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MAR 19 2021

PUBLIC SERVICE  
COMMISSION

March 18, 2021

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

RE: Atmos Energy Corporation

Case No. 2019-00421

Dear Mr. Cline:

Pursuant to the Order of the Kentucky Public Service Commission entered into on December 18, 2019, enclosed is the report of action for Atmos Energy Corporation. The report, in accordance with the above referenced case, relates to the issuance of securities pursuant to the \$4,000,000,000 universal shelf registration.

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: 2019-00421**

**REPORT OF ACTION**  
**Prepared March 18, 2021**

Reference is made to the order entered into on December 18, 2019, which requires the Company to make a report to the Commission concerning the issuance of securities under the \$4,000,000,000 universal shelf registration.

Atmos Energy Corporation hereby reports:

On March 4, 2021 Atmos Energy Corporation (“Atmos Energy”) entered into an underwriting agreement (the “Underwriting Agreement”) with J.P. Morgan Securities LLC, Mizuho Securities USA LLC and TD Securities (USA) 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 \$1.1 billion aggregate principal amount of its 0.625% Senior Notes due 2023 (the “Fixed Rate Notes”), with a yield to maturity of 0.627%; and \$1.1 billion aggregate principal amount of its Floating Rate Senior Notes due 2023 (the “Floating Rate Notes” and, together with the Fixed Rate Notes, the “Notes”).

On March 9, 2021, Atmos Energy Corporation (“Atmos Energy”) completed a public offering of \$1,100,000,000 aggregate principal amount of its 0.625% Senior Notes due 2023 (the “Fixed Rate Notes”) and \$1,100,000,000 aggregate principal amount of its Floating Rate Senior Notes due 2023 (the “Floating Rate Notes” and, together with the Fixed Rate 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. 333-236369) of Atmos Energy and the Prospectus Supplement dated March 4, 2021, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on March 8, 2021. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses payable by it, of approximately \$2.191 billion.

The Fixed Rate 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 “Fixed Rate Notes Officers’ Certificate”). The Floating Rate Notes were issued pursuant to the Base Indenture and an officers’ certificate delivered to the Trustee pursuant to Section 301 of the Base Indenture (the “Floating Rate Notes Officers’ Certificate,” and the Base Indenture, as modified by the Fixed Rate Notes Officers’ Certificate and the Floating Rate Notes Officers’ Certificate, is referred to herein as the “Indenture”). Each series of Notes is represented by three global securities executed by Atmos Energy on March 9, 2021 (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 Fixed Rate Notes bear interest at an annual rate of 0.625%, payable by Atmos Energy on March 9 and September 9 of each year, beginning on September 9, 2021, and mature on March 9, 2023. The Floating Rate Notes will bear interest at a rate equal to the Three-Month LIBOR Rate (as defined in the Floating Rate Notes Officers’ Certificate) plus 38 basis points per year reset quarterly for the applicable interest period, payable by Atmos Energy on March 9, June 9,

September 9, and December 9 of each year, beginning on June 9, 2021, and mature on March 9, 2023.

The net proceeds from the offering were used for the payment of Natural Gas purchases in the State of Texas. On February 13, 2021, the RRC issued a Notice to Local Distribution Companies acknowledging the unprecedented pricing situation and the fact that LDCs may incur significant costs. However, the RRC also encouraged natural gas utilities to ensure their customers were provided with safe and reliable natural gas service. Therefore, to partially defer and reduce the impact on customers for these costs that ultimately are reflected in customer bills, the RRC authorized LDCs to record a regulatory asset to account for the extraordinary expenses associated with this winter weather event. At the time of financing, the recovery period was unknown, thus we selected a cost-effective method of financing to pay for the Natural Gas purchases in Texas.

Lists of estimated fees and expenses related to the debt offering are shown on the attachments labeled Exhibits A and 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**  
**March 2021 Debt Offering Summary - Estimate**  
**As of March 15, 2021**

**Exhibit A**

Offering in March 2021:

\$1,100,000,000 Senior Notes, 0.625%; due 2023; offered at 99.996%	\$ 1,100,000,000	
Less: Original Issue Discount	44,000	
Less: Underwriting discount at 0.250%	2,750,000	
Net Proceeds before legal, accounting and other offering costs	<u>1,097,206,000</u>	\$ 1,097,206,000

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

Attorneys Fees	56,750	⓪
Accounting Fees	25,000	⓪
SEC Filing Fee	120,010	⓪
Printing & Postage Expenses (Donnelley)	19,000	⓪
Trustee fees	7,500	⓪
Rating agency fees	1,599,500	⓪
Misc	49,350	⓪
	<u>1,877,110</u>	

Net Proceeds \$ 1,095,328,890

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 1,095,328,890

$\Sigma$ ⓪ =	1,877,110	Total Expenses
	<u>2,750,000</u>	Underwriting Discount
	<u>4,627,110</u>	Total fees and underwriting discount

**Underwriter**

J.P. Morgan Securities LLC	\$ 190,670,000
Mizuho Securities USA LLC.	\$ 190,670,000
TD Securities (USA) LLC	\$ 190,660,000
BNP Paribas Securities Corp.	\$ 99,000,000
Credit Agricole Securities (USA) Inc.	\$ 99,000,000
MUFG Securities Americas Inc.	\$ 99,000,000
U.S. Bancorp Investments, Inc.	\$ 99,000,000
Regions Securities LLC	\$ 52,250,000
Truist Securities, Inc.	\$ 52,250,000
Goldman Sachs & Co. LLC	\$ 27,500,000
<b>Total</b>	<b><u>\$ 1,100,000,000</u></b>

**Principal Amount**

**Atmos Energy Corporation**  
**March 2021 Debt Offering Summary - Estimate**  
**As of March 15, 2021**

**Exhibit B**

Offering in March 2021:

\$1,100,000,000 Senior Notes, Floating Rate; due 2023; offered at 100.00%	\$ 1,100,000,000	
Less: Original Issue Discount	-	
Less: Underwriting discount at 0.250%	<u>2,750,000</u>	
Net Proceeds before legal, accounting and other offering costs		\$ 1,097,250,000

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

Attorneys Fees	56,750	①
Accounting Fees	25,000	①
SEC Filing Fee	120,010	①
Printing & Postage Expenses (Donnelley)	19,000	①
Trustee fees	7,500	①
Rating agency fees	1,599,500	①
Misc	<u>49,350</u>	①

Net Proceeds \$ 1,095,372,890

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 1,095,372,890

Σ ① =	1,877,110	Total Expenses
	<u>2,750,000</u>	Underwriting Discount
	<u><u>4,627,110</u></u>	Total fees and underwriting discount

**Underwriter**

J.P. Morgan Securities LLC	\$ 190,670,000
Mizuho Securities USA LLC.	\$ 190,660,000
TD Securities (USA) LLC	\$ 190,670,000
BNP Paribas Securities Corp.	\$ 99,000,000
Credit Agricole Securities (USA) Inc.	\$ 99,000,000
MUFG Securities Americas Inc.	\$ 99,000,000
U.S. Bancorp Investments, Inc.	\$ 99,000,000
Regions Securities LLC	\$ 52,250,000
Truist Securities, Inc.	\$ 52,250,000
Goldman Sachs & Co. LLC	\$ 27,500,000
<b>Total</b>	<b><u><u>\$ 1,100,000,000</u></u></b>

**Principal Amount**