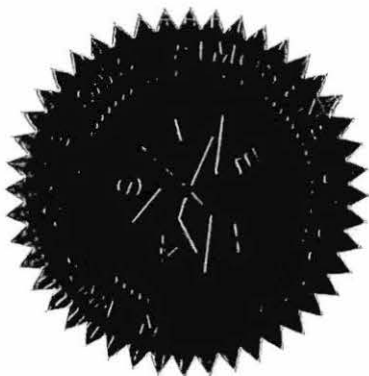
FURTHER RESOLVED, that Louis P. Gregory, Senior Vice President, General Counsel and Corporate Secretary of the Company, be, and hereby is, designated as the Company's agent to receive any letters of comment to the 1933 Act Registration Statement; and

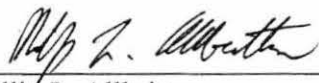
FURTHER RESOLVED, that the proper officers and directors, or any of them, be, and they hereby are, authorized to do or cause to be done

any and all acts and things and to execute and deliver any and all agreements, undertakings, consents, documents, instruments, and certificates as, in their opinion, may be necessary or appropriate or desirable in order to carry out the purposes and intent of the foregoing resolutions and to perform, or cause to be performed, the Plan, the 1933 Act Registration Statement, or any other agreement referred to herein and to cause the Shares to become listed and admitted to trading on the NYSE or cause to be filed, with all applicable state regulatory commissions, applications for approval of the issuance of the Shares; and

FURTHER RESOLVED, that all actions taken and expenses incurred by any officer or director heretofore in furtherance of any of the actions authorized by the foregoing resolutions hereby are expressly ratified, confirmed, and approved.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Company this 16th day of November 2016.





Phillip L. Allbritten
Assistant Corporate Secretary