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PROFESSIONAL SERVICE CORPORATION
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JNHUGHES@JOHNNHUGHESPSC.COM

April 1, 2016

James Gardner
Acting Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2015-00343

Dear Mr. Gardner:

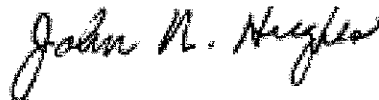
Atmos Energy Corporation submits its responses to the Attorney General's Second Data Request. A petition for confidentiality for certain responses to the Attorney General's responses is also being filed. I certify that the electronic documents are true and correct copies of the original documents.

If you have any questions about this filing, please contact me.

Submitted By:

Mark R. Hutchinson
Wilson, Hutchinson and Littlepage
611 Frederica St.
Owensboro, KY 42301
270 926 5011
randy@whplawfirm.com

And



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

Application of Atmos Energy Corporation)
for an Adjustment of Rates) Case No. 2015-00343
and Tariff Modifications)

**PETITION FOR CONFIDENTIALITY
FOR ITEMS 12 and 15 OF
THE ATTORNEY GENERAL'S SECOND DATA REQUEST**

Atmos Energy Corporation (Atmos Energy) petitions for an order granting confidential protection of its responses to Items 12 and 15 of the Attorney General's second data request. This petition is filed pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information sought in the data requests is commercial information which if disclosed could cause substantial competitive harm to Atmos Energy. This information is not publicly available. It would be difficult or impossible for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive detriment of Atmos Energy. This information is not generally disclosed to non-management employees of Atmos Energy and is protected internally by the Company as proprietary information. The disclosure of this proprietary information would result in significant or irreparable competitive harm to Atmos Energy by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

The Kentucky Open Records Act exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of

the information would permit an unfair commercial advantage to competitors of the party seeking confidentiality. Specifically, the Attorney General asks for the following:

11. Refer to the Company's 2015 10-K at page 40, which discusses plans regarding new financing to replace the \$250 million in Senior Notes set to mature on June 15, 2017 as follows:

"Additionally, we plan to issue new unsecured senior notes to replace \$250 million and \$450 million of unsecured senior notes that will mature in fiscal 2017 and fiscal 2019. During fiscal 2014 and 2015, we entered into forward starting interest rate swaps to fix the Treasury yield component associated with the anticipated fiscal 2019 issuances at 3.782%. In fiscal 2012, we entered into forward starting interest rate swaps to fix the Treasury yield component associated with the anticipated fiscal 2017 issuances at 3.367%."

Please provide the projected increment in the effective interest rate over the Treasury yield component for the new unsecured senior notes that will be issued in fiscal 2017. Provide all support relied on to quantify this increment. In addition, please compare the 3.367% rate to the benchmark for determination of whether there is a gain or loss on the hedge as of the most recent data available. Provide a copy of all source data and calculations relied on for your response.

15. Please refer to Schedule J-3 F. Referring to the 8.50% Senior Note due 3/15/2019:

a. Please provide all of the terms and conditions of this debt issue.

b. Please explain why Atmos has not refinanced this note in order to obtain a lower interest rate. Please provide all documentation supporting your response.

The financing information and details of the financing and debt calculations, which are the subjects of the request, contains information that details the internal financial operations of the company. The procedures, methodologies and controls for assuring financial accuracy directly expose the most sensitive details of the company's financial workings. The requested information provides details about the financial condition and financial strategies of the company. The Supreme Court of Kentucky has

held that “disclosure of [this financial information] would unfairly advantage competing operators. The most obvious disadvantage may be the ability to ascertain the economic status of the entities without the hurdles systematically associated with acquisition of such information. *Marina Management Servs. v. Cabinet for Tourism, Dep't of Parks*, 906 S.W.2d 318, 319 (Ky. 1995); see also *Hoy v. Kentucky Indus. Revitalization Auth.*, 907 S.W.2d 766, 768 (Ky. 1995) (“It does not take a degree in finance to recognize that such information concerning the inner workings of a corporation is generally recognized as confidential or proprietary and falls within the wording of KRS 61.878(1)(c).”).

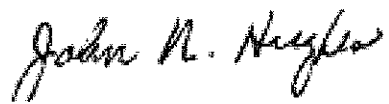
Atmos Energy requests that the information be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

For these reasons, Atmos Energy requests that the items identified in this petition be treated as confidential. Should the Commission determine that some or all of the material is not to be given confidential protection, Atmos Energy requests an hearing prior to any public release of the information to preserve its rights to notice of the grounds for the denial and to preserve its right of appeal of the decision.

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica St.
Owensboro, KY 42303
270 926 5011
Fax: 270-926-9394
Randy@whplawfirm.com

And

A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive style with a large initial 'J' and 'H'.

John N. Hughes
124 West Todd Street
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespsc.com


Attorneys for Atmos Energy Corporation

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2015-00343
ATMOS ENERGY CORPORATION)

AFFIDAVIT

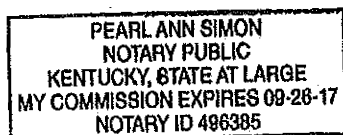
The Affiant, Mark A. Martin, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's second request for information are true and correct to the best of his knowledge and belief.




Mark A. Martin

STATE OF KENTUCKY
COUNTY OF DAVISS

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 28th day of March, 2016.





Notary Public - State of KY at Large
My Commission Expires: Sept. 26, 2017
Notary ID: 496385

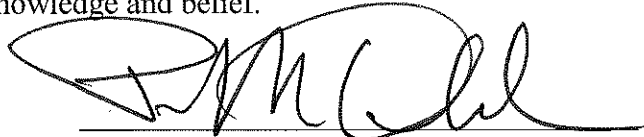
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2015-00343
ATMOS ENERGY CORPORATION)

AFFIDAVIT

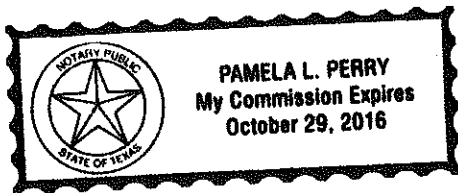
The Affiant, Pace McDonald, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's second request for information are true and correct to the best of his knowledge and belief.



Pace McDonald

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Pace McDonald on this the 29th day of March, 2016.



Pamela L. Perry
Notary Public
My Commission Expires: 10-29-16

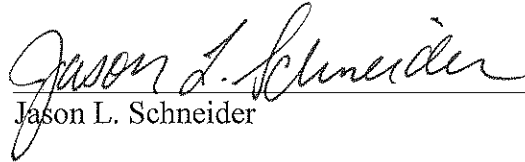
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2015-00343
ATMOS ENERGY CORPORATION)

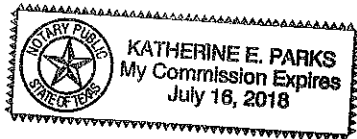
AFFIDAVIT

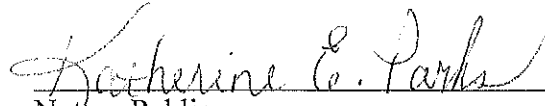
The Affiant, Jason L. Schneider, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's second request for information are true and correct to the best of his knowledge and belief.


Jason L. Schneider

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Jason L. Schneider on this the 28 day of March, 2016.




Notary Public
My Commission Expires: 7/16/18

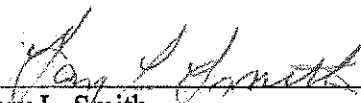
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2015-00343
ATMOS ENERGY CORPORATION)

AFFIDAVIT

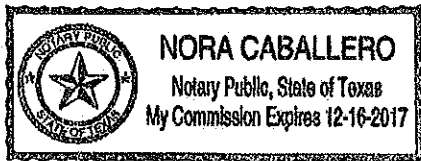
The Affiant, Gary L. Smith, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's second request for information are true and correct to the best of his knowledge and belief.

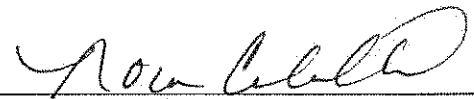


Gary L. Smith

STATE OF TEXAS
COUNTY OF Lubbock

SUBSCRIBED AND SWORN to before me by Gary L. Smith on this the 28 day of March, 2016.





Notary Public
My Commission Expires: 12-16-2017 ^{NC}

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2015-00343
ATMOS ENERGY CORPORATION)

AFFIDAVIT

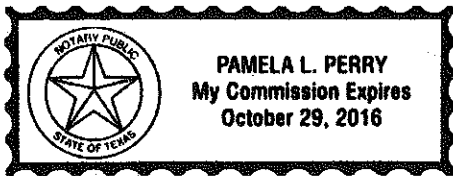
The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's second request for information are true and correct to the best of his knowledge and belief.

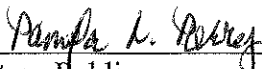


Gregory K. Waller

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 30th day of March, 2016.





Notary Public
My Commission Expires: 10-29-16

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-01
Page 1 of 4

REQUEST:

Refer to the following

- Company's response to AG 1-22(d) wherein Mr. McDonald states:

"Unlike PLR 201418024, the provision for deferred taxes in KPSC 2013-00148 was impacted by both the entire difference between accelerated tax and regulatory depreciation AND the recording of an NOLC DTA. If the Company's NOLs had been excluded from the deferred tax provision, the Company's provision for income taxes would have been higher than a tax provision included in the filing."

- Company's response to AG 1-23(e) wherein Mr. McDonald states:

"In Case No. 2013-00148, Mr. McDonald believes the Commission correctly included the credit related to the NOL in the deferred income tax provision and included the DTA for NOLC in the balance of deferred taxes applied to rate base."

- Company's response to AG 1-24(b) wherein Mr. McDonald states:

"The filing in this proceeding does not impose on customers a deferred tax charge on the entire difference between book and tax depreciation whether or not the deduction created an NOLC. The deferred charge imposed in this proceeding includes a credit related to the NOL."

- a. Please confirm that the terms "deferred tax provision," "deferred income tax provision," and "deferred tax charge" are interchangeable and refer to income tax *expense* included in the revenue requirement. If this is not the case, then please differentiate the terms as used in the referenced responses.
- b. Refer to Schedule E in Case No. 2013-00148 wherein the income tax *expense* for the base year and test period were calculated. In that calculation, the Company started with operating income *before* income tax and interest and then subtracted synchronized interest to calculate taxable income. The income tax *expense* was then calculated by multiplying the statutory combined federal and state income tax rate times taxable income. Please confirm that this correctly describes the calculation of income tax *expense* in that proceeding. If this does not correctly describe the calculation of income tax *expense* in that proceeding, please provide in detail the process that was taken to calculate income tax *expense* for that base year.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-01
Page 2 of 4

- c. Refer to Schedule E in Case No. 2013-00148. Please confirm that the Company did NOT credit (reduce) income tax *expense* in either the base year or the test period to reflect an NOL in either period. If this is not correct, then provide the credit to income tax *expense* in the base year and in the test period for the NOL and provide a narrative description for each period of how the credit was applied, along with a copy of all workpapers and supporting documentation, including electronic workpapers with formulas intact.
- d. In Case No. 2013-00148, if the Company reflected a reduction in income tax *expense* on any schedule other than Schedule E to reflect an NOL in either the base year or the test period, then please identify the schedule and/or any supporting workpapers and provide the specific reduction in income tax *expense* due to the NOL in each period.
- e. Refer to Schedule E in this proceeding wherein the income tax *expense* for the base year and test period were calculated. In that calculation, the Company started with operating income before income tax and interest and then subtracted synchronized interest to calculate taxable income. The income tax *expense* was then calculated by multiplying the statutory combined federal and state income tax rate times taxable income. Please confirm that this correctly describes the calculation of income tax *expense* in this proceeding. If this does not correctly describe the calculation of income tax *expense* in that proceeding, please provide in detail the process that was taken to calculate income tax *expense* for that.
- f. Refer to Schedule E in this proceeding. Please confirm that the Company did NOT credit (reduce) income tax *expense* in either the base year or the test period to reflect an NOL in either period. If this is not correct, then provide the credit to income tax *expense* in the base year and in the test period for the NOL in each period and a narrative description of how the credit was applied, along with a copy of all workpapers and supporting documentation, including electronic workpapers with formulas intact.
- g. In this proceeding, if the Company reflected a reduction in income tax *expense* on any schedule other than Schedule E to reflect an NOL in either the base year or the test period, then please identify the schedule and/or any supporting workpapers and provide the specific reduction in income tax *expense* due to the NOL in each period.

RESPONSE:

- a) Confirmed.
- b) This description describes the mechanical calculation of total income tax expense using a statutory tax rate. Total income tax expense is the combination of the current tax

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-01
Page 3 of 4

provision and the deferred tax provision.

- c) The Company cannot confirm this. Calculating income tax expense by applying a statutory tax rate to base year or test period income results in the accrual of all income taxes owed on that income whether the tax is owed currently (current tax provision) or deferred to a future period (deferred tax provision). Calculating tax expense in this manner results in the total tax that will be owed on the income being accrued to the period (and included in cost of service) in which it was earned. Any differences between total tax accrued and cash taxes paid are reflected properly on the balance sheet (and as a reduction to Rate Base) in the form of Accumulated Deferred Income Taxes (ADIT).

The total tax expense on the income cannot be higher or lower than this calculation unless an item of income, expense or a tax attribute is permanently excluded from either the current tax provision or the deferred tax provision. If any item, such as the effect of establishing an NOL, were excluded from the calculation, the total tax expense would be higher or lower than the taxes calculated using a statutory rate.

Consistent with prior proceedings, the tax expense in Case No. 2013-00148 is equal to the income times the statutory tax rate. No items, including the credit related to the NOL, were excluded. If the NOL had been excluded, the underlying deferred tax provision would have been higher thereby resulting in a total tax expense greater than the statutory rate.

- d) Total tax expense was calculated using the methodology described in items b and c. The impact of the Company's NOL has not been excluded on any schedules in Case No. 2013-00148.
- e) This description describes the mechanical calculation of total income tax expense using a statutory tax rate. Total income tax expense is the combination of the current tax provision and the deferred tax provision.
- f) The Company cannot confirm this. Calculating income tax expense by applying a statutory tax rate to base year or test period income results in the accrual of all income taxes owed on that income whether the tax is owed currently (current tax provision) or deferred to a future period (deferred tax provision). Calculating tax expense in this manner results in the total tax that will be owed on the income being accrued to the period (and included in cost of service) in which it was earned. Any differences between total tax accrued and cash taxes paid are reflected properly on the balance sheet (and as a reduction to Rate Base) in the form of Accumulated Deferred Income Taxes (ADIT).

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-01
Page 4 of 4

The total tax expense on the income cannot be higher or lower than this calculation unless an item of income, expense or a tax attribute is permanently excluded from either the current tax provision or the deferred tax provision. If any item, such as the effect of establishing an NOL, were excluded from the calculation, the total tax expense would be higher or lower than the taxes calculated using a statutory rate.

Consistent with prior proceedings, the tax expense in this filing is equal to the income times the statutory tax rate. No items, including the credit related to the NOL, have been excluded. If the NOL had been excluded, the underlying deferred tax provision would have been higher thereby resulting in a total tax expense greater than the statutory rate.

- g) Total tax expense was calculated using the methodology described in subparts (e) and (f). The impact of the Company's NOL has not been excluded on any schedules in the filing.

Respondent: Pace McDonald

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-02
Page 1 of 1

REQUEST:

Refer to the Company's response to AG 1-27(a).

Please confirm that the "substantial investments" listed in the response constitute a comprehensive and complete response. If not, then provide a comprehensive and complete list and also provide the information requested in AG 1-27(b) and AG 1-27(c) for each of the additional "substantial investments" identified in response to this question.

RESPONSE:

The Company's response to AG DR No. 1-27 subpart (a) contained a list of major projects, but that list did not contain all projects.

Respondent: Mark Martin

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-03
Page 1 of 1

REQUEST:

Refer to the Company's response to AG 1-27(b), which asked for a copy of the capital expenditure authorizations/justifications, including *all economic analyses* developed and reviewed by management for each of the substantial investments identified in response to part (a) of this question, by project if it is available.

The Company did not provide this information or indicate that it was unavailable. Please provide the information requested.

RESPONSE:

The Company does not have the economic analysis being requested. The Company has not undertaken the specific analysis requested and it is therefore unavailable. The Company has previously provided the analysis it has related to this topic.

Respondent: Mark Martin

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-04
Page 1 of 1

REQUEST:

Refer to the Company's response to AG 1-27(c), which asked the following:

"Identify all rate base and operating expense impacts for the base period and forecasted test period, along with all other assumptions, which reflect the impact of reductions in employees, expenses and costs related to improvements in efficiency and productivity, including, but not limited to, those investments identified and described in response to part (a) of this question. Provide the historical costs (by account number and description) before the related efficiency/productivity and compare this to the reduced costs (by account number and description), and identify the difference related to cost savings from efficiency/productivity."

The Company did not provide any of the information requested or indicate that it was unavailable. Please provide the information requested.

RESPONSE:

The Company apologizes for any confusion related to its response to AG DR No. 1-27 subpart (c); however, it is impossible to specifically identify the level of savings actually achieved in the Base Period and accounted for in the Test Period forecast. To the extent savings were achieved and/or expected, they are reflected in the actual results and the Company's budget upon which the Test Period O&M is based. The Company has provided all analysis related to such topic.

Respondent: Mark Martin

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-05
Page 1 of 1

REQUEST:

Refer to the Company's response to AG 1-04 Attachments 1 and 2 related to the development of allocation factors.

- a. Please provide the O&M expense for the Virginia division by month for the year ended September 30, 2015 by FERC account and by cost element.
- b. Please explain in detail how the O&M expense for the Virginia division for the year ended September 30, 2015, excluding amounts booked to account 922, was a negative \$332,937.

RESPONSE:

- a) Please see Attachment 1.
- b) As shown in Attachment 1, the negative O&M expense for Virginia was primarily due to account 9230-06121 for outside legal charges. The account was negative due to legal insurance reimbursements received during Fiscal 2015 that were related to a liability case in Blacksburg, VA, which resulted in a credit to legal expense. It should be noted that legal expenses related to this case were being charged to Virginia in prior years which resulted in higher legal expense for Virginia during those years.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-05_Att1 - Virginia O&M.xlsx, 3 Pages.

Respondent: Jason Schneider

Altom Energy Corporation
Virginia O&M Expense
Fiscal 2015

Company	Division	Division Description	Account	Account Description	Sub Account	Sub Account Description	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	JUL-15	AUG-15	SEP-15	TOTAL	
050	098	Mid-States-Virginia	8520	Communication system expenses	05364	Cellular, radio, pager charges	-	-	-	-	-	-	-	-	-	-	24	-	24	
050	098	Mid-States-Virginia	8520	Communication system expenses	05398	Capitalized Telecom Costs	-	-	-	-	-	-	-	-	-	-	(14)	-	(14)	
050	098	Mid-States-Virginia	8520	Communication system expenses	07607	Telecom Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8570	Transmission-Measuring and regulating station expenses	02005	Non-Inventories Supplies	-	-	-	-	-	-	-	308	-	-	-	-	308	
050	096	Mid-States-Virginia	8600	Transmission-Rents	04002	Required By Law, Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01000	Non-protect Labor	22,693	13,389	16,846	13,912	11,217	13,490	13,249	19,184	11,885	13,954	10,857	12,151	172,897	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01001	Capital Labor	103,184	58,917	80,594	62,780	75,032	67,844	80,083	106,287	80,244	76,087	73,230	82,898	928,047	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01002	Capital Labor Contra	(112,693)	(87,087)	(85,701)	(89,041)	(77,478)	(73,988)	(82,071)	(111,978)	(82,621)	(80,806)	(81,399)	(90,687)	(895,528)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01008	O&M Project Labor and Contra	-	(1,494)	-	-	-	-	-	-	-	-	-	-	(1,494)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01008	Expense Labor Accrual	(4,922)	(430)	3,311	298	(1,947)	-	2,485	1,181	(8,077)	962	2,817	(1,006)	1,827	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01011	Capital Labor Transfer In	84,142	40,359	43,680	45,573	38,185	36,920	39,011	53,351	39,722	40,146	41,834	43,914	530,748	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01012	Capital Labor Transfer Out	(54,533)	(33,189)	(38,673)	(38,312)	(33,749)	(30,797)	(37,004)	(47,700)	(37,346)	(35,427)	(33,525)	(41,913)	(483,288)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01013	Expense Labor Transfer In	-	(1,494)	-	-	-	-	-	-	-	-	-	-	(1,494)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	01014	Expense Labor Transfer Out	-	1,494	-	-	-	-	-	-	-	-	-	-	1,494	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	02001	Inventory Materials	95	(108)	-	-	-	27	-	-	-	1,005	1,431	-	2,483	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	02004	Warehouse Loading Charge	11	(13)	-	-	-	3	-	-	-	151	288	-	439	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	02006	Purchasing Card Charges	137	6	595	616	492	27	34	1,084	166	107	-	409	3,673	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	03003	Capitalized transportation costs	(17)	-	(244)	(15)	(109)	(103)	-	(10)	-	(12)	(1,380)	(5)	(1,894)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	03004	Vehicle Expense	28	-	441	25	158	176	-	20	-	22	3,580	14	4,463	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04002	Required By Law, Safety	-	-	-	-	-	-	-	2,513	-	-	377	-	2,890	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04040	Community Rel&Trade Shows	-	-	45	-	-	-	-	-	-	-	16	-	61	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04212	IT Equipment	-	-	-	22	-	-	-	-	-	-	-	-	22	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04307	Heavy Equipment	-	-	-	-	28	-	-	-	-	-	-	-	28	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04307	Heavy Equipment Capitalized	-	-	-	-	80	-	-	-	-	-	-	-	80	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04982	Building Maintenance	20	-	715	-	-	-	40	-	-	-	-	-	795	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04980	Utilities	2,505	1,215	1,380	1,421	953	1,608	1,263	1,039	1,125	1,152	1,318	171	15,155	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	04989	Capitalized Utility Costs	(1,385)	(1,047)	(1,094)	(646)	(431)	(804)	(635)	(614)	(680)	(629)	(691)	(692)	(8,728)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05010	Office Supplies	-	1,058	821	778	1,295	775	688	665	815	1,412	723	9,948		
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05111	Postage/Delivery Services	141	114	53	81	23	394	274	165	158	250	94	414	2,160	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05201	Monthly Lines and Service	1,351	782	1,941	1,941	782	1,350	1,350	1,219	1,092	1,089	1,126	1,102	15,105	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05312	Long Distance	49	51	96	-	-	80	28	47	33	28	25	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05314	Toll Free Long Distance	393	846	459	411	511	502	474	340	386	458	465	383	5,406	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05316	Telecom Maintenance & Repair	-	-	-	-	-	-	-	55	900	-	-	-	955	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05331	WAN/LAN/Internet Service	52	52	52	107	-	52	105	100	280	290	290	609	1,897	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05364	Cellular, radio, pager charges	2,149	2,224	4,398	2,171	-	2,186	4,173	2,051	1,670	-	-	-	4,419	25,405
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05377	Cell phone equipment and accessories	83	-	-	-	-	24	288	69	1,229	-	-	-	473	2,444
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05398	Capitalized Telecom Costs	(2,071)	(1,715)	(3,630)	(2,327)	(463)	(1,917)	(3,334)	(1,973)	(3,253)	(804)	(854)	(3,983)	(26,289)	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05411	Meals and Entertainment	1,327	789	1,101	773	1,028	1,105	1,340	1,180	1,683	875	887	853	853	12,411
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05412	Spousal & Dependent Travel	23	19	35	10	-	15	59	81	9	42	84	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05413	Transportation	412	741	6	3,436	1,482	1,628	278	86	642	1,282	39	-	12,533	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05414	Lodging	2,583	524	988	3,438	4,394	1,595	1,750	2,117	852	1,656	908	808	22,844	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05415	Membership Fees	-	-	250	-	380	-	100	385	-	-	-	-	-	451
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05419	Misc Employee Expense	459	-	-	-	-	11	-	-	-	-	-	-	-	476
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05421	Training	27	1	-	-	-	-	-	357	662	-	-	-	-	2,100
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	05422	Operator Qualifications Training	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	06111	Contract Labor	5,601	5,007	3,235	5,407	3,199	842	3,798	2,214	2,838	-	1,780	-	-	33,899
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07120	Environmental & Safety	24	149	-	-	-	111	24	-	-	-	-	-	-	308
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07443	Uniforms	-	-	1,006	1,534	798	330	552	-	-	173	-	-	157	4,541
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07444	Uniforms Capitalized	-	-	(586)	(900)	(542)	(196)	(355)	-	-	(98)	-	-	(90)	(2,767)
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07498	Misc Employee Welfare Exp	-	80	45	10	144	122	246	58	145	-	-	-	66	43
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07510	Association Dues	-	-	-	929	109,000	-	-	-	-	-	-	-	-	109,829
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07520	Donations	-	-	-	-	-	1,000	80	-	-	-	-	-	-	1,080
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07590	Misc General Expense	135	247	518	729	62	241	1,083	2,944	(2,980)	21	1,006	1,413	-	5,811
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07601	Vehicle Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07607	Telecom Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07608	Uniform Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07608	Utility Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8700	Distribution-Operation supervision and engineering	07608	Non-Inventories Supplies	-	-	4,731	-	-	-	-	-	-	-	-	-	-	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	01000	Non-protect Labor	38,409	29,507	23,941	27,538	26,019	29,140	26,020	37,697	26,059	26,744	26,077	30,762	350,184	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	01006	O&M Project Labor and Contra	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	01008	Expense Labor Accrual	(6,557)	975	2,200	4,192	(768)	4,475	730	(11,889)	2,792	4,253	2,070	4,568	7,049	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	01013	Expense Labor Transfer In	-	-	-	-	-	-	-	-	-	-	163	248	-	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	01014	Expense Labor Transfer Out	-	-	-	-	-	-	-	-	-	-	-	163	-	
050	098	Mid-States-Virginia	8740	Mains and Services Expenses	02001	Inventory Materials	1,598	2,048	1,451	1,287	920	1,142	2,053	1,196	1,998	1,988	3,360	1,885	2	

