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PUBLIC SERVICE  
COMMISSION

October 8, 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 written in a cursive style.

Jason Schneider  
Assistant Treasurer

**COMMONWEALTH OF KENTUCKY  
CASE NO: 2018-00280**

**REPORT OF ACTION  
Prepared October 8, 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 Energy Corporation hereby reports:

On September 25, 2019 Atmos Energy Corporation ("Atmos Energy") entered into an underwriting agreement (the "Underwriting Agreement") with Credit Agricole Securities (USA) Inc., J.P. Morgan Securities LLC, TD Securities (USA) LLC 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 \$300 million aggregate principal amount of its 2.625% Senior Notes due 2029 (the "2029 Notes"), with a yield to maturity of 2.632% and an effective yield to maturity of 2.707%, after giving effect to related fees and original issuance discount; and \$500 million aggregate principal amount of its 3.375% Senior Notes due 2049, with a yield to maturity of 3.379% and an effective yield to maturity of 3.426%, after giving effect to related fees and original issue discount. 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 (the "Registration Statement") and the prospectus supplement dated September 25, 2019, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on September 27, 2019.

On October 2, 2019, Atmos Energy Corporation ("Atmos Energy") completed a public offering of \$800,000,000 aggregate principal amount of its senior notes, consisting of \$300,000,000 aggregate principal amount of 2.625% Senior Notes due 2029 (the "2029 Notes") and \$500,000,000 aggregate principal amount of 3.375% Senior Notes due 2049 (the "2049 Notes" and, together with the 2029 Notes, 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 September 25, 2019, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on September 27, 2019. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses payable by it, of approximately \$792 million.

Atmos Energy had good execution at the tail end of some of the most active months in history (more than \$150 billion priced through September 25, 2019). The transaction managed to attract a strong orderbook prior to official guidance. The announcement of initial price thoughts at T+105 bps area for the 10 year and T+130 bps area for the 30 year offering allowed for the orderbook to gain attention from top investors in the investment grade arena, including Prudential, Blackrock, Pacific Investment, PPM America, Northwest Mutual, and many others. The order book built slowly throughout the morning, peaking at approximately \$2 billion (2.5 times oversubscribed). With guidance, the order book dropped to \$1.8 billion (2.25 times oversubscribed). Final pricing tightened 15 bps (T+90 bps) on the 10 year and 10 bps (T+120 bps) on the 30 year offering. In comparison, Duke Energy Indiana (Aa3/A) was also in the

market with a 30 year secured offering that priced at T+120 bps which was the same spread as Atmos' (A2/A) unsecured offering. The offerings represent the lowest cost 10 year and 30 year bonds ever issued by Atmos.

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"). Each series of Notes is represented by a global security executed by Atmos Energy on October 2, 2019 (each, a "Global Security") and are unsecured senior obligations that rank equally in right of payment with all of Atmos Energy's other existing and future unsubordinated debt. The 2029 Notes bear interest at an annual rate of 2.625%, payable by Atmos Energy on March 15 and September 15 of each year, beginning on March 15, 2020, and mature on September 15, 2029. The 2049 Notes bear interest at an annual rate of 3.375%, payable by Atmos Energy on March 15 and September 15 of each year, beginning on March 15, 2020, and mature on September 15, 2049.

A list of estimated fees and expenses related to the debt offering is shown on the attachments labeled Exhibit A and Exhibit B. We will submit a final list of actual 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

  
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Jason Schneider  
Assistant Treasurer

**Atmos Energy Corporation**  
**October 2019 Debt Offering Summary - Estimate**  
**As of October 4, 2019**

**Exhibit A**

**Offering in October 2019:**

\$300,000,000 Senior Notes, 2.625%; due 2029; offered at 99.940%	\$	300,000,000	
Less: Original Issue Discount		180,000	
Less: Underwriting discount at 0.650%		1,950,000	
Net Proceeds before legal, accounting and other offering costs		<u>1,950,000</u>	\$ 297,870,000

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

Attorneys Fees	77,500	①
Accounting Fees	18,750	①
SEC Filing Fee	35,000	①
Printing & Postage Expenses (Donnelley)	15,000	①
Trustee fees	6,300	①
Rating agency fees	389,423	①
Misc	44,213	①
	<u>586,186</u>	

Net Proceeds \$ 297,283,814

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 297,283,814

Σ ① =	586,186	Total Expenses
	<u>1,950,000</u>	Underwriting Discount
	<u>2,536,186</u>	Total fees and underwriting discount

**Underwriters**

	<b>Principal Amount of 2029 Notes</b>
Credit Agricole Securities (USA) Inc.	\$ 45,000,000.00
J.P. Morgan Securities LLC	\$ 45,000,000.00
TD Securities (USA) LLC	\$ 45,000,000.00
Wells Fargo Securities, LLC	\$ 45,000,000.00
CIBC World Markets Corp.	\$ 27,000,000.00
MUFG Securities Americas Inc.	\$ 27,000,000.00
U.S. Bancorp Investments, Inc.	\$ 27,000,000.00
BB&T Capital Markets, a division of BB&T Securities, LLC	\$ 19,500,000.00
Regions Securities LLC	\$ 19,500,000.00
<b>Total</b>	<b>\$ <u>300,000,000.00</u></b>

**Atmos Energy Corporation**  
**October 2019 Debt Offering Summary - Estimate**  
**As of October 4, 2019**

**Exhibit B**

**Offering in October 2019:**

\$500,000,000 Senior Notes, 3.375%; due 2049; offered at 99.926%	\$	500,000,000	
Less: Original Issue Discount		370,000	
Less: Underwriting discount at 0.875%		4,375,000	
Net Proceeds before legal, accounting and other offering costs		<u>4,375,000</u>	\$ 495,255,000

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

Attorneys Fees	130,000	①
Accounting Fees	31,250	①
SEC Filing Fee	58,200	①
Printing & Postage Expenses (Donnelley)	25,000	①
Trustee fees	10,500	①
Rating agency fees	649,038	①
Misc	<u>81,321</u>	①

Net Proceeds \$ 494,269,691

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 494,269,691

Σ ① =	985,309	Total Expenses
	<u>4,375,000</u>	Underwriting Discount
	<u>5,360,309</u>	Total fees and underwriting discount

**Underwriters**

Credit Agricole Securities (USA) Inc.	\$	75,000,000.00
J.P. Morgan Securities LLC	\$	75,000,000.00
TD Securities (USA) LLC	\$	75,000,000.00
Wells Fargo Securities, LLC	\$	75,000,000.00
CIBC World Markets Corp.	\$	45,000,000.00
MUFG Securities Americas Inc.	\$	45,000,000.00
U.S. Bancorp Investments, Inc.	\$	45,000,000.00
BB&T Capital Markets, a division of BB&T Securities, LLC	\$	32,500,000.00
Regions Securities LLC	\$	32,500,000.00
<b>Total</b>	<b>\$</b>	<b><u>500,000,000.00</u></b>

**Principal Amount of 2049 Notes**