Ameren Energy Corporation
Virginia O&M Expense
Fiscal 2015

Company	Division	Division Description	Account	Account Description	Sub Account	Sub Account Description	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	JUL-15	AUG-15	SEP-15	TOTAL
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	01008	Expense Labor Accrual	(272)	166	(121)	(153)	720	571	(1,170)	(86)	79	(133)	596	(568)	(381)
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	02005	Non-Inventory Supplies	-	448	-	459	-	-	-	190	84	300	417	-	1,335
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	04990	Utilities	2	37	63	47	47	-	72	16	9	2	3	-	269
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	05411	Meals and Entertainment	-	-	-	-	41	-	-	-	-	-	-	-	41
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	08111	Contract Labor	1,480	-	-	-	-	-	-	-	-	-	-	-	1,480
050	096	Mid-States-Virginia	8750	Distribution-Measuring and regulating station expenses	07590	Misc General Expense	2,182	2,511	-	81	607	195	210	155	354	11	15	198	6,308
050	096	Mid-States-Virginia	8770	Distribution-Measuring and regulating station expenses-City gate	02005	Non-Inventory Supplies	-	-	-	-	-	-	11	-	-	-	-	-	11
050	096	Mid-States-Virginia	8770	Distribution-Measuring and regulating station expenses-City gate	04990	Utilities	30	30	29	30	27	27	29	28	30	30	29	30	348
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	01000	Non-project Labor	17,287	13,873	12,925	13,412	11,870	10,754	7,416	14,395	11,174	9,634	8,894	9,660	141,295
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	01008	Expense Labor Accrual	(2,730)	697	1,702	1,536	(771)	516	(1,281)	(2,792)	1,512	906	75	1,387	968
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	02005	Non-Inventory Supplies	67	107	74	-	22	-	154	150	87	19	50	50	781
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	03003	Capitalized transportation costs	-	-	-	-	-	(12)	-	-	-	-	-	-	21
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	03004	Vehicle Expense	-	-	-	-	-	21	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	05411	Meals and Entertainment	-	-	-	-	80	-	-	-	-	-	-	-	80
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	09111	Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	2,438
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	07590	Misc General Expense	49	-	54	-	-	-	11	42	-	-	-	-	71
050	096	Mid-States-Virginia	8780	Meter and house regulator expenses	07601	Vehicle Gap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	228
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	01000	Non-project Labor	1,440	1,317	2,448	3,344	2,968	2,999	7,164	11,153	986	1,253	8,382	31	41,246
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	01006	O&M Project Labor and Contra	-	-	108	-	-	-	514	8,756	-	-	-	-	-
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	01008	Expense Labor Accrual	48	69	650	693	(238)	396	3,215	(3,158)	(1,556)	323	2,873	(3,479)	(172)
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	01013	Expense Labor Transfer In	-	-	-	108	-	-	-	514	8,756	-	-	-	-
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	01014	Expense Labor Transfer Out	-	-	-	(108)	-	-	-	(514)	(8,756)	-	-	-	(9,378)
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	02005	Non-Inventory Supplies	13	-	-	9	-	-	8	-	-	-	-	-	23
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	04044	Advertising	-	593	-	-	197	-	-	-	-	197	-	-	53
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	04582	Building Maintenance	1,391	1,744	1,161	1,067	1,919	2,996	1,200	2,768	426	1,179	2,012	497	17,679
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	04990	Utilities	155	165	155	151	151	85	85	85	85	85	177	85	1,330
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	04589	Capitalized Utility Costs	(798)	(848)	(590)	(621)	(1,082)	(1,334)	(710)	(1,407)	(247)	(844)	(1,054)	(285)	(9,630)
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05010	Office Supplies	116	-	74	356	374	703	71	187	741	153	34	175	2,920
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05111	Postal/Delivery Services	23	-	48	487	192	96	-	49	-	-	-	-	693
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05376	Cell service for data uses	-	-	-	-	-	-	-	-	-	-	-	-	28
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05377	Cell phone equipment and accessories	-	-	-	-	-	-	-	-	-	-	-	-	16
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05389	Capitalized Telecom Costs	-	-	-	-	-	-	-	-	-	-	-	(8)	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05411	Meals and Entertainment	10	-	6	-	-	-	-	986	-	116	85	1,246	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05413	Transportation	-	-	-	14	-	-	-	12	-	12	-	-	24
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05414	Lodging	329	-	730	-	296	-	-	266	-	128	-	278	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05419	Misc Employee Expense	-	-	160	-	74	-	-	75	-	-	-	81	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05420	Employee Development	-	-	549	-	-	7,848	1,522	377	76	917	-	42	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05426	Safety Training	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	05411	Contract Labor	-	-	-	-	-	-	-	-	-	-	-	3,116	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	07499	Misc Employee Welfare Exp	55	-	14	-	30	19	108	14	1,218	781	8	738	
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	07690	Misc General Expense	550	-	100	-	72	61	876	119	442	57	115	-	2,392
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	07607	Telecom Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	8800	Distribution-Other expenses	07609	Utility Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	8810	Distribution-Rents	04980	Building Lease/Rents Capitalized	(5,820)	(5,334)	(5,402)	(5,347)	(5,987)	(4,912)	(5,235)	(4,965)	(5,812)	(5,219)	(5,395)	(5,762)	(64,886)
050	096	Mid-States-Virginia	8810	Distribution-Rents	04981	Building Lease/Rents	9,867	9,667	9,667	9,867	9,867	9,867	9,867	9,817	9,817	9,817	9,817	10,017	116,549
050	096	Mid-States-Virginia	8810	Distribution-Rents	04582	Building Maintenance	20	20	1,411	58	96	170	-	-	30	6	-	-	1,558
050	096	Mid-States-Virginia	8810	Distribution-Rents	04989	Utilities	69	73	64	100	64	84	109	106	74	54	121	35	911
050	096	Mid-States-Virginia	8810	Distribution-Rents	04589	Capitalized Utility Costs	(53)	(50)	(724)	(78)	(70)	(119)	(65)	(55)	(61)	(22)	-	-	(70)
050	096	Mid-States-Virginia	8810	Distribution-Rents	08111	Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	738
050	096	Mid-States-Virginia	8810	Distribution-Rents	07803	Rent Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	8810	Distribution-Rents	07809	Utility Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	8870	Distribution-Maint of mains	01000	Non-project Labor	-	270	82	74	-	81	-	259	408	194	1,022	358	
050	096	Mid-States-Virginia	8870	Distribution-Maint of mains	01008	Expense Labor Accrual	(83)	67	(43)	12	(37)	49	(49)	43	99	(45)	465	(330)	
050	096	Mid-States-Virginia	8870	Distribution-Maint of mains	04990	Utilities	800	938	554	555	521	478	598	548	433	657	582	516	
050	096	Mid-States-Virginia	8880	Maintenance of measuring and regulating station equipment-Gen	02005	Non-Inventory Supplies	-	-	-	284	-	-	-	1,517	79	-	-	-	
050	096	Mid-States-Virginia	8810	Maintenance of measuring and regulating station equipment-City	04990	Utilities	293	228	328	253	171	286	255	231	144	325	174	306	
050	096	Mid-States-Virginia	8920	Maintenance of services	01000	Non-project Labor	-	261	-	81	-	-	54	-	-	144	41	212	
050	096	Mid-States-Virginia	8920	Maintenance of services	01008	Expense Labor Accrual	(152)	65	(65)	-	41	(41)	38	(38)	-	72	(50)	115	
050	096	Mid-States-Virginia	8920	Maintenance of services	02005	Non-Inventory Supplies	-	13	-	-	-	-	-	-	-	-	-	13	
050	096	Mid-States-Virginia	8920	Maintenance of services	07590	Misc General Expense	-	-	-	-	-	-	-	-	-	-	-	7	
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	01000	Non-project Labor	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	01008	Expense Labor Accrual	(15)	-	-	-	-	22	(22)	-	-	-	-	-	
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	02001	Inventory Materials	-	-	-	-	-	-	160	-	-	-	-	-	
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	02004	Warehouse Loading Charge	-	-	-	-	-	-	19	-	-	-	-	-	
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	02005	Non-Inventory Supplies	-	-	6	-	233	-	-	3	12	48	-		
050	096	Mid-States-Virginia	8930	Maintenance of meters and house regulators	05010	Office Supplies	-	14	-	-	-	-	-	-	-	-	-	30	
050	096	Mid-States-Virginia	8940	Distribution-Maintenance of other equipment	02005	Non-Inventory Supplies	-	-	-	-	-	-	-	-	-	65	545	-	
050	096	Mid-States-Virginia	8940	Distribution-Maintenance of other equipment	04990	Utilities	-	-	-	-	-	-	-	-	-	-	-	483	
050	096	Mid-States-Virginia	8940	Distribution-Maintenance of other equipment	04307	Heavy Equipment Capitalized	-	-	-	-	-	-	-	-	-	-	-	(453)	
050	096	Mid-States-Virginia	8940	Distribution-Maintenance of other equipment															

Atmos Energy Corporation
Virginia O&M Expense
Fiscal 2015

Company	Division	Division Description	Account	Account Description	Sub Account	Sub Account Description	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	JUL-15	AUG-15	SEP-15	TOTAL	
050	096	Mid-States-Virginia	9110	Sales-Supervision	01008	Expense Labor Accrual	125	93	957	465	85	508	589	(2,522)	844	844	131	477	2,415	
050	096	Mid-States-Virginia	9110	Sales-Supervision	04021	Promo Other, Misc	-	-	-	-	-	-	-	-	-	-	-	32	32	
050	096	Mid-States-Virginia	9110	Sales-Supervision	04040	Community Rel&Trade Shows	-	-	-	131	-	-	-	-	-	-	-	-	131	
050	096	Mid-States-Virginia	9110	Sales-Supervision	04046	Customer Relations & Assist	-	-	-	-	187	-	-	440	-	-	-	-	35	642
050	096	Mid-States-Virginia	9110	Sales-Supervision	05010	Office Supplies	-	-	-	4	-	-	-	-	-	-	-	-	2	8
050	096	Mid-States-Virginia	9110	Sales-Supervision	05111	Postage/Delivery Services	-	-	-	-	10	-	-	-	-	-	-	-	-	10
050	096	Mid-States-Virginia	9110	Sales-Supervision	05377	Cell phone equipment and accessories	-	-	-	27	-	35	-	-	-	-	-	13	-	76
050	096	Mid-States-Virginia	9110	Sales-Supervision	05399	Capitalized Telecom Costs	-	-	-	(15)	-	(19)	-	-	-	-	-	(9)	-	(41)
050	096	Mid-States-Virginia	9110	Sales-Supervision	05411	Meals and Entertainment	52	159	22	193	923	277	243	412	193	166	172	487	3,300	
050	096	Mid-States-Virginia	9110	Sales-Supervision	05412	Spousal & Dependent Travel	-	8	-	-	-	-	-	-	-	-	-	-	-	8
050	096	Mid-States-Virginia	9110	Sales-Supervision	05413	Transportation	1,041	1,380	1,232	2,407	872	1,878	781	1,495	1,481	1,894	781	3,185	18,217	
050	096	Mid-States-Virginia	9110	Sales-Supervision	05414	Lodging	82	442	82	353	490	644	57	576	879	193	257	701	4,537	
050	096	Mid-States-Virginia	9110	Sales-Supervision	05415	Membership Fees	-	-	-	-	-	190	-	-	-	-	-	-	-	190
050	096	Mid-States-Virginia	9110	Sales-Supervision	05420	Employee Development	-	-	-	-	-	-	-	-	218	-	-	-	-	218
050	096	Mid-States-Virginia	9110	Sales-Supervision	07520	Donations	-	-	-	-	-	-	9	-	-	-	-	-	-	9
050	096	Mid-States-Virginia	9110	Sales-Supervision	07590	Misc General Expense	-	-	-	-	-	-	-	-	-	-	-	-	200	200
050	096	Mid-States-Virginia	9110	Sales-Supervision	07607	Telecom Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
050	096	Mid-States-Virginia	9120	Sales-Demonstrating and selling expenses	04046	Customer Relations & Assist	7	-	-	-	-	-	5,128	-	468	-	-	-	5,599	
050	096	Mid-States-Virginia	9120	Sales-Demonstrating and selling expenses	05010	Office Supplies	-	-	25	-	-	-	-	-	-	-	-	-	25	
050	096	Mid-States-Virginia	9120	Sales-Demonstrating and selling expenses	05111	Postage/Delivery Services	-	-	-	-	37	-	-	-	-	-	-	-	37	
050	096	Mid-States-Virginia	9120	Sales-Demonstrating and selling expenses	05413	Transportation	-	541	440	358	526	1,099	543	642	550	449	-	-	883	6,030
050	096	Mid-States-Virginia	9120	Sales-Demonstrating and selling expenses	05414	Lodging	-	-	137	-	-	-	-	-	-	-	-	-	-	137
050	096	Mid-States-Virginia	9200	A&G-Administrative & general salaries	01000	Non-project Labor	12,672	8,559	8,559	8,570	8,570	6,559	6,482	11,751	6,719	6,732	6,748	6,735	102,957	
050	096	Mid-States-Virginia	9200	A&G-Administrative & general salaries	01008	Expense Labor Accrual	(2,857)	28	1,284	862	0	850	802	(3,979)	393	1,014	345	968	(682)	
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	04023	GCA Public Notice Publication	-	999	-	-	-	-	-	-	-	-	-	-	999	
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	04070	Insurance-Other	-	1,300	-	-	1,000	600	-	-	-	-	-	-	500	3,400
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	04562	Building Maintenance	715	715	-	715	-	-	-	-	-	-	-	-	-	2,145
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05411	Meals and Entertainment	-	9	-	-	-	-	2	-	50	-	1	124	196	
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05413	Transportation	-	9	-	-	-	302	86	-	72	-	379	1,326	2,174	
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05414	Lodging	-	-	-	-	-	-	195	-	190	-	124	362	871	
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05419	Misc Employee Expense	-	-	-	-	-	-	-	-	-	-	-	-	1	1
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05420	Employee Development	-	-	-	-	-	588	-	-	-	-	-	-	-	588
050	096	Mid-States-Virginia	9210	A&G-Office supplies & expense	05430	Misc General Expense	(314)	(390)	(558)	(685)	(762)	(701)	(728)	(520)	(387)	(301)	(283)	(284)	(5,898)	
050	096	Mid-States-Virginia	9220	A&G-Administrative expense transferred-Credit	05341	Admin & General Expenses	53,482	82,061	84,273	112,004	79,273	77,220	80,288	94,001	73,736	135,598	71,316	85,820	1,029,039	
050	096	Mid-States-Virginia	9220	A&G-Administrative expense transferred-Credit	41131	Billing for CSC O&M	39,972	34,857	38,107	37,125	34,444	37,282	37,320	37,044	36,402	39,581	35,147	41,495	448,787	
050	096	Mid-States-Virginia	9220	A&G-Administrative expense transferred-Credit	41132	Billing for SS O&M	77,457	67,618	50,138	103,867	63,755	81,333	69,657	77,979	68,597	167,656	(22,880)	121,525	926,711	
050	096	Mid-States-Virginia	9230	A&G-Outside services employed	06121	Legal	96,916	6,067	584,782	1,200,793	25,897	(502,812)	(5,216,705)	(5,727)	81,370	1,000	(129,503)	27,500	(3,858,458)	
050	096	Mid-States-Virginia	9240	A&G-Property Insurance	04059	Blueflame Property Insurance	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,672	5,672	5,672	5,672	6,638	68,030
050	096	Mid-States-Virginia	9240	A&G-Property Insurance	04072	Insurance Capitalized	(3,367)	(4,024)	(3,384)	(3,251)	(3,928)	(3,451)	(3,345)	(3,359)	(3,510)	(3,423)	(3,541)	(3,850)	(42,408)	
050	096	Mid-States-Virginia	9250	A&G-Injuries & damages	01293	Workers Comp Benefits Projects	-	(41)	-	3	-	-	14	235	4	7	-	-	221	
050	096	Mid-States-Virginia	9250	A&G-Injuries & damages	04070	Insurance-Other	255	255	255	255	255	255	274	251	251	251	251	251	3,057	3,057
050	096	Mid-States-Virginia	9250	A&G-Injuries & damages	05418	Settlement	-	-	-	-	-	-	-	140	-	-	-	-	140	-
050	096	Mid-States-Virginia	9250	A&G-Injuries & damages	07115	Insurance Reserve	-	-	-	-	-	-	1,000,000	-	-	-	-	-	-	1,000,000
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01202	Pension Benefits Load	7,720	6,871	7,426	7,379	6,000	7,648	6,823	6,914	6,425	6,980	6,862	6,502	63,650	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01203	OPEB Benefits Load	11,150	9,932	10,703	10,854	8,812	11,063	9,819	10,045	9,340	10,146	10,004	9,441	120,910	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01291	Medical Benefits Load	15,848	13,927	15,055	14,957	12,186	15,501	13,851	14,012	13,020	14,149	13,904	13,178	169,344	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01293	Medical Benefits Projects	-	(269)	-	19	-	-	90	1,537	29	43	-	-	1,429	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01257	ESOP Benefits Load	3,462	3,081	3,330	3,309	2,691	3,430	3,060	3,101	2,881	3,130	3,077	2,816	37,468	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01259	ESOP Benefits Projects	-	(83)	-	4	-	-	20	345	-	6	10	-	303	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01260	HSA Benefits Load	169	151	162	162	131	168	149	152	142	154	152	143	1,835	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01262	HSA Benefits Projects	-	(7)	-	0	-	-	0	8	-	0	0	-	2	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01263	RSP FACC Benefits Load	308	273	298	294	243	304	275	271	252	274	267	256	3,314	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01265	RSP FACC Benefits Projects	-	(9)	-	0	-	-	2	28	-	0	1	-	21	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01268	Life Benefits Load	448	398	431	428	348	443	398	400	372	404	397	377	4,843	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01268	Life Benefits Projects	-	(8)	-	-	-	-	3	46	-	1	1	-	44	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01269	LTD Benefits Load	716	637	898	685	557	709	633	641	595	647	636	603	7,749	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01271	LTD Benefits Projects	-	(12)	-	1	-	-	4	67	-	1	2	-	64	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01291	Pension Benefits Projects	-	(165)	-	9	-	-	45	764	-	14	22	-	689	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	01292	OPEB Benefits Projects	-	(267)	-	14	-	-	68	1,153	-	21	33	-	1,022	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	02001	Inventory Materials	80	-	159	-	-	-	-	-	-	-	-	-	239	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	02004	Warehouse Loading Charge	10	-	19	-	-	-	-	-	-	-	-	-	29	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	05415	Membership Fees	-	150	130	1,087	-	-	-	-	260	-	-	-	1,617	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	07443	Uniforms	226	704	863	2,569	1,163	764	12	137	401	171	-	-	7,010	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	07444	Uniforms Capitalized	(83)	(297)	(418)	(1,153)	(546)	(388)	(8)	(51)	(241)	(94)	-	-	(3,279)	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	07499	Misc Employee Welfare Exp	174	542	272	105	149	-	42	132	80	238	152	5	1,872	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	07590	Misc General Expense	-	-	-	-	-	-	14	-	600	-	-	-	614	
050	096	Mid-States-Virginia	9280	A&G-Employee pensions and benefits	07613	Uniform Cap Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	
050	096	Mid-States-Virginia	9302	Miscellaneous general expenses	05411	Meals and Entertainment	-	-	118	347	-	-	-	-	-	-	-	-	463	
050	096	Mid-States-Virginia	9302	Miscellaneous general expenses	05413	Transportation	-	-	1,129	2,221	-	-	-	-	-	-	-	-	3,348	
050	096	Mid-States-Virginia	9302	Miscellaneous general expenses	05414	Lodging	-	-	-	25	-	-	-	-	-	-	-	-	25	
050	096	Mid-States-Virginia	9302	Miscellaneous general expenses	07499	Misc Employee Welfare Exp	-	25	55	-	226	-	65	-	-	-	225	-	595	
050	096	Mid-States-Virginia	9310	A&G-Rents	04581	Building Lease/Rents	741	741	741	740	741	741	750	741	750	787	779	779	9,026	
050	096	Mid-States-Virginia	9310	A&G-Rents	04581	Building Lease/Rents	478,520	379,342												

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-06
Page 1 of 1

REQUEST:

Please provide a schedule showing the total costs incurred by the Shared Services Division (Division 002) by cost allocation pool and the amounts charged to each affiliate, sub affiliate, or division by FERC O&M and A&G expense account for the fiscal year ended September 30, 2014. Please separate out the costs allocated via each of the different allocation factors including, but not limited to, the Composite Allocation Factor. Provide the information in electronic format with all formulas intact.

RESPONSE:

Please see Attachment 1 for a schedule showing total Shared Services Division O&M by cost center (cost allocation pool) for Fiscal 2014, the allocation method used, and what was allocated to each business unit.

Please note that the composite factor will vary between Shared Services cost centers based on what business units the cost center supports. For example, if a Shared Services cost center supports all business units it will use a composite factor based on Total Company. If a Shared Services cost center supports the utility business units only, it would use a composite factor based on Utility Only. The different composite factor methods have been identified in Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-06_Att1 - SSU O&M Allocated to Business Units FY14.xlsx, 10 Pages.

Respondent: Jason Schneider

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-07
Page 1 of 1

REQUEST:

Please provide a schedule showing the total costs incurred by the Shared Services Division (Division 002) by cost allocation pool and the amounts charged to each affiliate, sub affiliate, or division by FERC O&M and A&G expense account for the fiscal year ended September 30, 2015. Please separate out the costs allocated via each of the different allocation factors including, but not limited to, the Composite Allocation Factor. Provide the information in electronic format with all formulas intact.

RESPONSE:

Please see Attachment 1 for a schedule showing total Shared Services Division O&M by cost center (cost allocation pool) for Fiscal 2015, the allocation method used, and what was allocated to each business unit.

Please note that the composite factor will vary between Shared Services cost centers based on what business units the cost center supports. For example, if a Shared Services cost center supports all business units it will use a composite factor based on Total Company. If a Shared Services cost center supports the utility business units only, it would use a composite factor based on Utility Only. The different composite factor methods have been identified in Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-07_Att1 - SSU O&M Allocated to Business Units FY15.xlsx, 9 Pages.

Respondent: Jason Schneider

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-08
Page 1 of 1

REQUEST:

Please provide a list and sum total of Shared Services Division (Division 002) allocation amounts using the Composite Allocation Factor charged to the Kentucky/Mid-States Division by FERC O&M and A&G expense account for the fiscal year ended September 30, 2014. Please include the FERC account description as well as the account number. Provide the information in electronic format with all formulas intact.

RESPONSE:

Please see Attachment 1 for the Shared Services Division O&M allocated to the Kentucky/Mid-States Division during Fiscal 2014 by FERC account.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-08_Att1 - SSU O&M Allocated to KY-MidStates by FERC Account FY14.xlsx, 13 Pages.

Respondent: Jason Schneider

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1101	SS Dallas Chief Financial Officer	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,595,591)	10.84%	(172,962)
1101	SS Dallas Chief Financial Officer		9200	A&G-Administrative & general salaries	465,280	10.84%	50,436
1101	SS Dallas Chief Financial Officer		9210	A&G-Office supplies & expense	62,963	10.84%	6,825
1101	SS Dallas Chief Financial Officer		9260	A&G-Employee pensions and benefits	953,423	10.84%	103,351
1101	SS Dallas Chief Financial Officer		9310	A&G-Rents	113,925	10.84%	12,349
1101 Total					(0)		(0)
1105	SS Dallas Audit	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(4,592,351)	10.84%	(487,811)
1105	SS Dallas Audit		9230	A&G-Outside services employed	4,504,613	10.84%	488,300
1105	SS Dallas Audit		9310	A&G-Rents	87,738	10.84%	9,511
1105 Total					(0)		(0)
1106	SS Dallas Treasurer	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(816,299)	10.84%	(88,487)
1106	SS Dallas Treasurer		9200	A&G-Administrative & general salaries	384,138	10.84%	41,541
1106	SS Dallas Treasurer		9210	A&G-Office supplies & expense	122,604	10.84%	13,290
1106	SS Dallas Treasurer		9260	A&G-Employee pensions and benefits	268,080	10.84%	29,080
1106	SS Dallas Treasurer		9310	A&G-Rents	41,477	10.84%	4,486
1106 Total					(0)		(0)
1107	SS Dallas Treasury	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,321,128)	10.84%	(143,210)
1107	SS Dallas Treasury		9200	A&G-Administrative & general salaries	393,107	10.84%	42,613
1107	SS Dallas Treasury		9210	A&G-Office supplies & expense	43,624	10.84%	4,729
1107	SS Dallas Treasury		9230	A&G-Outside services employed	3,383	10.84%	367
1107	SS Dallas Treasury		9260	A&G-Employee pensions and benefits	179,125	10.84%	19,417
1107	SS Dallas Treasury		9302	Miscellaneous general expenses	632,003	10.84%	68,509
1107	SS Dallas Treasury		9310	A&G-Rents	69,887	10.84%	7,576
1107 Total					(0)		(0)
1108	SS Dallas Risk Management	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(717,287)	10.84%	(77,784)
1108	SS Dallas Risk Management		8700	Distribution-Operation supervision and engineering	964	10.84%	104
1108	SS Dallas Risk Management		8740	Mains and Services Expenses	1,309	10.84%	142
1108	SS Dallas Risk Management		9200	A&G-Administrative & general salaries	371,733	10.84%	40,296
1108	SS Dallas Risk Management		9210	A&G-Office supplies & expense	54,990	10.84%	5,960
1108	SS Dallas Risk Management		9230	A&G-Outside services employed	29,790	10.84%	3,229
1108	SS Dallas Risk Management		9260	A&G-Employee pensions and benefits	191,739	10.84%	20,785
1108	SS Dallas Risk Management		9310	A&G-Rents	64,715	10.84%	7,015
1108	SS Dallas Risk Management		9320	A&G-Maintenance of general plant	2,057	10.84%	223
1108 Total					0		0
1110	SS Dallas Supply Chain Mgmt	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(210,532)	11.26%	(23,798)
1110	SS Dallas Supply Chain Mgmt		8700	Distribution-Operation supervision and engineering	584	11.26%	66
1110	SS Dallas Supply Chain Mgmt		9200	A&G-Administrative & general salaries	97,415	11.26%	10,969
1110	SS Dallas Supply Chain Mgmt		9210	A&G-Office supplies & expense	19,281	11.26%	2,171
1110	SS Dallas Supply Chain Mgmt		9260	A&G-Employee pensions and benefits	85,313	11.26%	9,808
1110	SS Dallas Supply Chain Mgmt		9310	A&G-Rents	7,839	11.26%	894
1110 Total					0		0
1112	SS Dallas Mail & Supply	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(506,267)	11.26%	(57,005)
1112	SS Dallas Mail & Supply		9200	A&G-Administrative & general salaries	95,365	11.26%	10,738
1112	SS Dallas Mail & Supply		9210	A&G-Office supplies & expense	320,663	11.26%	36,107
1112	SS Dallas Mail & Supply		9260	A&G-Employee pensions and benefits	35,953	11.26%	4,048
1112	SS Dallas Mail & Supply		9310	A&G-Rents	54,286	11.26%	6,113
1112 Total					(0)		(0)
1114	SS Dallas Vice Pres & Controller	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(690,755)	10.84%	(74,878)
1114	SS Dallas Vice Pres & Controller		9200	A&G-Administrative & general salaries	297,872	10.84%	32,289
1114	SS Dallas Vice Pres & Controller		9210	A&G-Office supplies & expense	28,815	10.84%	3,124
1114	SS Dallas Vice Pres & Controller		9260	A&G-Employee pensions and benefits	294,827	10.84%	31,959
1114	SS Dallas Vice Pres & Controller		9310	A&G-Rents	68,901	10.84%	7,469
1114	SS Dallas Vice Pres & Controller		9320	A&G-Maintenance of general plant	340	10.84%	37
1114 Total					(0)		(0)

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1116	SS Dallas Taxation	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(664,614)	10.84%	(72,044)
1116	SS Dallas Taxation		9200	A&G-Administrative & general salaries	199,488	10.84%	21,824
1116	SS Dallas Taxation		9210	A&G-Office supplies & expense	31,049	10.84%	3,366
1116	SS Dallas Taxation		9230	A&G-Outside services employed	145,938	10.84%	15,809
1116	SS Dallas Taxation		9280	A&G-Employee pensions and benefits	178,949	10.84%	19,181
1116	SS Dallas Taxation		9310	A&G-Rents	111,290	10.84%	12,084
1116 Total					0		0
1117	SS Dallas Acctg Services	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(278,689)	10.84%	(30,210)
1117	SS Dallas Acctg Services		9200	A&G-Administrative & general salaries	109,882	10.84%	11,911
1117	SS Dallas Acctg Services		9210	A&G-Office supplies & expense	54,903	10.84%	5,951
1117	SS Dallas Acctg Services		9280	A&G-Employee pensions and benefits	102,795	10.84%	11,140
1117	SS Dallas Acctg Services		9310	A&G-Rents	11,138	10.84%	1,207
1117 Total					(0)		(0)
1118	SS Dallas Supply Chain	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(695,347)	11.26%	(78,296)
1118	SS Dallas Supply Chain		8600	Distribution-Other expenses	822	11.26%	70
1118	SS Dallas Supply Chain		9020	Customer accounts-Meter reading expenses	12,163	11.26%	1,370
1118	SS Dallas Supply Chain		9200	A&G-Administrative & general salaries	400,572	11.26%	45,104
1118	SS Dallas Supply Chain		9210	A&G-Office supplies & expense	71,674	11.26%	8,071
1118	SS Dallas Supply Chain		9280	A&G-Employee pensions and benefits	155,601	11.26%	17,521
1118	SS Dallas Supply Chain		9280	A&G-Regulatory commission expenses	18,900	11.26%	2,128
1118	SS Dallas Supply Chain		9310	A&G-Rents	35,369	11.26%	3,985
1118	SS Dallas Supply Chain		9320	A&G-Maintenance of general plant	424	11.26%	48
1118 Total					(0)		(0)
1119	SS Dallas General Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(819,489)	10.84%	(98,833)
1119	SS Dallas General Accounting		9200	A&G-Administrative & general salaries	509,374	10.84%	55,216
1119	SS Dallas General Accounting		9210	A&G-Office supplies & expense	21,675	10.84%	2,339
1119	SS Dallas General Accounting		9280	A&G-Employee pensions and benefits	182,034	10.84%	20,816
1119	SS Dallas General Accounting		9310	A&G-Rents	55,474	10.84%	10,349
1119	SS Dallas General Accounting		9320	A&G-Maintenance of general plant	1,033	10.84%	112
1119 Total					(0)		(0)
1120	SS Dallas Accounts Payable	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(947,308)	10.84%	(102,688)
1120	SS Dallas Accounts Payable		9020	Customer accounts-Meter reading expenses	15,280	10.84%	1,656
1120	SS Dallas Accounts Payable		9200	A&G-Administrative & general salaries	574,846	10.84%	62,313
1120	SS Dallas Accounts Payable		9210	A&G-Office supplies & expense	23,515	10.84%	2,549
1120	SS Dallas Accounts Payable		9280	A&G-Employee pensions and benefits	214,938	10.84%	23,299
1120	SS Dallas Accounts Payable		9310	A&G-Rents	118,580	10.84%	12,854
1120	SS Dallas Accounts Payable		9320	A&G-Maintenance of general plant	150	10.84%	16
1120 Total					(0)		(0)
1121	SS Dallas Plant Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(923,539)	10.84%	(100,112)
1121	SS Dallas Plant Accounting		8700	Distribution-Operation supervision and engineering	83	10.84%	9
1121	SS Dallas Plant Accounting		8800	Distribution-Other expenses	9,581	10.84%	1,036
1121	SS Dallas Plant Accounting		9200	A&G-Administrative & general salaries	588,130	10.84%	60,284
1121	SS Dallas Plant Accounting		9210	A&G-Office supplies & expense	98,405	10.84%	10,687
1121	SS Dallas Plant Accounting		9280	A&G-Employee pensions and benefits	209,681	10.84%	22,727
1121	SS Dallas Plant Accounting		9310	A&G-Rents	49,017	10.84%	5,313
1121	SS Dallas Plant Accounting		9320	A&G-Maintenance of general plant	681	10.84%	74
1121 Total					0		0
1123	SS Dallas Gas Accounting	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(485,124)	11.26%	(54,625)
1123	SS Dallas Gas Accounting		8700	Distribution-Operation supervision and engineering	352	11.26%	40
1123	SS Dallas Gas Accounting		9200	A&G-Administrative & general salaries	258,271	11.26%	29,081
1123	SS Dallas Gas Accounting		9210	A&G-Office supplies & expense	9,577	11.26%	1,078
1123	SS Dallas Gas Accounting		9280	A&G-Employee pensions and benefits	144,221	11.26%	16,239
1123	SS Dallas Gas Accounting		9310	A&G-Rents	72,702	11.26%	8,186
1123 Total					0		0

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1125	SS Dallas Financial Reporting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,353,781)	10.84%	(146,750)
1125	SS Dallas Financial Reporting		9200	A&G-Administrative & general salaries	749,175	10.84%	81,211
1125	SS Dallas Financial Reporting		9210	A&G-Office supplies & expense	19,286	10.84%	2,091
1125	SS Dallas Financial Reporting		9230	A&G-Outside services employed	35,341	10.84%	3,831
1125	SS Dallas Financial Reporting		9260	A&G-Employee pensions and benefits	388,216	10.84%	42,083
1125	SS Dallas Financial Reporting		9302	Miscellaneous general expenses	37,528	10.84%	4,068
1125	SS Dallas Financial Reporting		9310	A&G-Rents	122,354	10.84%	13,263
1125	SS Dallas Financial Reporting		9320	A&G-Maintenance of general plant	1,881	10.84%	204
1125 Total					0		0
1128	SS Dallas Payroll	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(752,544)	10.84%	(81,576)
1128	SS Dallas Payroll		9200	A&G-Administrative & general salaries	435,132	10.84%	47,188
1128	SS Dallas Payroll		9210	A&G-Office supplies & expense	49,493	10.84%	5,365
1128	SS Dallas Payroll		9260	A&G-Employee pensions and benefits	159,408	10.84%	17,280
1128	SS Dallas Payroll		9310	A&G-Rents	108,512	10.84%	11,783
1128 Total					0		(0)
1128	SS Dallas Property & Sales Tax	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,167,877)	10.84%	(234,998)
1128	SS Dallas Property & Sales Tax		9030	Customer accounts-Customer records and collections expenses	35,921	10.84%	3,894
1128	SS Dallas Property & Sales Tax		9200	A&G-Administrative & general salaries	1,183,351	10.84%	128,275
1128	SS Dallas Property & Sales Tax		9210	A&G-Office supplies & expense	56,838	10.84%	6,140
1128	SS Dallas Property & Sales Tax		9230	A&G-Outside services employed	279,669	10.84%	30,316
1128	SS Dallas Property & Sales Tax		9260	A&G-Employee pensions and benefits	490,720	10.84%	53,194
1128	SS Dallas Property & Sales Tax		9310	A&G-Rents	118,147	10.84%	12,807
1128	SS Dallas Property & Sales Tax		9320	A&G-Maintenance of general plant	3,430	10.84%	372
1128 Total					0		0
1129	SS Dallas Income Tax	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(663,856)	10.84%	(71,982)
1129	SS Dallas Income Tax		9200	A&G-Administrative & general salaries	419,334	10.84%	45,458
1129	SS Dallas Income Tax		9210	A&G-Office supplies & expense	24,454	10.84%	2,651
1129	SS Dallas Income Tax		9230	A&G-Outside services employed	15,300	10.84%	1,659
1129	SS Dallas Income Tax		9260	A&G-Employee pensions and benefits	188,315	10.84%	20,413
1129	SS Dallas Income Tax		9310	A&G-Rents	16,403	10.84%	1,778
1129	SS Dallas Income Tax		9320	A&G-Maintenance of general plant	50	10.84%	5
1129 Total					0		0
1130	SS Dallas Business Planning and Analysis	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,037,004)	10.84%	(112,411)
1130	SS Dallas Business Planning and Analysis		8700	Distribution-Operation supervision and engineering	850	10.84%	92
1130	SS Dallas Business Planning and Analysis		9200	A&G-Administrative & general salaries	630,436	10.84%	68,339
1130	SS Dallas Business Planning and Analysis		9210	A&G-Office supplies & expense	44,286	10.84%	4,801
1130	SS Dallas Business Planning and Analysis		9260	A&G-Employee pensions and benefits	320,330	10.84%	34,724
1130	SS Dallas Business Planning and Analysis		9310	A&G-Rents	41,004	10.84%	4,445
1130	SS Dallas Business Planning and Analysis		9320	A&G-Maintenance of general plant	97	10.84%	11
1130 Total					0		0
1131	SS Dallas Media Relations	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(188,641)	11.26%	(22,387)
1131	SS Dallas Media Relations		9200	A&G-Administrative & general salaries	168,598	11.26%	12,225
1131	SS Dallas Media Relations		9210	A&G-Office supplies & expense	22,131	11.26%	2,492
1131	SS Dallas Media Relations		9260	A&G-Employee pensions and benefits	67,944	11.26%	7,550
1131 Total					-		-
1132	SS Dallas Investor Relations	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,057,887)	10.84%	(114,875)
1132	SS Dallas Investor Relations		9200	A&G-Administrative & general salaries	383,652	10.84%	41,588
1132	SS Dallas Investor Relations		9210	A&G-Office supplies & expense	31,373	10.84%	3,401
1132	SS Dallas Investor Relations		9260	A&G-Employee pensions and benefits	287,427	10.84%	28,989
1132	SS Dallas Investor Relations		9302	Miscellaneous general expenses	246,811	10.84%	26,754
1132	SS Dallas Investor Relations		9310	A&G-Rents	128,624	10.84%	13,943
1132 Total					(0)		(0)

Atmos Energy Corporation
SSU C&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1133	SS Dallas Communications	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,186,113)	10.84%	(236,975)
1133	SS Dallas Communications		9120	Sales-Demonstrating and selling expenses	25,146	10.84%	2,726
1133	SS Dallas Communications		9200	A&G-Administrative & general salaries	689,762	10.84%	75,854
1133	SS Dallas Communications		9210	A&G-Office supplies & expense	982,583	10.84%	106,510
1133	SS Dallas Communications		9260	A&G-Employee pensions and benefits	323,034	10.84%	35,017
1133	SS Dallas Communications		9310	A&G-Rents	154,811	10.84%	16,781
1133	SS Dallas Communications		9320	A&G-Maintenance of general plant	797	10.84%	86
1133 Total					(0)		(0)
1134	SS Dallas IT	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,750,889)	10.84%	(298,175)
1134	SS Dallas IT		8700	Distribution-Operation supervision and engineering	230	10.84%	25
1134	SS Dallas IT		9030	Customer accounts-Customer records and collections expenses	251	10.84%	27
1134	SS Dallas IT		9200	A&G-Administrative & general salaries	1,282,517	10.84%	138,857
1134	SS Dallas IT		9210	A&G-Office supplies & expense	178,585	10.84%	19,359
1134	SS Dallas IT		9230	A&G-Outside services employed	12,979	10.84%	1,407
1134	SS Dallas IT		9260	A&G-Employee pensions and benefits	1,147,162	10.84%	124,352
1134	SS Dallas IT		9310	A&G-Rents	148,701	10.84%	16,119
1134	SS Dallas IT		9320	A&G-Maintenance of general plant	264	10.84%	29
1134 Total					(0)		(0)
1135	SS Dal-IT E&O, Corporate Systems	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(7,400,092)	10.84%	(802,170)
1135	SS Dal-IT E&O, Corporate Systems		9200	A&G-Administrative & general salaries	1,850,557	10.84%	200,800
1135	SS Dal-IT E&O, Corporate Systems		9210	A&G-Office supplies & expense	4,247,735	10.84%	460,455
1135	SS Dal-IT E&O, Corporate Systems		9230	A&G-Outside services employed	286,254	10.84%	28,862
1135	SS Dal-IT E&O, Corporate Systems		9260	A&G-Employee pensions and benefits	813,011	10.84%	88,130
1135	SS Dal-IT E&O, Corporate Systems		9302	Miscellaneous general expenses	7,425	10.84%	805
1135	SS Dal-IT E&O, Corporate Systems		9310	A&G-Rents	79,620	10.84%	8,631
1135	SS Dal-IT E&O, Corporate Systems		9320	A&G-Maintenance of general plant	135,488	10.84%	14,687
1135 Total					0		0
1137	SS Dallas IT Engineering & Operations	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(11,740,116)	10.84%	(1,272,629)
1137	SS Dallas IT Engineering & Operations		8740	Mains and Services Expenses	150	10.84%	16
1137	SS Dallas IT Engineering & Operations		9200	A&G-Administrative & general salaries	2,609,160	10.84%	282,833
1137	SS Dallas IT Engineering & Operations		9210	A&G-Office supplies & expense	6,771,437	10.84%	734,024
1137	SS Dallas IT Engineering & Operations		9230	A&G-Outside services employed	490,943	10.84%	53,218
1137	SS Dallas IT Engineering & Operations		9260	A&G-Employee pensions and benefits	983,653	10.84%	106,828
1137	SS Dallas IT Engineering & Operations		9310	A&G-Rents	771,122	10.84%	83,590
1137	SS Dallas IT Engineering & Operations		9320	A&G-Maintenance of general plant	113,651	10.84%	12,320
1137 Total					(0)		(0)
1141	SS Dallas Gas Purchase Accounting	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(699,861)	13.14%	(91,962)
1141	SS Dallas Gas Purchase Accounting		9200	A&G-Administrative & general salaries	481,420	13.14%	63,259
1141	SS Dallas Gas Purchase Accounting		9210	A&G-Office supplies & expense	1,697	13.14%	223
1141	SS Dallas Gas Purchase Accounting		9260	A&G-Employee pensions and benefits	181,495	13.14%	23,848
1141	SS Dallas Gas Purchase Accounting		9310	A&G-Rents	35,149	13.14%	4,619
1141	SS Dallas Gas Purchase Accounting		9320	A&G-Maintenance of general plant	100	13.14%	13
1141 Total					(0)		(0)
1144	SS Dallas Rate Administration	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(912,570)	13.14%	(119,912)
1144	SS Dallas Rate Administration		9200	A&G-Administrative & general salaries	613,518	13.14%	80,816
1144	SS Dallas Rate Administration		9210	A&G-Office supplies & expense	9,980	13.14%	1,311
1144	SS Dallas Rate Administration		9260	A&G-Employee pensions and benefits	231,296	13.14%	30,392
1144	SS Dallas Rate Administration		9310	A&G-Rents	56,873	13.14%	7,473
1144	SS Dallas Rate Administration		9320	A&G-Maintenance of general plant	902	13.14%	119
1144 Total					(0)		(0)
1145	SS Dallas Revenue Accounting	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(463,597)	13.14%	(59,603)
1145	SS Dallas Revenue Accounting		9200	A&G-Administrative & general salaries	268,576	13.14%	35,281
1145	SS Dallas Revenue Accounting		9210	A&G-Office supplies & expense	7,502	13.14%	986
1145	SS Dallas Revenue Accounting		9260	A&G-Employee pensions and benefits	127,707	13.14%	16,781
1145	SS Dallas Revenue Accounting		9310	A&G-Rents	49,812	13.14%	6,545
1145 Total					(0)		(0)

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1150	SS Dallas Strategic Planning	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,034,458)	10.84%	(112,135)
1150	SS Dallas Strategic Planning		9200	A&G-Administrative & general salaries	376,841	10.84%	40,850
1150	SS Dallas Strategic Planning		9210	A&G-Office supplies & expense	56,353	10.84%	6,109
1150	SS Dallas Strategic Planning		9230	A&G-Outside services employed	50,497	10.84%	5,474
1150	SS Dallas Strategic Planning		9260	A&G-Employee pensions and benefits	510,311	10.84%	55,318
1150	SS Dallas Strategic Planning		9310	A&G-Rents	40,455	10.84%	4,385
1150 Total					<u>(0)</u>		<u>(0)</u>
1153	SS Dallas Distribution Acctg	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(880,270)	13.14%	(115,667)
1153	SS Dallas Distribution Acctg		9200	A&G-Administrative & general salaries	587,322	13.14%	77,174
1153	SS Dallas Distribution Acctg		9210	A&G-Office supplies & expense	3,899	13.14%	512
1153	SS Dallas Distribution Acctg		9260	A&G-Employee pensions and benefits	221,421	13.14%	29,095
1153	SS Dallas Distribution Acctg		9310	A&G-Rents	67,578	13.14%	8,880
1153	SS Dallas Distribution Acctg		9320	A&G-Maintenance of general plant	50	13.14%	7
1153 Total					<u>0</u>		<u>0</u>
1154	SS Dallas Rates & Regulatory	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(2,891,505)	11.28%	(325,583)
1154	SS Dallas Rates & Regulatory		9120	Sales-Demonstrating and selling expenses	5,055	11.28%	569
1154	SS Dallas Rates & Regulatory		9200	A&G-Administrative & general salaries	1,614,197	11.28%	181,759
1154	SS Dallas Rates & Regulatory		9210	A&G-Office supplies & expense	237,888	11.28%	26,786
1154	SS Dallas Rates & Regulatory		9230	A&G-Outside services employed	7,131	11.28%	803
1154	SS Dallas Rates & Regulatory		9260	A&G-Employee pensions and benefits	893,023	11.28%	100,554
1154	SS Dallas Rates & Regulatory		9310	A&G-Rents	133,872	11.28%	15,074
1154	SS Dallas Rates & Regulatory		9320	A&G-Maintenance of general plant	340	11.28%	38
1154 Total					<u>(0)</u>		<u>(0)</u>
1155	SS Dallas Texas Gas Pipeline Accounting	Composite - APT and TLGP	9220	A&G-Administrative expense transferred-Credit	(47,385)	0.00%	-
1155	SS Dallas Texas Gas Pipeline Accounting		9200	A&G-Administrative & general salaries	28,540	0.00%	-
1155	SS Dallas Texas Gas Pipeline Accounting		9210	A&G-Office supplies & expense	7,235	0.00%	-
1155	SS Dallas Texas Gas Pipeline Accounting		9260	A&G-Employee pensions and benefits	10,759	0.00%	-
1155	SS Dallas Texas Gas Pipeline Accounting		9320	A&G-Maintenance of general plant	851	0.00%	-
1155 Total					<u>0</u>		<u>-</u>
1156	SS Da-IT Customer Services Systems	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(5,391,981)	10.84%	(584,481)
1156	SS Da-IT Customer Services Systems		9030	Customer accounts-Customer records and collections expenses	43,284	10.84%	4,690
1156	SS Da-IT Customer Services Systems		9200	A&G-Administrative & general salaries	1,472,281	10.84%	159,593
1156	SS Da-IT Customer Services Systems		9210	A&G-Office supplies & expense	2,586,576	10.84%	280,385
1156	SS Da-IT Customer Services Systems		9230	A&G-Outside services employed	479,741	10.84%	52,004
1156	SS Da-IT Customer Services Systems		9260	A&G-Employee pensions and benefits	583,059	10.84%	63,204
1156	SS Da-IT Customer Services Systems		9302	Miscellaneous general expenses	105	10.84%	11
1156	SS Da-IT Customer Services Systems		9310	A&G-Rents	226,338	10.84%	24,535
1156	SS Da-IT Customer Services Systems		9320	A&G-Maintenance of general plant	801	10.84%	87
1156 Total					<u>164</u>		<u>18</u>
1158	SS CCC IT Support	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,027,052)	10.84%	(219,732)
1158	SS CCC IT Support		8700	Distribution-Operation supervision and engineering	8,859	10.84%	744
1158	SS CCC IT Support		9100	Customer service-Miscellaneous customer service	2,977	10.84%	323
1158	SS CCC IT Support		9210	A&G-Office supplies & expense	1,998,860	10.84%	216,878
1158	SS CCC IT Support		9320	A&G-Maintenance of general plant	18,356	10.84%	1,990
1158 Total					<u>0</u>		<u>0</u>
1159	SS Dallas VP of Workforce Development	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,041,316)	11.28%	(117,252)
1159	SS Dallas VP of Workforce Development		9200	A&G-Administrative & general salaries	229,856	11.28%	25,882
1159	SS Dallas VP of Workforce Development		9210	A&G-Office supplies & expense	691,954	11.28%	77,914
1159	SS Dallas VP of Workforce Development		9260	A&G-Employee pensions and benefits	119,506	11.28%	13,458
1159 Total					<u>(0)</u>		<u>(0)</u>
1161	SS Dallas Benefits and Payroll Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(380,701)	10.84%	(41,268)
1161	SS Dallas Benefits and Payroll Accounting		9200	A&G-Administrative & general salaries	273,201	10.84%	29,815
1161	SS Dallas Benefits and Payroll Accounting		9210	A&G-Office supplies & expense	4,503	10.84%	488
1161	SS Dallas Benefits and Payroll Accounting		9260	A&G-Employee pensions and benefits	102,997	10.84%	11,165
1161 Total					<u>(0)</u>		<u>(0)</u>

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1165	SS Da-IT Common Services	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(5,021,788)	10.84%	(544,362)
1165	SS Da-IT Common Services		8660	Mains expenses	(0)	10.84%	(0)
1165	SS Da-IT Common Services		9200	A&G-Administrative & general salaries	2,075,123	10.84%	224,943
1165	SS Da-IT Common Services		9210	A&G-Office supplies & expense	1,086,420	10.84%	117,768
1165	SS Da-IT Common Services		9230	A&G-Outside services employed	1,021,592	10.84%	110,741
1165	SS Da-IT Common Services		9260	A&G-Employee pensions and benefits	777,408	10.84%	84,271
1165	SS Da-IT Common Services		9310	A&G-Rents	57,492	10.84%	6,232
1165	SS Da-IT Common Services		9320	A&G-Maintenance of general plant	3,753	10.84%	407
1165 Total					(0)		(0)
1171	SS Dallas Regulatory Accounting	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(263,365)	11.28%	(28,529)
1171	SS Dallas Regulatory Accounting		9200	A&G-Administrative & general salaries	176,303	11.28%	19,852
1171	SS Dallas Regulatory Accounting		9210	A&G-Office supplies & expense	3,547	11.28%	399
1171	SS Dallas Regulatory Accounting		9260	A&G-Employee pensions and benefits	68,468	11.28%	7,484
1171	SS Dallas Regulatory Accounting		9310	A&G-Rents	7,049	11.28%	794
1171 Total					(0)		(0)
1201	SS Dallas President & CEO	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(4,938,497)	10.84%	(535,116)
1201	SS Dallas President & CEO		9200	A&G-Administrative & general salaries	992,010	10.84%	107,534
1201	SS Dallas President & CEO		9210	A&G-Office supplies & expense	127,973	10.84%	13,872
1201	SS Dallas President & CEO		9260	A&G-Employee pensions and benefits	3,701,050	10.84%	401,194
1201	SS Dallas President & CEO		9302	Miscellaneous general expenses	35,853	10.84%	3,886
1201	SS Dallas President & CEO		9310	A&G-Rents	79,072	10.84%	8,571
1201	SS Dallas President & CEO		9320	A&G-Maintenance of general plant	539	10.84%	58
1201 Total					0		0
1205	SS Dallas SVP Safety & Enterprise Services	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(1,198,619)	13.14%	(145,673)
1205	SS Dallas SVP Safety & Enterprise Services		9200	A&G-Administrative & general salaries	348,855	13.14%	45,840
1205	SS Dallas SVP Safety & Enterprise Services		9210	A&G-Office supplies & expense	27,133	13.14%	3,565
1205	SS Dallas SVP Safety & Enterprise Services		9260	A&G-Employee pensions and benefits	669,627	13.14%	87,989
1205	SS Dallas SVP Safety & Enterprise Services		9310	A&G-Rents	62,935	13.14%	8,270
1205	SS Dallas SVP Safety & Enterprise Services		9320	A&G-Maintenance of general plant	69	13.14%	9
1205 Total					(0)		(0)
1209	SS Dallas Safety & Compliance	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(765,487)	11.26%	(86,194)
1209	SS Dallas Safety & Compliance		8700	Distribution-Operation supervision and engineering	50,000	11.26%	5,630
1209	SS Dallas Safety & Compliance		9200	A&G-Administrative & general salaries	237,201	11.26%	26,709
1209	SS Dallas Safety & Compliance		9210	A&G-Office supplies & expense	138,520	11.26%	15,597
1209	SS Dallas Safety & Compliance		9230	A&G-Outside services employed	94,529	11.26%	10,644
1209	SS Dallas Safety & Compliance		9250	A&G-Injuries & damages	127,167	11.26%	14,319
1209	SS Dallas Safety & Compliance		9260	A&G-Employee pensions and benefits	118,070	11.26%	13,295
1209 Total					0		0
1212	SS CSC-Customer Contact Management	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(23,295,011)	10.84%	(2,525,179)
1212	SS CSC-Customer Contact Management		8740	Mains and Services Expenses	4,939	10.84%	535
1212	SS CSC-Customer Contact Management		9010	Customer accounts-Operation supervision	3,093,735	10.84%	335,361
1212	SS CSC-Customer Contact Management		9030	Customer accounts-Customer records and collections expenses	10,826,612	10.84%	1,173,805
1212	SS CSC-Customer Contact Management		9200	A&G-Administrative & general salaries	(10,993)	10.84%	(1,191)
1212	SS CSC-Customer Contact Management		9210	A&G-Office supplies & expense	3,455,672	10.84%	374,595
1212	SS CSC-Customer Contact Management		9230	A&G-Outside services employed	14,819	10.84%	1,585
1212	SS CSC-Customer Contact Management		9260	A&G-Employee pensions and benefits	5,275,910	10.84%	571,909
1212	SS CSC-Customer Contact Management		9310	A&G-Rents	627,620	10.84%	68,034
1212	SS CSC-Customer Contact Management		9320	A&G-Maintenance of general plant	6,887	10.84%	747
1212 Total					0		0
1213	SS Dallas Quality Assurance	Customer	9220	A&G-Administrative expense transferred-Credit	(1,391,898)	10.84%	(150,882)
1213	SS Dallas Quality Assurance		9010	Customer accounts-Operation supervision	287,350	10.84%	31,149
1213	SS Dallas Quality Assurance		9030	Customer accounts-Customer records and collections expenses	736,267	10.84%	79,811
1213	SS Dallas Quality Assurance		9200	A&G-Administrative & general salaries	(22,633)	10.84%	(2,453)
1213	SS Dallas Quality Assurance		9210	A&G-Office supplies & expense	23,901	10.84%	2,591
1213	SS Dallas Quality Assurance		9260	A&G-Employee pensions and benefits	367,014	10.84%	39,784
1213 Total					0		0

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1214	SS Dallas Workforce Management	Customer	9220	A&G-Administrative expense transferred-Credit	(794,525)	10.84%	(86,127)
1214	SS Dallas Workforce Management		9010	Customer accounts-Operation supervision	139,788	10.84%	15,153
1214	SS Dallas Workforce Management		9030	Customer accounts-Customer records and collections expenses	459,595	10.84%	49,820
1214	SS Dallas Workforce Management		9200	A&G-Administrative & general salaries	(17,729)	10.84%	(1,922)
1214	SS Dallas Workforce Management		9210	A&G-Office supplies & expense	7,581	10.84%	822
1214	SS Dallas Workforce Management		9260	A&G-Employee pensions and benefits	205,291	10.84%	22,254
1214 Total					0		0
1215	SS Dispatch Operations	Customer	9220	A&G-Administrative expense transferred-Credit	(5,482,845)	10.84%	(594,319)
1215	SS Dispatch Operations		8700	Distribution-Operation supervision and engineering	701	10.84%	76
1215	SS Dispatch Operations		9010	Customer accounts-Operation supervision	686,444	10.84%	74,411
1215	SS Dispatch Operations		9020	Customer accounts-Meter reading expenses	(2,798)	10.84%	(303)
1215	SS Dispatch Operations		9030	Customer accounts-Customer records and collections expenses	3,139,745	10.84%	340,023
1215	SS Dispatch Operations		9200	A&G-Administrative & general salaries	115,911	10.84%	12,555
1215	SS Dispatch Operations		9210	A&G-Office supplies & expense	67,889	10.84%	7,359
1215	SS Dispatch Operations		9230	A&G-Outside services employed	401	10.84%	43
1215	SS Dispatch Operations		9250	A&G-Employee pensions and benefits	1,449,421	10.84%	157,117
1215	SS Dispatch Operations		9301	A&G-General advertising expense	244	10.84%	26
1215	SS Dispatch Operations		9310	A&G-Rents	24,114	10.84%	2,614
1215	SS Dispatch Operations		9320	A&G-Maintenance of general plant	3,574	10.84%	387
1215 Total					(0)		(0)
1224	SS Dallas CSO Human Resources	Customer	9220	A&G-Administrative expense transferred-Credit	(2,085,017)	10.87%	(226,672)
1224	SS Dallas CSO Human Resources		9010	Customer accounts-Operation supervision	322	10.87%	35
1224	SS Dallas CSO Human Resources		9030	Customer accounts-Customer records and collections expenses	1,574	10.87%	171
1224	SS Dallas CSO Human Resources		9200	A&G-Administrative & general salaries	1,312,785	10.87%	142,719
1224	SS Dallas CSO Human Resources		9210	A&G-Office supplies & expense	443,105	10.87%	48,172
1224	SS Dallas CSO Human Resources		9230	A&G-Outside services employed	189	10.87%	18
1224	SS Dallas CSO Human Resources		9260	A&G-Employee pensions and benefits	474,747	10.87%	51,612
1224	SS Dallas CSO Human Resources		9310	A&G-Rents	700	10.87%	76
1224	SS Dallas CSO Human Resources		9320	A&G-Maintenance of general plant	4,309	10.87%	468
1224 Total					152,694		16,600
1225	SS Dallas Regulated Operations	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(275,316)	11.26%	(31,001)
1225	SS Dallas Regulated Operations		9200	A&G-Administrative & general salaries	163,770	11.26%	18,441
1225	SS Dallas Regulated Operations		9210	A&G-Office supplies & expense	19,830	11.26%	2,233
1225	SS Dallas Regulated Operations		9260	A&G-Employee pensions and benefits	91,353	11.26%	10,286
1225	SS Dallas Regulated Operations		9320	A&G-Maintenance of general plant	363	11.26%	41
1225 Total					(0)		(0)
1226	SS Dallas Customer Service	Customer	9220	A&G-Administrative expense transferred-Credit	(1,609,568)	10.84%	(174,477)
1226	SS Dallas Customer Service		8740	Mains and Services Expenses	1,594	10.84%	173
1226	SS Dallas Customer Service		9030	Customer accounts-Customer records and collections expenses	43	10.84%	5
1226	SS Dallas Customer Service		9200	A&G-Administrative & general salaries	253,174	10.84%	27,444
1226	SS Dallas Customer Service		9210	A&G-Office supplies & expense	115,817	10.84%	12,555
1226	SS Dallas Customer Service		9250	A&G-Injuries & damages	850	10.84%	92
1226	SS Dallas Customer Service		9260	A&G-Employee pensions and benefits	288,453	10.84%	31,288
1226	SS Dallas Customer Service		9310	A&G-Rents	946,942	10.84%	102,649
1226	SS Dallas Customer Service		9320	A&G-Maintenance of general plant	2,693	10.84%	292
1226 Total					(0)		(0)
1227	SS Dallas Business Processes and Change Management	Customer	9220	A&G-Administrative expense transferred-Credit	(4,143,381)	10.84%	(449,143)
1227	SS Dallas Business Processes and Change Management		8800	Distribution-Other expenses	1,161	10.84%	126
1227	SS Dallas Business Processes and Change Management		9010	Customer accounts-Operation supervision	964,973	10.84%	104,603
1227	SS Dallas Business Processes and Change Management		9030	Customer accounts-Customer records and collections expenses	1,289,558	10.84%	139,788
1227	SS Dallas Business Processes and Change Management		9200	A&G-Administrative & general salaries	71,550	10.84%	7,756
1227	SS Dallas Business Processes and Change Management		9210	A&G-Office supplies & expense	973,658	10.84%	105,545
1227	SS Dallas Business Processes and Change Management		9230	A&G-Outside services employed	5,208	10.84%	565
1227	SS Dallas Business Processes and Change Management		9260	A&G-Employee pensions and benefits	835,155	10.84%	90,531
1227	SS Dallas Business Processes and Change Management		9310	A&G-Rents	162	10.84%	18
1227	SS Dallas Business Processes and Change Management		9320	A&G-Maintenance of general plant	1,955	10.84%	212
1227 Total					(0)		(0)

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1228	SS Dallas Customer Revenue Management	Customer	9220	A&G-Administrative expense transferred-Credit	(12,708,781)	10.84%	(1,377,632)
1228	SS Dallas Customer Revenue Management		8700	Distribution-Operation supervision and engineering	888	10.84%	75
1228	SS Dallas Customer Revenue Management		8740	Mains and Services Expenses	8,772	10.84%	951
1228	SS Dallas Customer Revenue Management		9010	Customer accounts-Operation supervision	1,370,179	10.84%	148,527
1228	SS Dallas Customer Revenue Management		9020	Customer accounts-Meter reading expenses	1,416	10.84%	153
1228	SS Dallas Customer Revenue Management		9030	Customer accounts-Customer records and collections expenses	7,563,965	10.84%	819,934
1228	SS Dallas Customer Revenue Management		9200	A&G-Administrative & general salaries	(91,266)	10.84%	(9,893)
1228	SS Dallas Customer Revenue Management		9210	A&G-Office supplies & expense	629,981	10.84%	68,288
1228	SS Dallas Customer Revenue Management		9230	A&G-Outside services employed	2,869	10.84%	311
1228	SS Dallas Customer Revenue Management		9260	A&G-Employee pensions and benefits	3,220,091	10.84%	349,056
1228	SS Dallas Customer Revenue Management		9320	A&G-Maintenance of general plant	2,106	10.84%	228
1228 Total					0		0
1229	SS Dallas Pipeline Safety	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(400,400)	11.26%	(45,085)
1229	SS Dallas Pipeline Safety		8700	Distribution-Operation supervision and engineering	918	11.26%	103
1229	SS Dallas Pipeline Safety		9200	A&G-Administrative & general salaries	200,517	11.26%	22,578
1229	SS Dallas Pipeline Safety		9210	A&G-Office supplies & expense	23,039	11.26%	2,594
1229	SS Dallas Pipeline Safety		9260	A&G-Employee pensions and benefits	175,763	11.26%	19,791
1229	SS Dallas Pipeline Safety		9310	A&G-Rents	162	11.26%	18
1229 Total					0		0
1401	SS Dallas Employment & Employee Relations	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,285,628)	11.26%	(144,761)
1401	SS Dallas Employment & Employee Relations		8700	Distribution-Operation supervision and engineering	230	11.26%	26
1401	SS Dallas Employment & Employee Relations		9200	A&G-Administrative & general salaries	719,751	11.26%	81,044
1401	SS Dallas Employment & Employee Relations		9210	A&G-Office supplies & expense	71,141	11.26%	8,010
1401	SS Dallas Employment & Employee Relations		9230	A&G-Outside services employed	44,977	11.26%	5,064
1401	SS Dallas Employment & Employee Relations		9260	A&G-Employee pensions and benefits	321,022	11.26%	36,147
1401	SS Dallas Employment & Employee Relations		9310	A&G-Rents	127,805	11.26%	14,366
1401	SS Dallas Employment & Employee Relations		9320	A&G-Maintenance of general plant	901	11.26%	101
1401 Total					(0)		(0)
1402	SS Dallas Executive Compensation	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(342,495)	10.84%	(37,126)
1402	SS Dallas Executive Compensation		9230	A&G-Outside services employed	299,185	10.84%	32,432
1402	SS Dallas Executive Compensation		9250	A&G-Injuries & damages	11,560	10.84%	1,253
1402	SS Dallas Executive Compensation		9260	A&G-Employee pensions and benefits	31,462	10.84%	3,410
1402	SS Dallas Executive Compensation		9320	A&G-Maintenance of general plant	288	10.84%	31
1402 Total					0		0
1403	SS Dallas Human Resources - Vice Pres	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,504,377)	10.84%	(163,075)
1403	SS Dallas Human Resources - Vice Pres		9200	A&G-Administrative & general salaries	565,902	10.84%	61,344
1403	SS Dallas Human Resources - Vice Pres		9210	A&G-Office supplies & expense	19,652	10.84%	2,130
1403	SS Dallas Human Resources - Vice Pres		9230	A&G-Outside services employed	156	10.84%	17
1403	SS Dallas Human Resources - Vice Pres		9260	A&G-Employee pensions and benefits	841,130	10.84%	91,178
1403	SS Dallas Human Resources - Vice Pres		9310	A&G-Rents	77,537	10.84%	8,405
1403 Total					(0)		(0)
1405	SS Dallas Benefits	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,876,082)	11.26%	(211,245)
1405	SS Dallas Benefits		9200	A&G-Administrative & general salaries	969,275	11.26%	111,392
1405	SS Dallas Benefits		9210	A&G-Office supplies & expense	96,800	11.26%	10,900
1405	SS Dallas Benefits		9230	A&G-Outside services employed	128,804	11.26%	14,503
1405	SS Dallas Benefits		9260	A&G-Employee pensions and benefits	495,133	11.26%	55,752
1405	SS Dallas Benefits		9302	Miscellaneous general expenses	5,995	11.26%	675
1405	SS Dallas Benefits		9310	A&G-Rents	169,553	11.26%	17,966
1405	SS Dallas Benefits		9320	A&G-Maintenance of general plant	502	11.26%	56
1405 Total					0		0
1407	SS Dallas Facilities	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,442,671)	10.84%	(156,386)
1407	SS Dallas Facilities		8740	Mains and Services Expenses	30,104	10.84%	3,263
1407	SS Dallas Facilities		9030	Customer accounts-Customer records and collections expenses	188	10.84%	20
1407	SS Dallas Facilities		9200	A&G-Administrative & general salaries	559,159	10.84%	60,613
1407	SS Dallas Facilities		9210	A&G-Office supplies & expense	100,103	10.84%	10,851
1407	SS Dallas Facilities		9230	A&G-Outside services employed	302	10.84%	33
1407	SS Dallas Facilities		9260	A&G-Employee pensions and benefits	266,042	10.84%	29,056
1407	SS Dallas Facilities		9310	A&G-Rents	484,189	10.84%	52,486
1407	SS Dallas Facilities		9320	A&G-Maintenance of general plant	584	10.84%	63
1407 Total					0		0

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1408	SS Dallas Employee Development	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,156,680)	10.84%	(233,784)
1408	SS Dallas Employee Development		8560	Mains expenses	730	10.84%	79
1408	SS Dallas Employee Development		8700	Distribution-Operation supervision and engineering	3,515	10.84%	381
1408	SS Dallas Employee Development		8740	Mains and Services Expenses	3,096	10.84%	336
1408	SS Dallas Employee Development		8850	Distribution-Maintenance supervision and engineering	1,488	10.84%	161
1408	SS Dallas Employee Development		8860	Distribution-Maintenance of structures and Improvements	12	10.84%	1
1408	SS Dallas Employee Development		9010	Customer accounts-Operation supervision	583	10.84%	61
1408	SS Dallas Employee Development		9200	A&G-Administrative & general salaries	787,403	10.84%	85,354
1408	SS Dallas Employee Development		9210	A&G-Office supplies & expense	621,614	10.84%	67,383
1408	SS Dallas Employee Development		9260	A&G-Employee pensions and benefits	659,516	10.84%	71,492
1408	SS Dallas Employee Development		9302	Miscellaneous general expenses	750	10.84%	81
1408	SS Dallas Employee Development		9310	A&G-Rents	76,936	10.84%	8,340
1408	SS Dallas Employee Development		9320	A&G-Maintenance of general plant	1,057	10.84%	115
1408 Total					0		0
1414	SS Tech Training Delivery	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,822,112)	11.26%	(205,170)
1414	SS Tech Training Delivery		8700	Distribution-Operation supervision and engineering	5,852	11.26%	639
1414	SS Tech Training Delivery		8740	Mains and Services Expenses	63,709	11.26%	7,174
1414	SS Tech Training Delivery		9020	Customer accounts-Meter reading expenses	9	11.26%	1
1414	SS Tech Training Delivery		9200	A&G-Administrative & general salaries	781,679	11.26%	88,017
1414	SS Tech Training Delivery		9210	A&G-Office supplies & expense	567,432	11.26%	63,893
1414	SS Tech Training Delivery		9260	A&G-Employee pensions and benefits	294,893	11.26%	33,182
1414	SS Tech Training Delivery		9301	A&G-General advertising expense	306	11.26%	34
1414	SS Tech Training Delivery		9310	A&G-Rents	108,244	11.26%	12,188
1414	SS Tech Training Delivery		9320	A&G-Maintenance of general plant	388	11.26%	44
1414 Total					0		0
1415	SS Tech Training Prog & Curriculum	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(238,058)	11.26%	(26,805)
1415	SS Tech Training Prog & Curriculum		9200	A&G-Administrative & general salaries	164,808	11.26%	18,557
1415	SS Tech Training Prog & Curriculum		9210	A&G-Office supplies & expense	11,117	11.26%	1,252
1415	SS Tech Training Prog & Curriculum		9260	A&G-Employee pensions and benefits	62,133	11.26%	6,996
1415 Total					0		0
1420	SS Dallas EAPC	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(34,965)	10.84%	(3,789)
1420	SS Dallas EAPC		8210	Storage-Purification expenses	4,270	10.84%	483
1420	SS Dallas EAPC		9210	A&G-Office supplies & expense	30,685	10.84%	3,326
1420 Total					0		0
1463	SS HR Benefit Variance	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	1,159,829	10.84%	125,726
1463	SS HR Benefit Variance		9260	A&G-Employee pensions and benefits	(1,159,829)	10.84%	(125,725)
1463 Total					0		0
1501	SS Corporate Legal	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(4,933,346)	10.84%	(534,775)
1501	SS Corporate Legal		8700	Distribution-Operation supervision and engineering	230	10.84%	25
1501	SS Corporate Legal		9200	A&G-Administrative & general salaries	2,334,610	10.84%	253,072
1501	SS Corporate Legal		9210	A&G-Office supplies & expense	(2,217)	10.84%	(240)
1501	SS Corporate Legal		9230	A&G-Outside services employed	121,026	10.84%	13,119
1501	SS Corporate Legal		9260	A&G-Employee pensions and benefits	1,970,358	10.84%	213,567
1501	SS Corporate Legal		9302	Miscellaneous general expenses	213,824	10.84%	23,179
1501	SS Corporate Legal		9310	A&G-Rents	293,738	10.84%	31,841
1501	SS Corporate Legal		9320	A&G-Maintenance of general plant	1,777	10.84%	193
1501 Total					0		0
1502	SS Corporate Secretary	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,513,852)	10.84%	(164,102)
1502	SS Corporate Secretary		9210	A&G-Office supplies & expense	91,344	10.84%	9,902
1502	SS Corporate Secretary		9230	A&G-Outside services employed	50	10.84%	5
1502	SS Corporate Secretary		9260	A&G-Employee pensions and benefits	1,113	10.84%	121
1502	SS Corporate Secretary		9302	Miscellaneous general expenses	1,413,082	10.84%	153,176
1502	SS Corporate Secretary		9310	A&G-Rents	7,470	10.84%	810
1502	SS Corporate Secretary		9320	A&G-Maintenance of general plant	814	10.84%	88
1502 Total					0		0

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1503	SS Corporate Governmental Affairs	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(737,352)	11.26%	(83,026)
1503	SS Corporate Governmental Affairs		9120	Sales-Demonstrating and selling expenses	805	11.26%	91
1503	SS Corporate Governmental Affairs		9200	A&G-Administrative & general salaries	338,547	11.26%	38,120
1503	SS Corporate Governmental Affairs		9210	A&G-Office supplies & expense	35,295	11.26%	3,974
1503	SS Corporate Governmental Affairs		9260	A&G-Employee pensions and benefits	359,848	11.26%	40,519
1503	SS Corporate Governmental Affairs		9310	A&G-Rents	2,517	11.26%	283
1503	SS Corporate Governmental Affairs		9320	A&G-Maintenance of general plant	340	11.26%	38
1503 Total					0		0
1504	SS Corporate Records Management	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(843,319)	11.26%	(72,438)
1504	SS Corporate Records Management		9200	A&G-Administrative & general salaries	183,596	11.26%	18,421
1504	SS Corporate Records Management		9210	A&G-Office supplies & expense	84,123	11.26%	9,472
1504	SS Corporate Records Management		9260	A&G-Employee pensions and benefits	81,676	11.26%	8,945
1504	SS Corporate Records Management		9302	Miscellaneous general expenses	40,999	11.26%	4,816
1504	SS Corporate Records Management		9310	A&G-Rents	95,443	11.26%	10,747
1504	SS Corporate Records Management		9320	A&G-Maintenance of general plant	197,477	11.26%	22,236
1504 Total					(0)		(0)
1505	SS Corporate Gas Contract Administration	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(194,413)	11.26%	(21,891)
1505	SS Corporate Gas Contract Administration		9200	A&G-Administrative & general salaries	125,811	11.26%	14,166
1505	SS Corporate Gas Contract Administration		9210	A&G-Office supplies & expense	2,609	11.26%	294
1505	SS Corporate Gas Contract Administration		9260	A&G-Employee pensions and benefits	47,431	11.26%	5,341
1505	SS Corporate Gas Contract Administration		9310	A&G-Rents	18,581	11.26%	2,090
1505 Total					(0)		(0)
1508	SS Corporate Energy Assistance	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(813,846)	13.14%	(106,939)
1508	SS Corporate Energy Assistance		9200	A&G-Administrative & general salaries	423,854	13.14%	55,894
1508	SS Corporate Energy Assistance		9210	A&G-Office supplies & expense	118,133	13.14%	15,523
1508	SS Corporate Energy Assistance		9260	A&G-Employee pensions and benefits	188,956	13.14%	24,829
1508	SS Corporate Energy Assistance		9310	A&G-Rents	82,902	13.14%	10,893
1508 Total					(0)		(0)
1821	SS Gas Supply Executive	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(821,528)	11.23%	(92,258)
1821	SS Gas Supply Executive		9200	A&G-Administrative & general salaries	309,272	11.23%	34,731
1821	SS Gas Supply Executive		9210	A&G-Office supplies & expense	105,914	11.23%	11,894
1821	SS Gas Supply Executive		9260	A&G-Employee pensions and benefits	319,670	11.23%	35,899
1821	SS Gas Supply Executive		9310	A&G-Rents	86,208	11.23%	9,681
1821	SS Gas Supply Executive		9320	A&G-Maintenance of general plant	463	11.23%	52
1821 Total					(0)		(0)
1822	SS Dallas-Regional Gas Supply	Composite - WTX and MTX	9220	A&G-Administrative expense transferred-Credit	(290,715)	0.00%	-
1822	SS Dallas-Regional Gas Supply		9200	A&G-Administrative & general salaries	185,047	0.00%	-
1822	SS Dallas-Regional Gas Supply		9210	A&G-Office supplies & expense	17,913	0.00%	-
1822	SS Dallas-Regional Gas Supply		9260	A&G-Employee pensions and benefits	87,657	0.00%	-
1822	SS Dallas-Regional Gas Supply		9320	A&G-Maintenance of general plant	98	0.00%	-
1822 Total					0		-
1823	SS Dallas Gas Contract Admin	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(501,510)	11.26%	(56,470)
1823	SS Dallas Gas Contract Admin		9200	A&G-Administrative & general salaries	329,746	11.26%	37,129
1823	SS Dallas Gas Contract Admin		9210	A&G-Office supplies & expense	17,321	11.26%	1,950
1823	SS Dallas Gas Contract Admin		9260	A&G-Employee pensions and benefits	153,938	11.26%	17,333
1823	SS Dallas Gas Contract Admin		9302	Miscellaneous general expenses	505	11.26%	57
1823 Total					0		0
1825	SS Franklin-Gas Control & Storage	Composite - Atmos 5 and TLGP	9220	A&G-Administrative expense transferred-Credit	(422,771)	25.02%	(105,777)
1825	SS Franklin-Gas Control & Storage		8140	Storage-Operation supervision and engineering	1,083	25.02%	271
1825	SS Franklin-Gas Control & Storage		8700	Distribution-Operation supervision and engineering	50	25.02%	13
1825	SS Franklin-Gas Control & Storage		9200	A&G-Administrative & general salaries	245,035	25.02%	61,308
1825	SS Franklin-Gas Control & Storage		9210	A&G-Office supplies & expense	32,700	25.02%	8,182
1825	SS Franklin-Gas Control & Storage		9260	A&G-Employee pensions and benefits	143,425	25.02%	35,885
1825	SS Franklin-Gas Control & Storage		9320	A&G-Maintenance of general plant	478	25.02%	119
1825 Total					(0)		(0)

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1826	SS New Orleans Gas Supply & Services	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(569,804)	13.14%	(74,885)
1826	SS New Orleans Gas Supply & Services		8700	Distribution-Operation supervision and engineering	286	13.14%	38
1826	SS New Orleans Gas Supply & Services		9200	A&G-Administrative & general salaries	183,621	13.14%	24,128
1826	SS New Orleans Gas Supply & Services		9210	A&G-Office supplies & expense	55,210	13.14%	7,255
1826	SS New Orleans Gas Supply & Services		9230	A&G-Outside services employed	201,062	13.14%	26,420
1826	SS New Orleans Gas Supply & Services		9260	A&G-Employee pensions and benefits	126,778	13.14%	16,659
1826	SS New Orleans Gas Supply & Services		9310	A&G-Rents	1,804	13.14%	211
1826	SS New Orleans Gas Supply & Services		9320	A&G-Maintenance of general plant	1,342	13.14%	176
1826 Total					(0)		(0)
1827	SS Regional Supply Planning	Composite - Atmos 5 (No MTX)	9220	A&G-Administrative expense transferred-Credit	(273,157)	25.15%	(68,699)
1827	SS Regional Supply Planning		9200	A&G-Administrative & general salaries	150,691	25.15%	37,899
1827	SS Regional Supply Planning		9210	A&G-Office supplies & expense	39,549	25.15%	9,947
1827	SS Regional Supply Planning		9230	A&G-Outside services employed	23,049	25.15%	5,797
1827	SS Regional Supply Planning		9260	A&G-Employee pensions and benefits	58,811	25.15%	14,288
1827	SS Regional Supply Planning		9310	A&G-Rents	15	25.15%	4
1827	SS Regional Supply Planning		9320	A&G-Maintenance of general plant	3,042	25.15%	765
1827 Total					0		0
1828	SS Jackson-West Region Gas Supply & Services	Composite - CO, KS, LA, MS	9220	A&G-Administrative expense transferred-Credit	(162,564)	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9200	A&G-Administrative & general salaries	94,204	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9210	A&G-Office supplies & expense	32,846	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9260	A&G-Employee pensions and benefits	35,515	0.00%	-
1828 Total					0		-
1829	SS Franklin-East Region Gas Supply & Services	Composite - KY/Mid-States	9220	A&G-Administrative expense transferred-Credit	(38,589)	100.00%	(38,589)
1829	SS Franklin-East Region Gas Supply & Services		8700	Distribution-Operation supervision and engineering	75	100.00%	75
1829	SS Franklin-East Region Gas Supply & Services		9210	A&G-Office supplies & expense	38,514	100.00%	38,514
1829 Total					-		-
1831	SS Dallas Gas Supply	Composite - Mid-Tex	9220	A&G-Administrative expense transferred-Credit	(47,364)	0.00%	-
1831	SS Dallas Gas Supply		9210	A&G-Office supplies & expense	47,364	0.00%	-
1831 Total					-		-
1832	SS Dallas-Supply Planning	Composite - Mid-Tex	9220	A&G-Administrative expense transferred-Credit	(168,906)	0.00%	-
1832	SS Dallas-Supply Planning		9200	A&G-Administrative & general salaries	110,347	0.00%	-
1832	SS Dallas-Supply Planning		9210	A&G-Office supplies & expense	20,588	0.00%	-
1832	SS Dallas-Supply Planning		9230	A&G-Outside services employed	5,300	0.00%	-
1832	SS Dallas-Supply Planning		9260	A&G-Employee pensions and benefits	62,660	0.00%	-
1832 Total					-		-
1833	SS Dallas-Corporate Gas Supply Risk Mgmt	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(191,763)	13.14%	(25,196)
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		8700	Distribution-Operation supervision and engineering	143	13.14%	19
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9200	A&G-Administrative & general salaries	99,370	13.14%	13,057
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9210	A&G-Office supplies & expense	19,938	13.14%	2,620
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9260	A&G-Employee pensions and benefits	72,312	13.14%	9,502
1833 Total					0		0
1835	SS Franklin Gas Control	Composite - Atmos 5 and TLGP	9220	A&G-Administrative expense transferred-Credit	(1,253,657)	25.02%	(313,665)
1835	SS Franklin Gas Control		9200	A&G-Administrative & general salaries	783,742	25.02%	196,092
1835	SS Franklin Gas Control		9210	A&G-Office supplies & expense	56,155	25.02%	14,050
1835	SS Franklin Gas Control		9230	A&G-Outside services employed	41,610	25.02%	10,411
1835	SS Franklin Gas Control		9260	A&G-Employee pensions and benefits	285,471	25.02%	73,927
1835	SS Franklin Gas Control		9310	A&G-Rents	76,681	25.02%	19,185
1835 Total					(0)		(0)
1836	SS TBS-System Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(384,785)	11.23%	(43,211)
1836	SS TBS-System Support		9200	A&G-Administrative & general salaries	228,698	11.23%	25,683
1836	SS TBS-System Support		9210	A&G-Office supplies & expense	21,281	11.23%	2,390
1836	SS TBS-System Support		9260	A&G-Employee pensions and benefits	134,807	11.23%	15,138
1836 Total					0		0

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1837	SS TBS-Application Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(970,307)	11.23%	(108,985)
1837	SS TBS-Application Support		8780	Distribution-Measuring and regulating station expenses-Industrial	200	11.23%	22
1837	SS TBS-Application Support		9200	A&G-Administrative & general salaries	671,861	11.23%	75,427
1837	SS TBS-Application Support		9210	A&G-Office supplies & expense	19,468	11.23%	2,186
1837	SS TBS-Application Support		9260	A&G-Employee pensions and benefits	278,978	11.23%	31,329
1837 Total					(0)		(0)
1838	SS TBS-Technical Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(852,703)	11.23%	(95,759)
1838	SS TBS-Technical Support		9200	A&G-Administrative & general salaries	541,447	11.23%	60,804
1838	SS TBS-Technical Support		9210	A&G-Office supplies & expense	78,505	11.23%	8,591
1838	SS TBS-Technical Support		9260	A&G-Employee pensions and benefits	233,737	11.23%	26,249
1838	SS TBS-Technical Support		9320	A&G-Maintenance of general plant	1,014	11.23%	114
1838 Total					0		0
1839	SS TBS-Transportation & Scheduling	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(303,771)	11.23%	(34,113)
1839	SS TBS-Transportation & Scheduling		9200	A&G-Administrative & general salaries	209,682	11.23%	23,547
1839	SS TBS-Transportation & Scheduling		9210	A&G-Office supplies & expense	15,039	11.23%	1,689
1839	SS TBS-Transportation & Scheduling		9260	A&G-Employee pensions and benefits	79,050	11.23%	8,877
1839 Total					0		0
1901	SS Dallas Employee Relocation Exp	Composite / Customer	9220	A&G-Administrative expense transferred-Credit	(468,402)	10.84%	(50,775)
1901	SS Dallas Employee Relocation Exp		8700	Distribution-Operation supervision and engineering	219,832	10.84%	23,830
1901	SS Dallas Employee Relocation Exp		9010	Customer accounts-Operation supervision	25,838	10.84%	2,778
1901	SS Dallas Employee Relocation Exp		9130	Sales-Advertising expenses	(6,063)	10.84%	(657)
1901	SS Dallas Employee Relocation Exp		9200	A&G-Administrative & general salaries	118,834	10.84%	12,882
1901	SS Dallas Employee Relocation Exp		9210	A&G-Office supplies & expense	58,306	10.84%	6,320
1901	SS Dallas Employee Relocation Exp		9260	A&G-Employee pensions and benefits	51,855	10.84%	5,621
1901 Total					0		0
1903	SS Contoller - Miscellaneous	Does Not Allocate	9030	Customer accounts-Customer records and collections expenses	(459)	N/A	-
1903	SS Contoller - Miscellaneous		9200	A&G-Administrative & general salaries	27	N/A	-
1903	SS Contoller - Miscellaneous		9210	A&G-Office supplies & expense	420,604	N/A	-
1903	SS Contoller - Miscellaneous		9230	A&G-Outside services employed	39,173	N/A	-
1903	SS Contoller - Miscellaneous		9250	A&G-Injuries & damages	(750,000)	N/A	-
1903	SS Contoller - Miscellaneous		9260	A&G-Employee pensions and benefits	10	N/A	-
1903 Total					(280,545)		-
1904	SS Dallas Performance Plan	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(12,809,354)	10.84%	(1,388,534)
1904	SS Dallas Performance Plan		9260	A&G-Employee pensions and benefits	12,809,354	10.84%	1,388,534
1904 Total					(0)		(0)
1905	SS Outside Director Retirement Cost	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,789,545)	10.84%	(193,987)
1905	SS Outside Director Retirement Cost		9302	Miscellaneous general expenses	1,789,545	10.84%	193,987
1905 Total					0		0
1908	SS Dallas SEBP	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(9,976,683)	10.84%	(1,081,472)
1908	SS Dallas SEBP		9230	A&G-Outside services employed	4,260	10.84%	462
1908	SS Dallas SEBP		9260	A&G-Employee pensions and benefits	9,972,424	10.84%	1,081,011
1908 Total					(0)		(0)
1910	SS Corporate Overhead Capitalized	OH Rate Based on Composite	9220	A&G-Administrative expense transferred-Credit	58,857,481	11.11%	6,539,066
1910	SS Corporate Overhead Capitalized		9200	A&G-Administrative & general salaries	(58,857,481)	11.11%	(6,539,066)
1910 Total					(0)		(0)
1913	SS Dallas Fleet and Corporate Sourcing	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(885,426)	11.26%	(74,927)
1913	SS Dallas Fleet and Corporate Sourcing		8740	Mains and Services Expenses	1,514	11.26%	170
1913	SS Dallas Fleet and Corporate Sourcing		9200	A&G-Administrative & general salaries	511,397	11.26%	57,583
1913	SS Dallas Fleet and Corporate Sourcing		9210	A&G-Office supplies & expense	(100,861)	11.26%	(11,357)
1913	SS Dallas Fleet and Corporate Sourcing		9260	A&G-Employee pensions and benefits	192,797	11.26%	21,709
1913	SS Dallas Fleet and Corporate Sourcing		9310	A&G-Rents	60,529	11.26%	6,816
1913	SS Dallas Fleet and Corporate Sourcing		9320	A&G-Maintenance of general plant	50	11.26%	6
1913 Total					0		0

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2014

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2014	Allocation %	Billed to KY-MidSt Div
1915	SS Dallas Insurance	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(17,001,764)	10.84%	(1,843,644)
1915	SS Dallas Insurance		9240	A&G-Property insurance	337,286	10.84%	38,573
1915	SS Dallas Insurance		9250	A&G-Injuries & damages	16,511,804	10.84%	1,790,514
1915 Total					(152,694)		(18,558)
1953	SS Dallas Enterprise Team Meeting	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(438)	11.26%	(49)
1953	SS Dallas Enterprise Team Meeting		9210	A&G-Office supplies & expense	438	11.26%	49
1953 Total					-		-
1954	SS Dallas Culture Council	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(9,319)	11.26%	(1,049)
1954	SS Dallas Culture Council		9210	A&G-Office supplies & expense	9,319	11.26%	1,049
1954 Total					-		-

Summary by FERC Account		
Account	Account Description	Allocated to KY/Mid-States Div
8140	Storage-Operation supervision and engineering	271
8210	Storage-Purification expenses	483
8560	Mains expenses	79
8700	Distribution-Operation supervision and engineering	32,005
8740	Mains and Services Expenses	12,760
8760	Distribution-Measuring and regulating station expenses-Indust	22
8800	Distribution-Other expenses	1,232
8850	Distribution-Maintenance supervision and engineering	181
8860	Distribution-Maintenance of structures and Improvements	1
9010	Customer accounts-Operation supervision	712,079
9020	Customer accounts-Meter reading expenses	2,877
9030	Customer accounts-Customer records and collections expense	2,611,788
9100	Customer service-Miscellaneous customer service	323
9120	Sales-Demonstrating and selling expenses	3,386
9130	Sales-Advertising expenses	(657)
9200	A&G-Administrative & general salaries	(2,023,117)
9210	A&G-Office supplies & expense	3,152,858
9230	A&G-Outside services employed	917,448
9240	A&G-Property insurance	36,573
9250	A&G-Injuries & damages	1,806,178
9260	A&G-Employee pensions and benefits	6,464,057
9280	A&G-Regulatory commission expenses	2,128
9301	A&G-General advertising expense	61
9302	Miscellaneous general expenses	478,805
9310	A&G-Rents	767,604
9320	A&G-Maintenance of general plant	57,464
		<u>15,037,848</u>

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-09
Page 1 of 1

REQUEST:

Please provide a list and sum total of Shared Services Division (Division 002) allocation amounts using the Composite Allocation Factor charged to the Kentucky/Mid-States Division by FERC O&M and A&G expense account for the fiscal year ended September 30, 2015. Please include the FERC account description as well as the account number. Provide the information in electronic format with all formulas intact.

RESPONSE:

Please see Attachment 1 for the Shared Services Division O&M allocated to the Kentucky/Mid-States Division during Fiscal 2015 by FERC account.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-09_Att1 - SSU O&M Allocated to KY-MidStates by FERC Account FY15.xlsx, 12 Pages.

Respondent: Jason Schneider

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-Midst Div
1101	SS Dallas Chief Financial Officer	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,837,853)	10.71%	(175,412)
1101	SS Dallas Chief Financial Officer		9200	A&G-Administrative & general salaries	487,532	10.71%	52,215
1101	SS Dallas Chief Financial Officer		9210	A&G-Office supplies & expense	44,479	10.71%	4,764
1101	SS Dallas Chief Financial Officer		9260	A&G-Employee pensions and benefits	982,029	10.71%	105,246
1101	SS Dallas Chief Financial Officer		9310	A&G-Rents	113,792	10.71%	12,187
1101 Total					0		0
1105	SS Dallas Audit	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(4,329,704)	10.71%	(463,711)
1105	SS Dallas Audit		9230	A&G-Outside services employed	4,241,816	10.71%	454,299
1105	SS Dallas Audit		9310	A&G-Rents	87,888	10.71%	9,413
1105 Total					0		0
1106	SS Dallas Treasurer	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(848,487)	10.71%	(90,873)
1106	SS Dallas Treasurer		9200	A&G-Administrative & general salaries	396,209	10.71%	42,434
1106	SS Dallas Treasurer		9210	A&G-Office supplies & expense	108,141	10.71%	11,582
1106	SS Dallas Treasurer		9260	A&G-Employee pensions and benefits	302,276	10.71%	32,374
1106	SS Dallas Treasurer		9310	A&G-Rents	41,522	10.71%	4,447
1106	SS Dallas Treasurer		9320	A&G-Maintenance of general plant	340	10.71%	36
1106 Total					0		0
1107	SS Dallas Treasury	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,359,102)	10.71%	(145,560)
1107	SS Dallas Treasury		9200	A&G-Administrative & general salaries	427,710	10.71%	45,808
1107	SS Dallas Treasury		9210	A&G-Office supplies & expense	56,711	10.71%	6,074
1107	SS Dallas Treasury		9230	A&G-Outside services employed	1,245	10.71%	133
1107	SS Dallas Treasury		9260	A&G-Employee pensions and benefits	190,286	10.71%	20,380
1107	SS Dallas Treasury		9301	A&G-General advertising expense	49,000	10.71%	5,248
1107	SS Dallas Treasury		9302	Miscellaneous general expenses	584,145	10.71%	60,420
1107	SS Dallas Treasury		9310	A&G-Rents	70,007	10.71%	7,498
1107 Total					0		0
1108	SS Dallas Risk Management	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(718,289)	10.71%	(76,929)
1108	SS Dallas Risk Management		8700	Distribution-Operation supervision and engineering	49	10.71%	5
1108	SS Dallas Risk Management		8740	Mains and Services Expenses	2,362	10.71%	253
1108	SS Dallas Risk Management		9200	A&G-Administrative & general salaries	382,547	10.71%	40,971
1108	SS Dallas Risk Management		9210	A&G-Office supplies & expense	47,655	10.71%	5,104
1108	SS Dallas Risk Management		9230	A&G-Outside services employed	23,521	10.71%	2,519
1108	SS Dallas Risk Management		9260	A&G-Employee pensions and benefits	196,554	10.71%	21,051
1108	SS Dallas Risk Management		9310	A&G-Rents	64,498	10.71%	6,908
1108	SS Dallas Risk Management		9320	A&G-Maintenance of general plant	1,103	10.71%	118
1108 Total					0		0
1110	SS Dallas Supply Chain Mgmt	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(211,774)	10.99%	(23,274)
1110	SS Dallas Supply Chain Mgmt		9200	A&G-Administrative & general salaries	100,338	10.99%	11,027
1110	SS Dallas Supply Chain Mgmt		9210	A&G-Office supplies & expense	13,972	10.99%	1,536
1110	SS Dallas Supply Chain Mgmt		9260	A&G-Employee pensions and benefits	89,512	10.99%	9,837
1110	SS Dallas Supply Chain Mgmt		9310	A&G-Rents	7,963	10.99%	874
1110 Total					0		0
1112	SS Dallas Mail & Supply	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(507,059)	10.99%	(55,726)
1112	SS Dallas Mail & Supply		9200	A&G-Administrative & general salaries	102,017	10.99%	11,212
1112	SS Dallas Mail & Supply		9210	A&G-Office supplies & expense	313,825	10.99%	34,434
1112	SS Dallas Mail & Supply		9260	A&G-Employee pensions and benefits	37,338	10.99%	4,103
1112	SS Dallas Mail & Supply		9310	A&G-Rents	54,379	10.99%	5,876
1112 Total					0		0
1114	SS Dallas Vice Pres & Controller	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(710,227)	10.71%	(76,065)
1114	SS Dallas Vice Pres & Controller		9200	A&G-Administrative & general salaries	286,344	10.71%	30,667
1114	SS Dallas Vice Pres & Controller		9210	A&G-Office supplies & expense	38,958	10.71%	4,172
1114	SS Dallas Vice Pres & Controller		9230	A&G-Outside services employed	19,706	10.71%	2,110
1114	SS Dallas Vice Pres & Controller		9260	A&G-Employee pensions and benefits	285,555	10.71%	31,094
1114	SS Dallas Vice Pres & Controller		9310	A&G-Rents	89,899	10.71%	9,611
1114 Total					0		0

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1116	SS Dallas Taxation	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(674,751)	10.71%	(72,258)
1116	SS Dallas Taxation		9200	A&G-Administrative & general salaries	205,472	10.71%	22,006
1116	SS Dallas Taxation		9210	A&G-Office supplies & expense	44,036	10.71%	4,716
1116	SS Dallas Taxation		9230	A&G-Outside services employed	110,245	10.71%	11,807
1116	SS Dallas Taxation		9260	A&G-Employee pensions and benefits	203,844	10.71%	21,832
1116	SS Dallas Taxation		9310	A&G-Rents	111,153	10.71%	11,905
1116 Total					(0)		(0)
1117	SS Dallas Acctg Services	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(99,746)	10.71%	(10,583)
1117	SS Dallas Acctg Services		9200	A&G-Administrative & general salaries	143,796	10.71%	15,401
1117	SS Dallas Acctg Services		9210	A&G-Office supplies & expense	(163,842)	10.71%	(17,547)
1117	SS Dallas Acctg Services		9260	A&G-Employee pensions and benefits	109,532	10.71%	11,635
1117	SS Dallas Acctg Services		9310	A&G-Rents	11,158	10.71%	1,195
1117 Total					(0)		(0)
1118	SS Dallas Supply Chain	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(579,259)	10.99%	(74,651)
1118	SS Dallas Supply Chain		9200	A&G-Administrative & general salaries	407,514	10.99%	44,786
1118	SS Dallas Supply Chain		9210	A&G-Office supplies & expense	86,279	10.99%	9,482
1118	SS Dallas Supply Chain		9260	A&G-Employee pensions and benefits	149,150	10.99%	16,382
1118	SS Dallas Supply Chain		9310	A&G-Rents	35,449	10.99%	3,896
1118	SS Dallas Supply Chain		9320	A&G-Maintenance of general plant	865	10.99%	95
1118 Total					(0)		(0)
1119	SS Dallas General Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(777,419)	10.71%	(83,262)
1119	SS Dallas General Accounting		9200	A&G-Administrative & general salaries	481,674	10.71%	51,587
1119	SS Dallas General Accounting		9210	A&G-Office supplies & expense	19,675	10.71%	2,107
1119	SS Dallas General Accounting		9260	A&G-Employee pensions and benefits	176,293	10.71%	18,881
1119	SS Dallas General Accounting		9310	A&G-Rents	98,366	10.71%	10,537
1119	SS Dallas General Accounting		9320	A&G-Maintenance of general plant	1,392	10.71%	149
1119 Total					(0)		(0)
1120	SS Dallas Accounts Payable	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(839,031)	10.71%	(89,860)
1120	SS Dallas Accounts Payable		8900	Distribution-Other expenses	338	10.71%	36
1120	SS Dallas Accounts Payable		9010	Customer accounts-Operation supervision	7,088	10.71%	759
1120	SS Dallas Accounts Payable		9200	A&G-Administrative & general salaries	498,944	10.71%	53,437
1120	SS Dallas Accounts Payable		9210	A&G-Office supplies & expense	24,972	10.71%	2,675
1120	SS Dallas Accounts Payable		9230	A&G-Outside services employed	980	10.71%	105
1120	SS Dallas Accounts Payable		9260	A&G-Employee pensions and benefits	182,614	10.71%	19,558
1120	SS Dallas Accounts Payable		9310	A&G-Rents	118,762	10.71%	12,722
1120	SS Dallas Accounts Payable		9320	A&G-Maintenance of general plant	5,313	10.71%	569
1120 Total					0		0
1121	SS Dallas Plant Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,002,334)	10.71%	(107,350)
1121	SS Dallas Plant Accounting		9200	A&G-Administrative & general salaries	581,306	10.71%	62,258
1121	SS Dallas Plant Accounting		9210	A&G-Office supplies & expense	159,169	10.71%	17,047
1121	SS Dallas Plant Accounting		9260	A&G-Employee pensions and benefits	212,758	10.71%	22,788
1121	SS Dallas Plant Accounting		9310	A&G-Rents	49,101	10.71%	5,259
1121 Total					(0)		(0)
1123	SS Dallas Gas Accounting	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(454,202)	10.97%	(49,828)
1123	SS Dallas Gas Accounting		9200	A&G-Administrative & general salaries	241,390	10.97%	26,480
1123	SS Dallas Gas Accounting		9210	A&G-Office supplies & expense	16,090	10.97%	1,765
1123	SS Dallas Gas Accounting		9260	A&G-Employee pensions and benefits	123,819	10.97%	13,583
1123	SS Dallas Gas Accounting		9310	A&G-Rents	72,826	10.97%	7,989
1123	SS Dallas Gas Accounting		9320	A&G-Maintenance of general plant	76	10.97%	9
1123 Total					0		0
1125	SS Dallas Financial Reporting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,490,111)	10.71%	(159,561)
1125	SS Dallas Financial Reporting		9200	A&G-Administrative & general salaries	803,570	10.71%	86,062
1125	SS Dallas Financial Reporting		9210	A&G-Office supplies & expense	45,328	10.71%	4,854
1125	SS Dallas Financial Reporting		9230	A&G-Outside services employed	58,764	10.71%	6,294
1125	SS Dallas Financial Reporting		9260	A&G-Employee pensions and benefits	415,947	10.71%	44,548
1125	SS Dallas Financial Reporting		9302	Miscellaneous general expenses	44,028	10.71%	4,715
1125	SS Dallas Financial Reporting		9310	A&G-Rents	122,475	10.71%	13,117
1125 Total					(0)		(0)

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1126	SS Dallas Payroll	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(617,815)	10.71%	(68,188)
1126	SS Dallas Payroll		9200	A&G-Administrative & general salaries	357,516	10.71%	38,280
1126	SS Dallas Payroll		9210	A&G-Office supplies & expense	20,750	10.71%	2,222
1126	SS Dallas Payroll		9260	A&G-Employee pensions and benefits	130,851	10.71%	14,014
1126	SS Dallas Payroll		9310	A&G-Rents	108,897	10.71%	11,841
1126 Total					<u>(0)</u>		<u>(0)</u>
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1128	SS Dallas Property & Sales Tax	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,528,893)	10.71%	(270,844)
1128	SS Dallas Property & Sales Tax		9030	Customer accounts-Customer records and collections expenses	43,970	10.71%	4,709
1128	SS Dallas Property & Sales Tax		9200	A&G-Administrative & general salaries	1,255,822	10.71%	134,499
1128	SS Dallas Property & Sales Tax		9210	A&G-Office supplies & expense	85,822	10.71%	9,192
1128	SS Dallas Property & Sales Tax		9230	A&G-Outside services employed	512,084	10.71%	54,844
1128	SS Dallas Property & Sales Tax		9260	A&G-Employee pensions and benefits	509,554	10.71%	54,584
1128	SS Dallas Property & Sales Tax		9310	A&G-Rents	118,349	10.71%	12,675
1128	SS Dallas Property & Sales Tax		9320	A&G-Maintenance of general plant	3,191	10.71%	342
1128 Total						<u>0</u>	
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1129	SS Dallas Income Tax	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(635,390)	10.71%	(68,050)
1129	SS Dallas Income Tax		9200	A&G-Administrative & general salaries	380,130	10.71%	41,782.95
1129	SS Dallas Income Tax		9210	A&G-Office supplies & expense	23,151	10.71%	2,479.47
1129	SS Dallas Income Tax		9230	A&G-Outside services employed	29,450	10.71%	3,154.10
1129	SS Dallas Income Tax		9260	A&G-Employee pensions and benefits	175,912	10.71%	18,840.17
1129	SS Dallas Income Tax		9310	A&G-Rents	16,747	10.71%	1,793.62
1129 Total					<u>0</u>		<u>0</u>
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1130	SS Dallas Business Planning and Analysis	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,056,115)	10.71%	(113,110)
1130	SS Dallas Business Planning and Analysis		9200	A&G-Administrative & general salaries	646,439	10.71%	69,234
1130	SS Dallas Business Planning and Analysis		9210	A&G-Office supplies & expense	43,088	10.71%	4,615
1130	SS Dallas Business Planning and Analysis		9260	A&G-Employee pensions and benefits	324,987	10.71%	34,807
1130	SS Dallas Business Planning and Analysis		9310	A&G-Rents	41,004	10.71%	4,392
1130	SS Dallas Business Planning and Analysis		9320	A&G-Maintenance of general plant	586	10.71%	63
1130 Total					<u>0</u>		<u>0</u>
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1131	SS Dallas Media Relations	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(192,575)	10.89%	(21,164)
1131	SS Dallas Media Relations		9200	A&G-Administrative & general salaries	94,632	10.89%	10,400
1131	SS Dallas Media Relations		9210	A&G-Office supplies & expense	31,792	10.89%	3,494
1131	SS Dallas Media Relations		9260	A&G-Employee pensions and benefits	68,151	10.89%	7,270
1131 Total					<u>(0)</u>		<u>(0)</u>
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1132	SS Dallas Investor Relations	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,053,612)	10.71%	(112,842)
1132	SS Dallas Investor Relations		9200	A&G-Administrative & general salaries	321,504	10.71%	34,433
1132	SS Dallas Investor Relations		9210	A&G-Office supplies & expense	68,483	10.71%	7,335
1132	SS Dallas Investor Relations		9230	A&G-Outside services employed	6,084	10.71%	652
1132	SS Dallas Investor Relations		9260	A&G-Employee pensions and benefits	281,451	10.71%	30,143
1132	SS Dallas Investor Relations		9302	Miscellaneous general expenses	246,480	10.71%	26,398
1132	SS Dallas Investor Relations		9310	A&G-Rents	128,516	10.71%	13,764
1132	SS Dallas Investor Relations		9320	A&G-Maintenance of general plant	1,084	10.71%	117
1132 Total						<u>0</u>	
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1133	SS Dallas Communications	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,402,177)	10.71%	(257,273)
1133	SS Dallas Communications		8210	Storage-Purification expenses	1,191	10.71%	128
1133	SS Dallas Communications		9120	Sales-Demonstrating and selling expenses	5,590	10.71%	599
1133	SS Dallas Communications		9200	A&G-Administrative & general salaries	718,624	10.71%	76,965
1133	SS Dallas Communications		9210	A&G-Office supplies & expense	1,194,198	10.71%	127,899
1133	SS Dallas Communications		9260	A&G-Employee pensions and benefits	324,143	10.71%	34,716
1133	SS Dallas Communications		9310	A&G-Rents	155,075	10.71%	16,609
1133	SS Dallas Communications		9320	A&G-Maintenance of general plant	3,357	10.71%	359
1133 Total						<u>0</u>	

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div	
1134	SS Dallas IT	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,800,797)	10.71%	(269,965)	
1134	SS Dallas IT		8700	Distribution-Operation supervision and engineering	0	10.71%	0	
1134	SS Dallas IT		8800	Distribution-Other expenses	63	10.71%	6	
1134	SS Dallas IT		9200	A&G-Administrative & general salaries	1,297,723	10.71%	138,966	
1134	SS Dallas IT		9210	A&G-Office supplies & expense	250,695	10.71%	26,849	
1134	SS Dallas IT		9260	A&G-Employee pensions and benefits	1,098,977	10.71%	117,808	
1134	SS Dallas IT		9310	A&G-Rents	148,973	10.71%	15,955	
1134	SS Dallas IT		9320	A&G-Maintenance of general plant	3,376	10.71%	362	
1134 Total					0		0	
1135	SS Da-IT E&O, Corporate Systems	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(7,933,696)	10.71%	(849,720)	
1135	SS Da-IT E&O, Corporate Systems		8700	Distribution-Operation supervision and engineering	0	10.71%	0	
1135	SS Da-IT E&O, Corporate Systems		9100	Customer service-Miscellaneous customer service	3,029	10.71%	324	
1135	SS Da-IT E&O, Corporate Systems		9200	A&G-Administrative & general salaries	1,950,894	10.71%	208,941	
1135	SS Da-IT E&O, Corporate Systems		9210	A&G-Office supplies & expense	4,708,044	10.71%	504,232	
1135	SS Da-IT E&O, Corporate Systems		9230	A&G-Outside services employed	147,082	10.71%	15,752	
1135	SS Da-IT E&O, Corporate Systems		9260	A&G-Employee pensions and benefits	630,167	10.71%	66,911	
1135	SS Da-IT E&O, Corporate Systems		9302	Miscellaneous general expenses	80,214	10.71%	8,591	
1135	SS Da-IT E&O, Corporate Systems		9310	A&G-Rents	79,620	10.71%	8,527	
1135	SS Da-IT E&O, Corporate Systems		9320	A&G-Maintenance of general plant	134,846	10.71%	14,442	
1135 Total					0		0	
1137	SS Dallas IT Engineering & Operations		Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(13,090,311)	10.71%	(1,401,972)
1137	SS Dallas IT Engineering & Operations			8560	Mains expenses	0	10.71%	0
1137	SS Dallas IT Engineering & Operations	8800		Distribution-Other expenses	109	10.71%	12	
1137	SS Dallas IT Engineering & Operations	9200		A&G-Administrative & general salaries	3,023,614	10.71%	323,829	
1137	SS Dallas IT Engineering & Operations	9210		A&G-Office supplies & expense	8,955,858	10.71%	744,972	
1137	SS Dallas IT Engineering & Operations	9230		A&G-Outside services employed	1,177,371	10.71%	126,096	
1137	SS Dallas IT Engineering & Operations	9260		A&G-Employee pensions and benefits	1,106,643	10.71%	118,521	
1137	SS Dallas IT Engineering & Operations	9302		Miscellaneous general expenses	6,324	10.71%	677	
1137	SS Dallas IT Engineering & Operations	9310		A&G-Rents	793,417	10.71%	84,975	
1137	SS Dallas IT Engineering & Operations	9320		A&G-Maintenance of general plant	26,975	10.71%	2,899	
1137 Total				0		0		
1141	SS Dallas Gas Purchase Accounting	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(718,150)	13.09%	(64,006)	
1141	SS Dallas Gas Purchase Accounting		9200	A&G-Administrative & general salaries	495,203	13.09%	84,822	
1141	SS Dallas Gas Purchase Accounting		9210	A&G-Office supplies & expense	6,485	13.09%	850	
1141	SS Dallas Gas Purchase Accounting		9260	A&G-Employee pensions and benefits	181,244	13.09%	23,725	
1141	SS Dallas Gas Purchase Accounting		9310	A&G-Rents	35,208	13.09%	4,809	
1141 Total				0		0		
1144	SS Dallas Rate Administration	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(964,117)	13.09%	(126,203)	
1144	SS Dallas Rate Administration		9200	A&G-Administrative & general salaries	653,636	13.09%	85,581	
1144	SS Dallas Rate Administration		9210	A&G-Office supplies & expense	14,282	13.09%	1,869	
1144	SS Dallas Rate Administration		9260	A&G-Employee pensions and benefits	239,231	13.09%	31,315	
1144	SS Dallas Rate Administration		9310	A&G-Rents	58,969	13.09%	7,457	
1144 Total				0		0		
1145	SS Dallas Revenue Accounting	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(405,866)	13.09%	(53,128)	
1145	SS Dallas Revenue Accounting		9200	A&G-Administrative & general salaries	250,100	13.09%	32,738	
1145	SS Dallas Revenue Accounting		9210	A&G-Office supplies & expense	8,480	13.09%	1,110	
1145	SS Dallas Revenue Accounting		9260	A&G-Employee pensions and benefits	97,360	13.09%	12,748	
1145	SS Dallas Revenue Accounting		9310	A&G-Rents	49,896	13.09%	6,531	
1145 Total				0		0		
1150	SS Dallas Strategic Planning	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,236,873)	10.71%	(132,469)	
1150	SS Dallas Strategic Planning		9200	A&G-Administrative & general salaries	388,007	10.71%	41,556	
1150	SS Dallas Strategic Planning		9210	A&G-Office supplies & expense	55,770	10.71%	5,973	
1150	SS Dallas Strategic Planning		9260	A&G-Employee pensions and benefits	752,749	10.71%	80,619	
1150	SS Dallas Strategic Planning		9310	A&G-Rents	40,347	10.71%	4,321	
1150 Total				0		0		

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div	
1153	SS Dallas Distribution Acctg	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(896,223)	13.09%	(117,316)	
1153	SS Dallas Distribution Acctg		9200	A&G-Administrative & general salaries	601,524	13.09%	78,740	
1153	SS Dallas Distribution Acctg		9210	A&G-Office supplies & expense	6,727	13.09%	880	
1153	SS Dallas Distribution Acctg		9280	A&G-Employee pensions and benefits	220,158	13.09%	28,819	
1153	SS Dallas Distribution Acctg		9310	A&G-Rents	67,993	13.09%	8,661	
1153	SS Dallas Distribution Acctg		9320	A&G-Maintenance of general plant	121	13.09%	16	
1153 Total					(0)		(0)	
1154	SS Dallas Rates & Regulatory	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(2,860,611)	10.99%	(314,381)	
1154	SS Dallas Rates & Regulatory		8700	Distribution-Operation supervision and engineering	503	10.99%	56	
1154	SS Dallas Rates & Regulatory		9200	A&G-Administrative & general salaries	1,566,430	10.99%	172,151	
1154	SS Dallas Rates & Regulatory		9210	A&G-Office supplies & expense	267,053	10.99%	31,547	
1154	SS Dallas Rates & Regulatory		9230	A&G-Outside services employed	5,407	10.99%	594	
1154	SS Dallas Rates & Regulatory		9260	A&G-Employee pensions and benefits	867,225	10.99%	95,308	
1154	SS Dallas Rates & Regulatory		9310	A&G-Rents	133,872	10.99%	14,713	
1154	SS Dallas Rates & Regulatory		9320	A&G-Maintenance of general plant	121	10.99%	13	
1154 Total					0		0	
1155	SS Dallas Texas Gas Pipeline Accounting	Composite - APT and TLGP	9220	A&G-Administrative expense transferred-Credit	(159,374)	0.00%	-	
1155	SS Dallas Texas Gas Pipeline Accounting		9200	A&G-Administrative & general salaries	114,939	0.00%	-	
1155	SS Dallas Texas Gas Pipeline Accounting		9210	A&G-Office supplies & expense	2,341	0.00%	-	
1155	SS Dallas Texas Gas Pipeline Accounting		9260	A&G-Employee pensions and benefits	42,068	0.00%	-	
1155	SS Dallas Texas Gas Pipeline Accounting		9320	A&G-Maintenance of general plant	27	0.00%	-	
1155 Total					0		-	
1156	SS Da-IT Customer Services Systems	Customer	9220	A&G-Administrative expense transferred-Credit	(8,817,991)	10.87%	(741,116)	
1156	SS Da-IT Customer Services Systems		9030	Customer accounts-Customer records and collections expenses	725	10.87%	79	
1156	SS Da-IT Customer Services Systems		9100	Customer service-Miscellaneous customer service	74,545	10.87%	8,103	
1156	SS Da-IT Customer Services Systems		9200	A&G-Administrative & general salaries	2,039,472	10.87%	221,691	
1156	SS Da-IT Customer Services Systems		9210	A&G-Office supplies & expense	3,067,841	10.87%	333,474	
1156	SS Da-IT Customer Services Systems		9230	A&G-Outside services employed	630,024	10.87%	68,484	
1156	SS Da-IT Customer Services Systems		9260	A&G-Employee pensions and benefits	778,929	10.87%	84,670	
1156	SS Da-IT Customer Services Systems		9310	A&G-Rents	226,338	10.87%	24,603	
1156	SS Da-IT Customer Services Systems		9320	A&G-Maintenance of general plant	118	10.87%	13	
1156 Total						0		0
1158	SS CCC IT Support		Customer	9220	A&G-Administrative expense transferred-Credit	(2,353,180)	10.87%	(255,792)
1158	SS CCC IT Support	9210		A&G-Office supplies & expense	2,353,190	10.87%	255,792	
1158 Total					(0)		(0)	
1159	SS Dallas VP of Workforce Development	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,214,452)	10.99%	(133,468)	
1159	SS Dallas VP of Workforce Development		8700	Distribution-Operation supervision and engineering	150	10.99%	16	
1159	SS Dallas VP of Workforce Development		9200	A&G-Administrative & general salaries	250,837	10.99%	27,567	
1159	SS Dallas VP of Workforce Development		9210	A&G-Office supplies & expense	833,793	10.99%	91,634	
1159	SS Dallas VP of Workforce Development		9260	A&G-Employee pensions and benefits	129,497	10.99%	14,232	
1159	SS Dallas VP of Workforce Development		9320	A&G-Maintenance of general plant	174	10.99%	19	
1159 Total					(0)		(0)	
1161	SS Dallas Benefits and Payroll Accounting	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(458,212)	10.71%	(49,182)	
1161	SS Dallas Benefits and Payroll Accounting		9200	A&G-Administrative & general salaries	327,341	10.71%	35,058	
1161	SS Dallas Benefits and Payroll Accounting		9210	A&G-Office supplies & expense	12,064	10.71%	1,292	
1161	SS Dallas Benefits and Payroll Accounting		9260	A&G-Employee pensions and benefits	119,807	10.71%	12,831	
1161 Total					(0)		(0)	
1164	SS Dallas IT Security	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,584,800)	10.71%	(274,690)	
1164	SS Dallas IT Security		8660	Main expenses	0	10.71%	0	
1164	SS Dallas IT Security		9200	A&G-Administrative & general salaries	749,116	10.71%	80,230	
1164	SS Dallas IT Security		9210	A&G-Office supplies & expense	1,258,140	10.71%	134,747	
1164	SS Dallas IT Security		9230	A&G-Outside services employed	136,874	10.71%	14,659	
1164	SS Dallas IT Security		9260	A&G-Employee pensions and benefits	274,177	10.71%	29,364	
1164	SS Dallas IT Security		9310	A&G-Rents	58,852	10.71%	6,282	
1164	SS Dallas IT Security		9320	A&G-Maintenance of general plant	87,841	10.71%	9,408	
1164 Total					0		0	

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-Midst Div
1167	SS Dallas IT Enterprise Architecture	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(617,725)	10.99%	(67,838)
1167	SS Dallas IT Enterprise Architecture		8550	Mains expenses	0	10.99%	0
1167	SS Dallas IT Enterprise Architecture		9200	A&G-Administrative & general salaries	424,809	10.99%	46,687
1167	SS Dallas IT Enterprise Architecture		9210	A&G-Office supplies & expense	22,946	10.99%	2,522
1167	SS Dallas IT Enterprise Architecture		9230	A&G-Outside services employed	7,318	10.99%	804
1167	SS Dallas IT Enterprise Architecture		9260	A&G-Employee pensions and benefits	155,460	10.99%	17,087
1167	SS Dallas IT Enterprise Architecture		9302	Miscellaneous general expenses	2,771	10.99%	305
1167	SS Dallas IT Enterprise Architecture		9310	A&G-Rents	162	10.99%	18
1167	SS Dallas IT Enterprise Architecture		9320	A&G-Maintenance of general plant	4,239	10.99%	466
1167 Total					0		0
1171	SS Dallas Regulatory Accounting	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(261,257)	10.99%	(28,712)
1171	SS Dallas Regulatory Accounting		9200	A&G-Administrative & general salaries	181,782	10.99%	19,978
1171	SS Dallas Regulatory Accounting		9210	A&G-Office supplies & expense	5,863	10.99%	647
1171	SS Dallas Regulatory Accounting		9260	A&G-Employee pensions and benefits	66,532	10.99%	7,312
1171	SS Dallas Regulatory Accounting		9310	A&G-Rents	7,061	10.99%	778
1171 Total					0		0
1201	SS Dallas President & CEO	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(4,958,377)	10.71%	(531,042)
1201	SS Dallas President & CEO		9200	A&G-Administrative & general salaries	1,027,940	10.71%	110,092
1201	SS Dallas President & CEO		9210	A&G-Office supplies & expense	83,130	10.71%	8,903
1201	SS Dallas President & CEO		9260	A&G-Employee pensions and benefits	3,533,746	10.71%	378,464
1201	SS Dallas President & CEO		9302	Miscellaneous general expenses	37,950	10.71%	4,064
1201	SS Dallas President & CEO		9310	A&G-Rents	274,773	10.71%	29,428
1201	SS Dallas President & CEO		9320	A&G-Maintenance of general plant	838	10.71%	90
1201 Total					(0)		(0)
1205	SS Dallas SVP Safety & Enterprise Services	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(1,171,107)	13.09%	(153,298)
1205	SS Dallas SVP Safety & Enterprise Services		9200	A&G-Administrative & general salaries	359,321	13.09%	47,035
1205	SS Dallas SVP Safety & Enterprise Services		9210	A&G-Office supplies & expense	2,985	13.09%	391
1205	SS Dallas SVP Safety & Enterprise Services		9260	A&G-Employee pensions and benefits	745,702	13.09%	97,612
1205	SS Dallas SVP Safety & Enterprise Services		9310	A&G-Rents	63,042	13.09%	8,252
1205	SS Dallas SVP Safety & Enterprise Services		9320	A&G-Maintenance of general plant	67	13.09%	7
1205 Total					(0)		(0)
1209	SS Dallas Safety & Compliance	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,478,035)	10.99%	(162,438)
1209	SS Dallas Safety & Compliance		8800	Distribution-Other expenses	531	10.99%	58
1209	SS Dallas Safety & Compliance		9100	Customer service-Miscellaneous customer service	447	10.99%	49
1209	SS Dallas Safety & Compliance		9200	A&G-Administrative & general salaries	242,214	10.99%	26,619
1209	SS Dallas Safety & Compliance		9210	A&G-Office supplies & expense	475,003	10.99%	52,203
1209	SS Dallas Safety & Compliance		9230	A&G-Outside services employed	47,844	10.99%	5,258
1209	SS Dallas Safety & Compliance		9250	A&G-Injuries & damages	582,652	10.99%	64,033
1209	SS Dallas Safety & Compliance		9260	A&G-Employee pensions and benefits	129,066	10.99%	14,185
1209	SS Dallas Safety & Compliance		9320	A&G-Maintenance of general plant	277	10.99%	30
1209 Total					(0)		(0)
1212	SS CSC-Customer Contact Management	Customer	9220	A&G-Administrative expense transferred-Credit	(22,312,824)	10.87%	(2,425,404)
1212	SS CSC-Customer Contact Management		8700	Distribution-Operation supervision and engineering	111	10.87%	12
1212	SS CSC-Customer Contact Management		8740	Mains and Services Expenses	11,172	10.87%	1,214
1212	SS CSC-Customer Contact Management		9010	Customer accounts-Operation supervision	3,123,538	10.87%	339,529
1212	SS CSC-Customer Contact Management		9030	Customer accounts-Customer records and collections expenses	10,774,072	10.87%	1,171,142
1212	SS CSC-Customer Contact Management		9200	A&G-Administrative & general salaries	3,897	10.87%	424
1212	SS CSC-Customer Contact Management		9210	A&G-Office supplies & expense	2,650,955	10.87%	288,159
1212	SS CSC-Customer Contact Management		9230	A&G-Outside services employed	14,409	10.87%	1,566
1212	SS CSC-Customer Contact Management		9260	A&G-Employee pensions and benefits	5,105,764	10.87%	554,996
1212	SS CSC-Customer Contact Management		9310	A&G-Rents	627,620	10.87%	68,222
1212	SS CSC-Customer Contact Management		9320	A&G-Maintenance of general plant	1,287	10.87%	140
1212 Total					(0)		0
1213	SS Dallas Quality Assurance	Customer	9220	A&G-Administrative expense transferred-Credit	(1,407,955)	10.87%	(153,045)
1213	SS Dallas Quality Assurance		9010	Customer accounts-Operation supervision	289,086	10.87%	32,511
1213	SS Dallas Quality Assurance		9030	Customer accounts-Customer records and collections expenses	731,261	10.87%	79,488
1213	SS Dallas Quality Assurance		9210	A&G-Office supplies & expense	18,871	10.87%	2,051
1213	SS Dallas Quality Assurance		9260	A&G-Employee pensions and benefits	358,737	10.87%	39,995
1213 Total					-		-

Almos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1214	SS Dallas Workforce Management	Customer	9220	A&G-Administrative expense transferred-Credit	(787,925)	10.87%	(85,647)
1214	SS Dallas Workforce Management		9010	Customer accounts-Operation supervision	129,917	10.87%	14,122
1214	SS Dallas Workforce Management		9030	Customer accounts-Customer records and collections expenses	447,309	10.87%	48,623
1214	SS Dallas Workforce Management		9210	A&G-Office supplies & expense	1,0732	10.87%	1,167
1214	SS Dallas Workforce Management		9260	A&G-Employee pensions and benefits	199,967	10.87%	21,736
1214 Total					(0)		(0)
1215	SS Dispatch Operations	Customer	9220	A&G-Administrative expense transferred-Credit	(5,446,089)	10.87%	(591,990)
1215	SS Dispatch Operations		8900	Distribution-Other expenses	87	10.87%	9
1215	SS Dispatch Operations		9010	Customer accounts-Operation supervision	556,571	10.87%	60,499
1215	SS Dispatch Operations		9030	Customer accounts-Customer records and collections expenses	2,994,907	10.87%	325,546
1215	SS Dispatch Operations		9200	A&G-Administrative & general salaries	348,997	10.87%	37,936
1215	SS Dispatch Operations		9210	A&G-Office supplies & expense	84,318	10.87%	9,165
1215	SS Dispatch Operations		9230	A&G-Outside services employed	10,118	10.87%	1,100
1215	SS Dispatch Operations		9260	A&G-Employee pensions and benefits	1,440,451	10.87%	156,577
1215	SS Dispatch Operations		9310	A&G-Rents	10,178	10.87%	1,106
1215	SS Dispatch Operations		9320	A&G-Maintenance of general plant	462	10.87%	50
1215 Total					(0)		(0)
1224	SS Dallas CSO Human Resources	Customer	9220	A&G-Administrative expense transferred-Credit	(2,736,377)	10.87%	(297,444)
1224	SS Dallas CSO Human Resources		9010	Customer accounts-Operation supervision	516	10.87%	56
1224	SS Dallas CSO Human Resources		9030	Customer accounts-Customer records and collections expenses	17,386	10.87%	1,890
1224	SS Dallas CSO Human Resources		9200	A&G-Administrative & general salaries	1,219,327	10.87%	132,541
1224	SS Dallas CSO Human Resources		9210	A&G-Office supplies & expense	1,042,476	10.87%	113,317
1224	SS Dallas CSO Human Resources		9260	A&G-Employee pensions and benefits	450,764	10.87%	48,998
1224	SS Dallas CSO Human Resources		9320	A&G-Maintenance of general plant	5,909	10.87%	642
1224 Total					(0)		(0)
1225	SS Dallas Regulated Operations	Customer	9220	A&G-Administrative expense transferred-Credit	(272,249)	10.87%	(29,593)
1225	SS Dallas Regulated Operations		9200	A&G-Administrative & general salaries	167,441	10.87%	18,201
1225	SS Dallas Regulated Operations		9210	A&G-Office supplies & expense	12,961	10.87%	1,409
1225	SS Dallas Regulated Operations		9260	A&G-Employee pensions and benefits	91,847	10.87%	9,984
1225 Total					(0)		(0)
1226	SS Dallas Customer Service	Customer	9220	A&G-Administrative expense transferred-Credit	(1,790,926)	10.87%	(194,674)
1226	SS Dallas Customer Service		9010	Customer accounts-Operation supervision	127	10.87%	14
1226	SS Dallas Customer Service		9020	Customer accounts-Meter reading expenses	648	10.87%	70
1226	SS Dallas Customer Service		9030	Customer accounts-Customer records and collections expenses	737	10.87%	80
1226	SS Dallas Customer Service		9200	A&G-Administrative & general salaries	381,258	10.87%	41,443
1226	SS Dallas Customer Service		9210	A&G-Office supplies & expense	124,497	10.87%	13,533
1226	SS Dallas Customer Service		9230	A&G-Outside services employed	5	10.87%	1
1226	SS Dallas Customer Service		9250	A&G-Injuries & damages	263	10.87%	29
1226	SS Dallas Customer Service		9260	A&G-Employee pensions and benefits	329,962	10.87%	35,667
1226	SS Dallas Customer Service		9310	A&G-Rents	948,233	10.87%	103,073
1226	SS Dallas Customer Service		9320	A&G-Maintenance of general plant	5,196	10.87%	565
1226 Total					0		0
1227	SS Dallas Business Processes and Change Management	Customer	9220	A&G-Administrative expense transferred-Credit	(4,393,768)	10.87%	(477,603)
1227	SS Dallas Business Processes and Change Management		9010	Customer accounts-Operation supervision	525,765	10.87%	57,151
1227	SS Dallas Business Processes and Change Management		9030	Customer accounts-Customer records and collections expenses	1,476,569	10.87%	160,503
1227	SS Dallas Business Processes and Change Management		9200	A&G-Administrative & general salaries	372,702	10.87%	40,513
1227	SS Dallas Business Processes and Change Management		9210	A&G-Office supplies & expense	975,761	10.87%	106,065
1227	SS Dallas Business Processes and Change Management		9230	A&G-Outside services employed	9,040	10.87%	983
1227	SS Dallas Business Processes and Change Management		9260	A&G-Employee pensions and benefits	1,012,823	10.87%	110,094
1227	SS Dallas Business Processes and Change Management		9320	A&G-Maintenance of general plant	21,108	10.87%	2,294
1227 Total					(0)		(0)
1228	SS Dallas Customer Revenue Management	Customer	9220	A&G-Administrative expense transferred-Credit	(11,917,818)	10.87%	(1,295,445)
1228	SS Dallas Customer Revenue Management		8700	Distribution-Operation supervision and engineering	108	10.87%	12
1228	SS Dallas Customer Revenue Management		8740	Mains and Services Expenses	8,352	10.87%	908
1228	SS Dallas Customer Revenue Management		9010	Customer accounts-Operation supervision	1,307,742	10.87%	142,152
1228	SS Dallas Customer Revenue Management		9030	Customer accounts-Customer records and collections expenses	6,980,287	10.87%	758,757
1228	SS Dallas Customer Revenue Management		9210	A&G-Office supplies & expense	646,596	10.87%	70,285
1228	SS Dallas Customer Revenue Management		9230	A&G-Outside services employed	966	10.87%	105
1228	SS Dallas Customer Revenue Management		9260	A&G-Employee pensions and benefits	2,972,281	10.87%	323,087
1228	SS Dallas Customer Revenue Management		9320	A&G-Maintenance of general plant	1,287	10.87%	140
1228 Total					(0)		(0)

Almos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1229	SS Dallas Pipeline Safety	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(435,328)	10.99%	(47,843)
1229	SS Dallas Pipeline Safety		9200	A&G-Administrative & general salaries	209,313	10.99%	23,004
1229	SS Dallas Pipeline Safety		9210	A&G-Office supplies & expense	20,750	10.99%	2,280
1229	SS Dallas Pipeline Safety		9260	A&G-Employee pensions and benefits	205,265	10.99%	22,559
1229 Total					0		0
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1401	SS Dallas Employment & Employee Relations	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(1,475,805)	10.99%	(162,191)
1401	SS Dallas Employment & Employee Relations		9200	A&G-Administrative & general salaries	872,008	10.99%	95,834
1401	SS Dallas Employment & Employee Relations		9210	A&G-Office supplies & expense	73,367	10.99%	8,063
1401	SS Dallas Employment & Employee Relations		9230	A&G-Outside services employed	26,060	10.99%	2,864
1401	SS Dallas Employment & Employee Relations		9260	A&G-Employee pensions and benefits	376,170	10.99%	41,341
1401	SS Dallas Employment & Employee Relations		9310	A&G-Rents	127,723	10.99%	14,037
1401	SS Dallas Employment & Employee Relations		9320	A&G-Maintenance of general plant	477	10.99%	52
1401 Total					0		0
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1402	SS Dallas Executive Compensation	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(293,875)	10.71%	(31,474)
1402	SS Dallas Executive Compensation		9230	A&G-Outside services employed	249,468	10.71%	26,718
1402	SS Dallas Executive Compensation		9250	A&G-Injuries & damages	11,580	10.71%	1,238
1402	SS Dallas Executive Compensation		9260	A&G-Employee pensions and benefits	32,847	10.71%	3,516
1402 Total					(0)		(0)
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1403	SS Dallas Human Resources - Vice Pres	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,225,785)	10.71%	(238,382)
1403	SS Dallas Human Resources - Vice Pres		9200	A&G-Administrative & general salaries	687,741	10.71%	73,857
1403	SS Dallas Human Resources - Vice Pres		9210	A&G-Office supplies & expense	24,139	10.71%	2,585
1403	SS Dallas Human Resources - Vice Pres		9260	A&G-Employee pensions and benefits	1,435,591	10.71%	153,752
1403	SS Dallas Human Resources - Vice Pres		9310	A&G-Rents	77,505	10.71%	8,301
1403	SS Dallas Human Resources - Vice Pres		9320	A&G-Maintenance of general plant	809	10.71%	87
1403 Total					0		0
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1405	SS Dallas Benefits	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(2,039,477)	10.89%	(224,139)
1405	SS Dallas Benefits		9200	A&G-Administrative & general salaries	1,066,363	10.89%	117,193
1405	SS Dallas Benefits		9210	A&G-Office supplies & expense	107,291	10.89%	11,791
1405	SS Dallas Benefits		9230	A&G-Outside services employed	123,463	10.89%	13,569
1405	SS Dallas Benefits		9260	A&G-Employee pensions and benefits	583,587	10.89%	64,136
1405	SS Dallas Benefits		9310	A&G-Rents	157,365	10.89%	17,294
1405	SS Dallas Benefits		9320	A&G-Maintenance of general plant	1,408	10.89%	155
1405 Total					(0)		(0)
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1407	SS Dallas Facilities	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,459,151)	10.71%	(156,275)
1407	SS Dallas Facilities		8740	Mains and Services Expenses	24,820	10.71%	2,658
1407	SS Dallas Facilities		9200	A&G-Administrative & general salaries	593,853	10.71%	63,602
1407	SS Dallas Facilities		9210	A&G-Office supplies & expense	50,408	10.71%	5,399
1407	SS Dallas Facilities		9230	A&G-Outside services employed	410	10.71%	44
1407	SS Dallas Facilities		9260	A&G-Employee pensions and benefits	275,288	10.71%	29,483
1407	SS Dallas Facilities		9310	A&G-Rents	513,714	10.71%	55,019
1407	SS Dallas Facilities		9320	A&G-Maintenance of general plant	660	10.71%	71
1407 Total					0		0
Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1408	SS Dallas Employee Development	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,966,915)	10.71%	(210,646)
1408	SS Dallas Employee Development		8560	Mains expenses	1,110	10.71%	119
1408	SS Dallas Employee Development		8700	Distribution-Operation supervision and engineering	2,394	10.71%	256
1408	SS Dallas Employee Development		8740	Mains and Services Expenses	2,423	10.71%	260
1408	SS Dallas Employee Development		9010	Customer accounts-Operation supervision	1,249	10.71%	134
1408	SS Dallas Employee Development		9200	A&G-Administrative & general salaries	811,678	10.71%	86,931
1408	SS Dallas Employee Development		9210	A&G-Office supplies & expense	425,999	10.71%	45,624
1408	SS Dallas Employee Development		9260	A&G-Employee pensions and benefits	639,141	10.71%	68,452
1408	SS Dallas Employee Development		9310	A&G-Rents	77,068	10.71%	8,254
1408	SS Dallas Employee Development		9320	A&G-Maintenance of general plant	5,753	10.71%	616
1408 Total					(0)		(0)

Almos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-Midst Div
1414	SS Tech Training Delivery	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(2,019,954)	10.99%	(221,993)
1414	SS Tech Training Delivery		8700	Distribution-Operation supervision and engineering	4,297	10.99%	472
1414	SS Tech Training Delivery		8740	Mains and Services Expenses	81,556	10.99%	8,983
1414	SS Tech Training Delivery		8800	Distribution-Other expenses	36	10.99%	4
1414	SS Tech Training Delivery		9200	A&G-Administrative & general salaries	795,358	10.99%	87,410
1414	SS Tech Training Delivery		9210	A&G-Office supplies & expense	795,360	10.99%	87,410
1414	SS Tech Training Delivery		9240	A&G-Property insurance	85	10.99%	9
1414	SS Tech Training Delivery		9260	A&G-Employee pensions and benefits	291,101	10.99%	31,992
1414	SS Tech Training Delivery		9310	A&G-Rents	51,904	10.99%	5,704
1414	SS Tech Training Delivery		9320	A&G-Maintenance of general plant	254	10.99%	28
1414 Total					0		0
1415	SS Tech Training Prog & Curriculum	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(258,017)	10.99%	(28,136)
1415	SS Tech Training Prog & Curriculum		9200	A&G-Administrative & general salaries	180,430	10.99%	19,829
1415	SS Tech Training Prog & Curriculum		9210	A&G-Office supplies & expense	9,549	10.99%	1,049
1415	SS Tech Training Prog & Curriculum		9260	A&G-Employee pensions and benefits	66,038	10.99%	7,258
1415 Total					0		0
1420	SS Dallas EAPC	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(60,029)	10.71%	(6,429)
1420	SS Dallas EAPC		9210	A&G-Office supplies & expense	60,029	10.71%	6,429.05
1420 Total					(0)		(0)
1463	SS HR Benefit Variance	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	77,633	10.71%	8,314
1463	SS HR Benefit Variance		9260	A&G-Employee pensions and benefits	(77,633)	10.71%	(8,314)
1463 Total					(0)		(0)
1501	SS Corporate Legal	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(5,361,454)	10.71%	(574,212)
1501	SS Corporate Legal		9200	A&G-Administrative & general salaries	2,572,206	10.71%	275,483
1501	SS Corporate Legal		9210	A&G-Office supplies & expense	45,993	10.71%	4,926
1501	SS Corporate Legal		9230	A&G-Outside services employed	78,326	10.71%	8,389
1501	SS Corporate Legal		9250	A&G-Injuries & damages	40,000	10.71%	4,284
1501	SS Corporate Legal		9260	A&G-Employee pensions and benefits	2,115,288	10.71%	226,547
1501	SS Corporate Legal		9301	A&G-General advertising expense	4,360	10.71%	467
1501	SS Corporate Legal		9302	Miscellaneous general expenses	212,087	10.71%	22,714
1501	SS Corporate Legal		9310	A&G-Rents	290,968	10.71%	31,162
1501	SS Corporate Legal		9320	A&G-Maintenance of general plant	2,238	10.71%	240
1501 Total					0		0
1502	SS Corporate Secretary	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(1,417,033)	10.71%	(151,764)
1502	SS Corporate Secretary		9210	A&G-Office supplies & expense	2,527	10.71%	271
1502	SS Corporate Secretary		9302	Miscellaneous general expenses	1,403,508	10.71%	150,316
1502	SS Corporate Secretary		9310	A&G-Rents	7,155	10.71%	766
1502	SS Corporate Secretary		9320	A&G-Maintenance of general plant	3,844	10.71%	412
1502 Total					0		0
1503	SS Corporate Governmental Affairs	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(774,964)	10.99%	(85,169)
1503	SS Corporate Governmental Affairs		9200	A&G-Administrative & general salaries	348,704	10.99%	38,323
1503	SS Corporate Governmental Affairs		9210	A&G-Office supplies & expense	52,065	10.99%	5,722
1503	SS Corporate Governmental Affairs		9260	A&G-Employee pensions and benefits	371,566	10.99%	40,835
1503	SS Corporate Governmental Affairs		9310	A&G-Rents	2,436	10.99%	268
1503	SS Corporate Governmental Affairs		9320	A&G-Maintenance of general plant	194	10.99%	21
1503 Total					(0)		(0)
1504	SS Corporate Records Management	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(670,129)	10.99%	(73,647)
1504	SS Corporate Records Management		9200	A&G-Administrative & general salaries	175,071	10.99%	19,240
1504	SS Corporate Records Management		9210	A&G-Office supplies & expense	76,385	10.99%	8,395
1504	SS Corporate Records Management		9260	A&G-Employee pensions and benefits	84,078	10.99%	9,242
1504	SS Corporate Records Management		9302	Miscellaneous general expenses	37,313	10.99%	4,101
1504	SS Corporate Records Management		9310	A&G-Rents	95,612	10.99%	10,508
1504	SS Corporate Records Management		9320	A&G-Maintenance of general plant	221,672	10.99%	24,362
1504 Total					(0)		(0)

Atmos Energy Corporation
 SSU O&M By Account Allocated to KY/Mid-States Division
 Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1505	SS Corporate Gas Contract Administration	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(201,772)	10.89%	(22,175)
1505	SS Corporate Gas Contract Administration		9200	A&G-Administrative & general salaries	128,858	10.89%	14,161
1505	SS Corporate Gas Contract Administration		9210	A&G-Office supplies & expense	6,281	10.89%	690
1505	SS Corporate Gas Contract Administration		9260	A&G-Employee pensions and benefits	47,182	10.89%	5,183
1505	SS Corporate Gas Contract Administration		9310	A&G-Rents	18,592	10.89%	2,043
1505	SS Corporate Gas Contract Administration		9320	A&G-Maintenance of general plant	879	10.89%	97
1505 Total					0		0
1508	SS Corporate Energy Assistance	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(814,212)	13.09%	(105,580)
1508	SS Corporate Energy Assistance		9200	A&G-Administrative & general salaries	440,845	13.09%	57,707
1508	SS Corporate Energy Assistance		9210	A&G-Office supplies & expense	88,410	13.09%	12,882
1508	SS Corporate Energy Assistance		9260	A&G-Employee pensions and benefits	191,913	13.09%	25,121
1508	SS Corporate Energy Assistance		9310	A&G-Rents	83,044	13.09%	10,870
1508 Total						0	
1821	SS Gas Supply Executive	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(833,375)	10.97%	(81,421)
1821	SS Gas Supply Executive		9200	A&G-Administrative & general salaries	318,532	10.97%	34,943
1821	SS Gas Supply Executive		9210	A&G-Office supplies & expense	112,270	10.97%	12,316
1821	SS Gas Supply Executive		9260	A&G-Employee pensions and benefits	330,318	10.97%	36,236
1821	SS Gas Supply Executive		9310	A&G-Rents	72,287	10.97%	7,927
1821 Total						0	
1822	SS Dallas-Regional Gas Supply	Composite - WTX and MTX	9220	A&G-Administrative expense transferred-Credit	(300,009)	0.00%	-
1822	SS Dallas-Regional Gas Supply		9200	A&G-Administrative & general salaries	192,243	0.00%	-
1822	SS Dallas-Regional Gas Supply		9210	A&G-Office supplies & expense	15,064	0.00%	-
1822	SS Dallas-Regional Gas Supply		9260	A&G-Employee pensions and benefits	92,686	0.00%	-
1822	SS Dallas-Regional Gas Supply		9320	A&G-Maintenance of general plant	16	0.00%	-
1822 Total						0	
1823	SS Dallas Gas Contract Admin	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(515,214)	13.09%	(67,442)
1823	SS Dallas Gas Contract Admin		9200	A&G-Administrative & general salaries	337,045	13.09%	44,119
1823	SS Dallas Gas Contract Admin		9210	A&G-Office supplies & expense	18,188	13.09%	2,381
1823	SS Dallas Gas Contract Admin		9260	A&G-Employee pensions and benefits	158,874	13.09%	20,797
1823	SS Dallas Gas Contract Admin		9302	Miscellaneous general expenses	1,108	13.09%	145
1823 Total						0	
1825	SS Franklin-Gas Control & Storage	Composite - Atmos S and TLGP	9220	A&G-Administrative expense transferred-Credit	(460,959)	25.05%	(115,470)
1825	SS Franklin-Gas Control & Storage		9200	A&G-Administrative & general salaries	280,500	25.05%	70,265
1825	SS Franklin-Gas Control & Storage		9210	A&G-Office supplies & expense	25,793	25.05%	6,461
1825	SS Franklin-Gas Control & Storage		9230	A&G-Outside services employed	14	25.05%	4
1825	SS Franklin-Gas Control & Storage		9260	A&G-Employee pensions and benefits	154,652	25.05%	38,740
1825 Total						0	
1826	SS New Orleans Gas Supply & Services	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(492,388)	13.09%	(64,454)
1826	SS New Orleans Gas Supply & Services		8700	Distribution-Operation supervision and engineering	220	13.09%	29
1826	SS New Orleans Gas Supply & Services		9200	A&G-Administrative & general salaries	200,784	13.09%	26,283
1826	SS New Orleans Gas Supply & Services		9210	A&G-Office supplies & expense	51,031	13.09%	6,680
1826	SS New Orleans Gas Supply & Services		9230	A&G-Outside services employed	92,713	13.09%	12,138
1826	SS New Orleans Gas Supply & Services		9260	A&G-Employee pensions and benefits	134,997	13.09%	17,671
1826	SS New Orleans Gas Supply & Services		9310	A&G-Rents	12,644	13.09%	1,655
1826 Total						0	
1827	SS Regional Supply Planning	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(616,436)	13.09%	(80,692)
1827	SS Regional Supply Planning		9200	A&G-Administrative & general salaries	354,594	13.09%	46,418
1827	SS Regional Supply Planning		9210	A&G-Office supplies & expense	76,442	13.09%	10,006
1827	SS Regional Supply Planning		9230	A&G-Outside services employed	41,531	13.09%	5,438
1827	SS Regional Supply Planning		9260	A&G-Employee pensions and benefits	143,870	13.09%	18,833
1827 Total						0	
1828	SS Jackson-West Region Gas Supply & Services	Composite - CO, KS, LA, MS	9220	A&G-Administrative expense transferred-Credit	(173,847)	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9200	A&G-Administrative & general salaries	100,036	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9210	A&G-Office supplies & expense	35,993	0.00%	-
1828	SS Jackson-West Region Gas Supply & Services		9260	A&G-Employee pensions and benefits	37,818	0.00%	-
1828 Total					0		-

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-MidSt Div
1829	SS Franklin-East Region Gas Supply & Services	Composite - KY/Mid-States	9220	A&G-Administrative expense transferred-Credit	(40,498)	100.00%	(40,498)
1829	SS Franklin-East Region Gas Supply & Services		9210	A&G-Office supplies & expense	40,498	100.00%	40,498
1829 Total							
1831	SS Dallas Gas Supply	Composite - Mid-Tex	9220	A&G-Administrative expense transferred-Credit	(43,418)	0.00%	-
1831	SS Dallas Gas Supply		9210	A&G-Office supplies & expense	42,809	0.00%	-
1831	SS Dallas Gas Supply		9320	A&G-Maintenance of general plant	809	0.00%	-
1831 Total					0		-
1832	SS Dallas-Supply Planning	Composite - Mid-Tex	9220	A&G-Administrative expense transferred-Credit	(1,198)	0.00%	-
1832	SS Dallas-Supply Planning		9210	A&G-Office supplies & expense	1,198	0.00%	-
1832 Total							-
1833	SS Dallas-Corporate Gas Supply Risk Mgmt	Composite - Utility Only	9220	A&G-Administrative expense transferred-Credit	(216,049)	13.09%	(26,261)
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9200	A&G-Administrative & general salaries	102,351	13.09%	13,398
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9210	A&G-Office supplies & expense	19,006	13.09%	2,488
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9230	A&G-Outside services employed	20,000	13.09%	2,618
1833	SS Dallas-Corporate Gas Supply Risk Mgmt		9260	A&G-Employee pensions and benefits	74,692	13.09%	9,777
1833 Total					0		0
1835	SS Franklin Gas Control	Composite - Atmos S and TLGP	9220	A&G-Administrative expense transferred-Credit	(1,397,985)	25.05%	(350,195)
1835	SS Franklin Gas Control		9200	A&G-Administrative & general salaries	893,380	25.05%	223,792
1835	SS Franklin Gas Control		9210	A&G-Office supplies & expense	70,753	25.05%	17,724
1835	SS Franklin Gas Control		9230	A&G-Outside services employed	25,487	25.05%	6,385
1835	SS Franklin Gas Control		9260	A&G-Employee pensions and benefits	326,977	25.05%	81,908
1835	SS Franklin Gas Control		9302	Miscellaneous general expenses	1,840	25.05%	461
1835	SS Franklin Gas Control		9310	A&G-Rents	78,548	25.05%	19,927
1835 Total					(0)		(0)
1836	SS TBS-System Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(392,713)	10.97%	(43,081)
1836	SS TBS-System Support		9200	A&G-Administrative & general salaries	232,549	10.97%	25,511
1836	SS TBS-System Support		9210	A&G-Office supplies & expense	19,979	10.97%	2,192
1836	SS TBS-System Support		9260	A&G-Employee pensions and benefits	137,901	10.97%	15,128
1836	SS TBS-System Support		9320	A&G-Maintenance of general plant	2,284	10.97%	251
1836 Total					(0)		(0)
1837	SS TBS-Application Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(955,907)	10.97%	(104,863)
1837	SS TBS-Application Support		9200	A&G-Administrative & general salaries	865,229	10.97%	72,976
1837	SS TBS-Application Support		9210	A&G-Office supplies & expense	15,881	10.97%	1,742
1837	SS TBS-Application Support		9260	A&G-Employee pensions and benefits	274,586	10.97%	30,122
1837	SS TBS-Application Support		9310	A&G-Rents	81	10.97%	9
1837	SS TBS-Application Support		9320	A&G-Maintenance of general plant	130	10.97%	14
1837 Total					0		0
1838	SS TBS-Technical Support	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(872,694)	10.97%	(95,735)
1838	SS TBS-Technical Support		9200	A&G-Administrative & general salaries	557,812	10.97%	61,192
1838	SS TBS-Technical Support		9210	A&G-Office supplies & expense	76,529	10.97%	8,615
1838	SS TBS-Technical Support		9260	A&G-Employee pensions and benefits	234,723	10.97%	25,749
1838	SS TBS-Technical Support	9320	A&G-Maintenance of general plant	1,631	10.97%	179	
1838 Total					0		0
1839	SS TBS-Transportation & Scheduling	Composite - Regulated and TLGP	9220	A&G-Administrative expense transferred-Credit	(275,825)	10.97%	(30,368)
1839	SS TBS-Transportation & Scheduling		9200	A&G-Administrative & general salaries	190,887	10.97%	20,818
1839	SS TBS-Transportation & Scheduling		9210	A&G-Office supplies & expense	16,346	10.97%	1,793
1839	SS TBS-Transportation & Scheduling		9260	A&G-Employee pensions and benefits	69,782	10.97%	7,656
1839 Total					0		0
1901	SS Dallas Employee Relocation Exp	Composite / Customer	9220	A&G-Administrative expense transferred-Credit	(448,880)	10.79%	(48,522)
1901	SS Dallas Employee Relocation Exp		8700	Distribution-Operation supervision and engineering	44,819	10.79%	4,812
1901	SS Dallas Employee Relocation Exp		8780	Meter and house regulator expenses	2,004	10.79%	216
1901	SS Dallas Employee Relocation Exp		9010	Customer accounts-Operation supervision	118,848	10.79%	12,818
1901	SS Dallas Employee Relocation Exp		9200	A&G-Administrative & general salaries	111,015	10.79%	11,973
1901	SS Dallas Employee Relocation Exp		9210	A&G-Office supplies & expense	88,532	10.79%	9,549
1901	SS Dallas Employee Relocation Exp		9260	A&G-Employee pensions and benefits	84,883	10.79%	9,153
1901 Total					0		0

Atmos Energy Corporation
SSU O&M By Account Allocated to KY/Mid-States Division
Fiscal 2015

Cost Center	Cost Center Description	Factor Used	Account	Account Description	Fiscal 2015	Allocation %	Billed to KY-Midst Div
1903	SS Contoller - Miscellaneous	Does Not Allocate	9210	A&G-Office supplies & expense	(2,128,599)	N/A	-
1903	SS Contoller - Miscellaneous		9230	A&G-Outside services employed	4,335	N/A	-
1903	SS Contoller - Miscellaneous		9260	A&G-Employee pensions and benefits	318,331	N/A	-
1903 Total					<u>(1,808,933)</u>		<u>-</u>
1904	SS Dallas Performance Plan	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(13,681,037)	10.71%	(1,465,239)
1904	SS Dallas Performance Plan		9260	A&G-Employee pensions and benefits	13,681,037	10.71%	1,465,239
1904 Total					<u>(0)</u>		<u>(0)</u>
1905	SS Outside Director Retirement Cost	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(2,059,047)	10.71%	(220,524)
1905	SS Outside Director Retirement Cost		9302	Miscellaneous general expenses	2,059,047	10.71%	220,524
1905 Total					<u>-</u>		<u>-</u>
1908	SS Dallas SEBP	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(5,491,743)	10.71%	(588,168)
1908	SS Dallas SEBP		9230	A&G-Outside services employed	17,380	10.71%	1,861.40
1908	SS Dallas SEBP		9260	A&G-Employee pensions and benefits	5,474,363	10.71%	586,304.31
1908 Total					<u>0</u>		<u>0</u>
1910	SS Corporate Overhead Capitalized	OH Rate Based on Composite	9220	A&G-Administrative expense transferred-Credit	57,084,896	10.90%	6,222,254
1910	SS Corporate Overhead Capitalized		9200	A&G-Administrative & general salaries	(57,084,896)	10.90%	(6,222,254)
1910 Total					<u>0</u>		<u>0</u>
1913	SS Dallas Fleet and Corporate Sourcing	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(713,028)	10.99%	(78,362)
1913	SS Dallas Fleet and Corporate Sourcing		8740	Mains and Services Expenses	(13,601)	10.99%	(1,495)
1913	SS Dallas Fleet and Corporate Sourcing		9200	A&G-Administrative & general salaries	548,021	10.99%	60,227
1913	SS Dallas Fleet and Corporate Sourcing		9210	A&G-Office supplies & expense	(82,844)	10.99%	(9,083)
1913	SS Dallas Fleet and Corporate Sourcing		9260	A&G-Employee pensions and benefits	200,576	10.99%	22,043
1913	SS Dallas Fleet and Corporate Sourcing		9310	A&G-Rents	59,982	10.99%	6,592
1913	SS Dallas Fleet and Corporate Sourcing		9320	A&G-Maintenance of general plant	695	10.99%	76
1913 Total					<u>(0)</u>		<u>(0)</u>
1915	SS Dallas Insurance	Composite - Total Company	9220	A&G-Administrative expense transferred-Credit	(18,743,920)	10.71%	(2,007,678)
1915	SS Dallas Insurance		9240	A&G-Property insurance	288,308	10.71%	30,881
1915	SS Dallas Insurance		9250	A&G-Injuries & damages	18,455,612	10.71%	1,976,797
1915 Total					<u>0</u>		<u>0</u>
1953	SS Dallas Enterprise Team Meeting	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(43,771)	10.99%	(4,810)
1953	SS Dallas Enterprise Team Meeting		9210	A&G-Office supplies & expense	43,771	10.99%	4,810
1953 Total					<u>(0)</u>		<u>(0)</u>
1954	SS Dallas Culture Council	Composite - Regulated Only	9220	A&G-Administrative expense transferred-Credit	(313)	10.99%	(34)
1954	SS Dallas Culture Council		9210	A&G-Office supplies & expense	313	10.99%	34
1954 Total					<u>-</u>		<u>-</u>

Summary by FERC Account		
Account	Account Description	Allocated to KY/Mid-States Div
8210	Storage-Purification expenses	128
8560	Mains expenses	119
8700	Distribution-Operation supervision and engineering	5,671
8740	Mains and Services Expenses	12,781
8780	Meter and house regulator expenses	216
8800	Distribution-Other expenses	125
9010	Customer accounts-Operation supervision	659,744
9020	Customer accounts-Meter reading expenses	70
9030	Customer accounts-Customer records and collections expens	2,550,817
9100	Customer service-Miscellaneous customer service	8,477
9120	Sales-Demonstrating and selling expenses	599
9200	A&G-Administrative & general salaries	(1,502,577)
9210	A&G-Office supplies & expense	3,378,761
9230	A&G-Outside services employed	851,343
9240	A&G-Property insurance	30,880
9250	A&G-Injuries & damages	2,046,361
9260	A&G-Employee pensions and benefits	6,247,360
9301	A&G-General advertising expense	5,715
9302	Miscellaneous general expenses	503,431
9310	A&G-Rents	780,303
9320	A&G-Maintenance of general plant	60,104
		<u>15,638,437</u>

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-10
Page 1 of 2

REQUEST:

Refer to Attachment 2 of the Company's response to AG 1-05 that provides a variance analysis for the SSU business units comparing base year and test year costs.

The variance explanation for Div 002 costs allocated to KY discusses why Miscellaneous costs increased by \$298,216 from the base year to the test year. The explanation reads "Higher capitalization rate in base period."

- a. Please provide the 12-month monthly average capitalization rate utilized for Div 002 during the base year.
- b. Please provide the 12-month monthly average capitalization rate utilized for Div 002 during the test year.
- c. Please provide the amount of capitalized O&M and A&G costs reflected as incurred and projected to be incurred for the base year and the projected capitalized O&M and A&G costs expected to be incurred during the 12-month test year for Div 002 and the applicable amount allocated to the KY jurisdiction for ratemaking purposes.
- d. Please provide the amount of capitalized O&M and A&G costs for the twelve months ended September 30, 2014 and for the twelve months ended September 30, 2015 for Div 002 and the applicable amount allocated to the KY jurisdiction for ratemaking purposes.
- e. Please explain all reasons why the level of capitalization allocated to the KY jurisdiction for ratemaking purposes is expected to decrease for Div 002 from the base year to the test year.
- f. Please provide the amount of capital expenditures assumed for the base year and the test year for Division 002 and the applicable amount allocated to the KY jurisdiction for ratemaking purposes. If there is not a reduction from the base to the test year, please explain why the level of capitalization would be decreasing.

RESPONSE:

- a) Please see Attachment 1.
- b) Please see Attachment 1.
- c) Please see Attachment 1.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-10
Page 2 of 2

- d) Please see Attachment 1.
- e) In the base year, the August 2015 actuals include the SSU overhead capitalization for both August 2015 and an accrual for September 2015. For September 2015, which is a forecasted month in the base year, the Company inadvertently included an additional projection of SSU capitalized overhead. Thus, the base year SSU overhead capitalization is overstated by the \$5,383,845 forecasted for September 2015 and is contributing to the decrease when comparing the base year to the test year. It should be noted that this overstatement of overhead capitalization in the base year does not impact the test year.
- f) Please see Attachment 26 to the Company's response to Staff DR No. 1-59. Please see the Company response to subpart (e) for explanations regarding Division 002 capitalization.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-10_Att1 - SSU Capitalized OH.xlsx, 1 Page.

Respondents: Jason Schneider and Greg Waller

Atmos Energy Corporation
Shared Services Capitalized Overhead
OAG 2-10

Base Year	2015 March	2015 April	2015 May	2015 June	2015 July	2015 August	2015 September	2015 October	2015 November	2015 December	2016 January	2016 February	Total Base Year
Div 2 gross expenses	7,246,876	5,107,074	5,845,266	10,959,009	6,110,725	1,666,572	6,723,910	7,827,802	7,366,140	8,272,202	7,032,001	6,295,030	80,452,609
Div 12 gross expenses	5,012,946	5,016,265	4,967,862	4,893,949	5,310,276	4,726,287	4,257,403	4,290,022	4,100,092	4,469,999	4,111,676	4,042,122	55,198,901
SSU Capital Credits	4,740,221	4,321,278	3,254,665	5,980,828	8,767,439	7,774,361	5,383,845	4,773,210	5,098,244	4,898,287	5,647,631	6,109,883	66,749,892
pre-capitalization totals	17,000,044	14,444,618	14,067,794	21,833,786	20,188,440	14,167,220	16,366,158	16,891,034	16,564,476	17,640,488	16,791,308	16,447,035	202,401,401
effective average cap rate	27.88%	29.92%	23.14%	27.39%	43.43%	54.88%	32.90%	28.26%	30.78%	27.77%	33.63%	37.15%	32.98%

Div 002 Allocation Factor to KY 5.42% 5.48% 5.47% 5.48% 5.39% 5.00% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26%

SSU Capital Credits Allocated to
KY for Ratemaking Purposes

257,093	236,808	178,139	328,044	472,967	388,452	283,060	250,956	268,045	257,532	296,929	321,232	3,539,257
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Test Year	2016 June	2016 July	2016 August	2016 September	2016 October	2016 November	2016 December	2017 January	2017 February	2017 March	2017 April	2017 May	Total Test Year
Div 2 gross expenses	7,486,805	9,963,321	6,079,583	6,442,296	8,026,694	7,554,507	8,481,620	7,220,368	6,483,398	9,320,613	7,356,818	10,168,520	94,584,543
Div 12 gross expenses	4,239,140	4,224,786	4,389,295	4,200,957	4,458,145	4,260,831	4,645,506	4,272,415	4,202,860	4,573,650	4,282,076	4,460,128	52,209,787
SSU Capital Credits	5,116,762	4,811,177	5,217,030	4,935,101	4,773,210	5,098,244	4,898,287	5,647,631	6,109,883	5,553,591	5,072,908	5,173,475	62,407,298
pre-capitalization totals	16,842,707	18,999,284	15,685,908	15,578,354	17,258,049	16,913,582	18,025,413	17,140,414	16,796,140	19,447,854	16,711,802	19,802,123	209,201,629
effective average cap rate	30.38%	25.32%	33.26%	31.68%	27.66%	30.14%	27.17%	32.95%	36.38%	28.56%	30.36%	26.13%	29.83%

Div 002 Allocation Factor to KY 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26% 5.26%

SSU Capital Credits Allocated to
KY for Ratemaking Purposes

269,018	252,952	274,290	259,467	250,956	268,045	257,532	296,929	321,232	291,985	266,713	272,000	3,281,119
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Fiscal 2015	2014 October	2014 November	2014 December	2015 January	2015 February	2015 March	2015 April	2015 May	2015 June	2015 July	2015 August	2015 September	Total Fiscal 2015
Div 2 gross expenses	8,465,038	3,468,340	6,617,933	10,490,930	5,649,161	7,246,876	5,107,074	5,845,266	10,959,009	6,110,725	5,527,442	7,037,004	82,524,800
Div 12 gross expenses	5,555,814	4,696,573	4,734,913	4,991,437	4,630,640	5,012,946	5,016,265	4,967,862	4,893,949	5,310,276	4,726,287	5,578,984	60,115,947
SSU Capital Credits	6,905,452	7,507,304	4,574,478	3,088,874	5,092,435	4,740,221	4,321,278	3,254,665	5,980,828	8,767,439	3,913,669	3,860,870	62,007,533
pre-capitalization totals	20,926,304	15,672,217	15,927,324	18,571,241	15,372,236	17,000,044	14,444,618	14,067,794	21,833,786	20,188,440	14,167,418	16,476,858	204,648,281
effective average cap rate	33.00%	47.90%	28.72%	16.63%	33.13%	27.88%	29.92%	23.14%	27.39%	43.43%	27.62%	23.43%	30.30%

Div 002 Allocation Factor to KY 5.43% 5.34% 5.50% 5.43% 5.42% 5.42% 5.48% 5.47% 5.48% 5.39% 5.00% 5.26%

SSU Capital Credits Allocated to
KY for Ratemaking Purposes

374,988	400,869	251,611	167,779	276,251	257,093	236,808	178,139	328,044	472,967	195,550	202,989	3,343,088
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Fiscal 2014	2013 October	2013 November	2013 December	2014 January	2014 February	2014 March	2014 April	2014 May	2014 June	2014 July	2014 August	2014 September	Total Fiscal 2014
Div 2 gross expenses	5,817,891	6,116,553	6,442,948	6,689,103	5,811,705	16,337,891	170,183	6,514,037	5,141,345	4,887,891	4,888,224	7,438,456	76,256,227
Div 12 gross expenses	3,486,417	3,453,213	4,262,027	5,262,714	4,393,542	4,811,982	5,109,007	4,921,458	4,568,168	5,127,246	4,891,422	5,339,219	55,626,414
SSU Capital Credits	4,624,131	3,969,732	4,112,738	4,645,297	3,854,048	4,192,816	4,069,454	6,595,042	4,638,817	4,316,749	3,762,667	3,795,355	52,576,847
pre-capitalization totals	13,928,439	13,539,497	14,817,713	16,597,114	14,059,294	25,342,690	9,348,644	18,030,537	14,348,330	14,331,887	13,542,313	16,573,029	184,459,488
effective average cap rate	33.20%	29.32%	27.76%	27.99%	27.41%	16.54%	43.53%	36.58%	32.33%	30.12%	27.78%	22.90%	28.50%

Div 002 Allocation Factor to KY 5.40% 5.45% 5.44% 5.61% 5.55% 5.53% 5.54% 5.51% 5.57% 5.60% 5.58% 5.37%

SSU Capital Credits Allocated to
KY for Ratemaking Purposes

249,814	216,218	223,769	260,446	213,810	231,674	225,403	363,346	258,579	241,703	210,137	203,708	2,698,608
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Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-11
Page 1 of 1

REQUEST:

Refer to Attachment 5 provided in response to AG 1-04(e).

In the same format, please provide for each month October 2013 through September 2015 the total direct operating expenses, excluding income taxes, separately for each utility division within the Kentucky/Mid States division including, but not limited to, the Kentucky Division (09), the Tennessee Division (93), and the Virginia Division (96).

RESPONSE:

Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-11_Att1 - KY-Mid-States Total Operating Expenses.xlsx, 2 Pages.

Respondent: Greg Waller

Atmos Energy - Kentucky/Mid-States
Total Direct Operating Expenses
October 2013 - September 2015

	Total Co 50 Oct-13	Total Co 50 Nov-13	Total Co 50 Dec-13	Total Co 50 Jan-14	Total Co 50 Feb-14	Total Co 50 Mar-14	Total Co 50 Apr-14	Total Co 50 May-14	Total Co 50 Jun-14	Total Co 50 Jul-14	Total Co 50 Aug-14	Total Co 50 Sep-14	Total Co 50 Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	2,514,455	2,926,073	3,103,360	3,613,672	3,051,638	3,141,927	3,400,531	2,886,979	2,719,745	2,720,356	2,835,916	4,153,165	2,725,939
Bad Debt Expense	36,748	51,669	67,750	81,353	152,762	128,888	42,865	183,254	237,923	34,002	33,224	639,866	43,873
Depreciation and Amortization	2,300,725	2,304,842	2,313,491	2,323,695	2,327,751	2,347,309	2,375,324	2,448,597	2,479,040	2,500,773	2,539,093	2,646,187	2,555,816
Taxes - Other Than Income Taxes	909,558	1,071,788	260,086	1,171,772	1,038,615	1,006,751	1,101,140	948,649	954,100	872,156	933,140	516,972	1,021,355
Total Direct Operating Expenses	5,763,485	6,354,352	5,744,687	7,190,492	6,570,768	6,624,876	6,919,760	6,467,479	6,380,807	6,127,287	6,341,373	7,956,193	6,346,983

	Kentucky Oct-13	Kentucky Nov-13	Kentucky Dec-13	Kentucky Jan-14	Kentucky Feb-14	Kentucky Mar-14	Kentucky Apr-14	Kentucky May-14	Kentucky Jun-14	Kentucky Jul-14	Kentucky Aug-14	Kentucky Sep-14	Kentucky Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	1,122,460	1,037,479	1,127,503	1,238,941	1,330,416	1,038,165	1,070,043	1,127,789	1,000,963	1,138,722	1,030,656	1,204,636	1,400,212
Bad Debt Expense	19,435	24,917	31,563	37,743	83,430	66,165	20,780	94,146	120,424	18,549	17,614	544,342	23,858
Depreciation and Amortization	1,268,059	1,269,081	1,275,482	1,283,381	1,285,657	1,295,462	1,311,237	1,395,382	1,410,414	1,428,466	1,443,847	1,552,443	1,463,818
Taxes - Other Than Income Taxes	359,097	428,314	(308,077)	435,289	372,386	478,782	395,219	392,335	389,434	385,626	170,118	425,182	
Total Direct Operating Expenses	2,767,071	2,759,771	2,126,470	2,995,353	3,087,675	2,772,178	2,880,843	3,012,536	2,924,137	2,975,171	2,877,743	3,471,539	3,319,070

	Tennessee Oct-13	Tennessee Nov-13	Tennessee Dec-13	Tennessee Jan-14	Tennessee Feb-14	Tennessee Mar-14	Tennessee Apr-14	Tennessee May-14	Tennessee Jun-14	Tennessee Jul-14	Tennessee Aug-14	Tennessee Sep-14	Tennessee Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	342,691	1,042,726	892,433	985,843	805,762	806,728	812,474	892,435	766,923	478,616	821,419	1,086,746	869,692
Bad Debt Expense	18,935	22,569	30,941	36,314	58,787	52,287	18,878	75,431	102,738	13,598	13,865	27,169	17,301
Depreciation and Amortization	857,265	858,382	860,866	862,696	863,796	873,141	881,578	876,206	886,516	887,373	898,075	959,797	904,014
Taxes - Other Than Income Taxes	450,234	588,644	448,978	669,422	587,641	575,301	544,957	501,338	505,458	434,049	495,339	370,834	535,620
Total Direct Operating Expenses	1,667,125	2,492,321	2,233,218	2,554,275	2,315,986	2,307,458	2,257,688	2,345,410	2,261,635	1,813,836	2,228,698	2,444,547	2,326,527

	Virginia Oct-13	Virginia Nov-13	Virginia Dec-13	Virginia Jan-14	Virginia Feb-14	Virginia Mar-14	Virginia Apr-14	Virginia May-14	Virginia Jun-14	Virginia Jul-14	Virginia Aug-14	Virginia Sep-14	Virginia Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	429,834	183,463	410,133	598,141	205,657	608,871	444,655	187,132	330,362	402,235	275,323	358,126	304,895
Bad Debt Expense	2,376	4,183	5,246	7,296	10,545	10,435	3,207	13,677	14,761	1,855	1,745	68,374	2,714
Depreciation and Amortization	177,400	177,399	177,144	177,819	178,098	178,706	182,509	177,008	182,109	184,934	197,171	133,947	187,984
Taxes - Other Than Income Taxes	44,349	62,088	88,315	62,645	58,585	54,647	52,328	47,876	51,890	44,672	47,758	7,358	56,653
Total Direct Operating Expenses	653,960	407,114	680,838	845,700	452,984	852,960	682,896	425,493	579,122	633,696	521,996	567,806	552,246

	Div 091 Oct-13	Div 091 Nov-13	Div 091 Dec-13	Div 091 Jan-14	Div 091 Feb-14	Div 091 Mar-14	Div 091 Apr-14	Div 091 May-14	Div 091 Jun-14	Div 091 Jul-14	Div 091 Aug-14	Div 091 Sep-14	Div 091 Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	599,581	687,326	684,649	789,192	696,970	685,762	1,072,987	675,722	619,729	696,814	707,150	799,496	523,311
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0	(17)	0
Depreciation and Amortization	-	0	0	-	0	-	-	(0)	0	0	0	(0)	-
Taxes - Other Than Income Taxes	(0)	0	0	0	0	(0)	-	0	(0)	0	0	0	(0)
Total Direct Operating Expenses	599,580	687,326	684,649	789,192	696,970	685,762	1,072,987	675,722	619,729	696,814	707,150	799,479	523,311

	Georgia Oct-13	Georgia Nov-13	Georgia Dec-13	Georgia Jan-14	Georgia Feb-14	Georgia Mar-14	Georgia Apr-14	Georgia May-14	Georgia Jun-14	Georgia Jul-14	Georgia Aug-14	Georgia Sep-14	Georgia Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	19,870	2,539	1,182	1,556	12,833	2,401	472	3,902	1,788	3,770	1,388	704,160	(372,170)
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes - Other Than Income Taxes	57,282	12,742	30,870	4,417	4,417	4,417	25,073	4,417	4,417	4,000	4,417	4,834	4,000
Total Direct Operating Expenses	77,152	15,281	32,052	5,972	17,250	6,818	25,545	8,319	6,185	7,770	5,765	708,994	(368,170)

	Divested States Oct-13	Divested States Nov-13	Divested States Dec-13	Divested States Jan-14	Divested States Feb-14	Divested States Mar-14	Divested States Apr-14	Divested States May-14	Divested States Jun-14	Divested States Jul-14	Divested States Aug-14	Divested States Sep-14	Divested States Oct-14
Operating Expenses													
Direct O&M Expenses (Excl Bad Debt)	0	12,540	(12,540)	0	0	0	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes - Other Than Income Taxes	(1,404)	-	-	-	-	-	-	-	-	-	-	(36,172)	0
Total Direct Operating Expenses	(1,404)	12,540	(12,540)	0	0	0	0	0	0	0	0	(36,172)	0

Note: The O&M charges for Georgia primarily relate to the teardown of the LNG facility in Columbus, Georgia which was not part of the sale to Liberty.

Atmos Energy - Kentucky/Mid-States
Total Direct Operating Expenses
October 2013 - September 2015

	Total Co 50 Nov-14	Total Co 50 Dec-14	Total Co 50 Jan-15	Total Co 50 Feb-15	Total Co 50 Mar-15	Total Co 50 Apr-15	Total Co 50 May-15	Total Co 50 Jun-15	Total Co 50 Jul-15	Total Co 50 Aug-15	Total Co 50 Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	2,785,842	3,855,224	4,574,510	2,956,481	2,819,210	(1,124,199)	3,301,370	2,954,858	3,777,205	2,771,044	3,393,982
Bad Debt Expense	58,249	74,771	85,337	70,536	232,104	45,460	35,701	324,221	35,097	35,438	370,834
Depreciation and Amortization	2,578,149	2,592,437	2,592,470	2,580,068	2,616,722	2,629,425	2,647,101	2,851,556	2,867,790	2,715,013	2,867,084
Taxes - Other Than Income Taxes	1,126,924	1,049,252	1,287,851	1,141,867	1,133,873	1,180,152	1,225,218	1,125,683	1,163,379	1,140,718	2,088,037
Total Direct Operating Expenses	6,545,164	7,571,884	8,540,168	6,758,951	6,801,908	2,730,838	7,209,389	7,056,318	7,843,470	6,682,213	8,719,937

	Kentucky Nov-14	Kentucky Dec-14	Kentucky Jan-15	Kentucky Feb-15	Kentucky Mar-15	Kentucky Apr-15	Kentucky May-15	Kentucky Jun-15	Kentucky Jul-15	Kentucky Aug-15	Kentucky Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	1,041,517	1,100,714	1,194,375	1,015,493	1,179,100	1,269,419	1,076,269	1,111,487	1,182,958	1,115,446	1,335,638
Bad Debt Expense	27,656	37,521	42,878	33,739	116,325	24,247	19,571	175,706	19,482	19,404	506,812
Depreciation and Amortization	1,482,314	1,493,091	1,495,189	1,490,570	1,504,229	1,510,955	1,522,708	1,524,849	1,556,423	1,583,151	1,686,858
Taxes - Other Than Income Taxes	446,905	368,558	507,648	447,767	455,464	551,122	603,830	554,650	583,075	582,688	1,509,792
Total Direct Operating Expenses	2,998,392	2,999,884	3,240,070	2,987,569	3,255,118	3,355,743	3,222,378	3,366,672	3,341,938	3,280,689	5,019,101

	Tennessee Nov-14	Tennessee Dec-14	Tennessee Jan-15	Tennessee Feb-15	Tennessee Mar-15	Tennessee Apr-15	Tennessee May-15	Tennessee Jun-15	Tennessee Jul-15	Tennessee Aug-15	Tennessee Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	713,951	1,137,546	878,176	880,898	1,173,618	838,189	857,398	788,502	988,089	896,884	1,005,537
Bad Debt Expense	22,986	31,187	35,498	30,031	96,538	18,058	14,046	129,797	14,312	13,965	(177,199)
Depreciation and Amortization	905,315	909,706	908,165	910,354	922,704	928,161	933,001	934,580	920,469	935,125	995,111
Taxes - Other Than Income Taxes	810,758	620,789	707,578	629,400	610,772	558,719	556,064	517,425	525,105	522,997	524,467
Total Direct Operating Expenses	2,253,009	2,699,208	2,529,417	2,430,683	2,809,631	2,343,127	2,360,540	2,370,305	2,447,995	2,368,972	2,347,917

	Virginia Nov-14	Virginia Dec-14	Virginia Jan-15	Virginia Feb-15	Virginia Mar-15	Virginia Apr-15	Virginia May-15	Virginia Jun-15	Virginia Jul-15	Virginia Aug-15	Virginia Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	189,199	786,235	1,403,493	301,326	(287,057)	(4,020,240)	196,046	230,116	183,886	60,743	212,521
Bad Debt Expense	5,607	6,083	6,961	6,766	19,241	3,155	2,084	18,718	1,303	2,089	41,220
Depreciation and Amortization	188,521	189,640	189,136	189,144	189,788	190,309	191,391	192,127	190,878	198,737	205,116
Taxes - Other Than Income Taxes	65,281	55,906	67,826	59,689	62,637	53,824	80,293	48,607	50,199	50,033	48,778
Total Direct Operating Expenses	448,508	1,037,863	1,667,215	556,934	(25,390)	(3,772,953)	449,814	489,568	428,246	309,582	507,634

	Div 091 Nov-14	Div 091 Dec-14	Div 091 Jan-15	Div 091 Feb-15	Div 091 Mar-15	Div 091 Apr-15	Div 091 May-15	Div 091 Jun-15	Div 091 Jul-15	Div 091 Aug-15	Div 091 Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	802,941	824,587	1,095,933	775,688	755,678	785,580	919,771	721,490	1,326,377	697,810	839,729
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	-	(0)	(0)	0	(0)	-	0	-	0	-	0
Taxes - Other Than Income Taxes	(0)	0	0	-	-	0	0	(0)	0	0	0
Total Direct Operating Expenses	802,941	824,587	1,095,933	775,688	755,678	785,580	919,771	721,490	1,326,377	697,810	839,729

	Georgia Nov-14	Georgia Dec-14	Georgia Jan-15	Georgia Feb-15	Georgia Mar-15	Georgia Apr-15	Georgia May-15	Georgia Jun-15	Georgia Jul-15	Georgia Aug-15	Georgia Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	38,234	6,142	2,533	3,297	1,872	2,853	251,886	103,283	95,915	161	557
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	0	0	0	0	0	0	0	0	0	0	0
Taxes - Other Than Income Taxes	4,000	4,000	5,000	5,000	5,000	16,497	5,000	5,000	5,000	5,000	5,000
Total Direct Operating Expenses	42,234	10,142	7,533	8,297	6,872	19,340	256,886	108,283	100,915	5,161	5,557

	Divested States Nov-14	Divested States Dec-14	Divested States Jan-15	Divested States Feb-15	Divested States Mar-15	Divested States Apr-15	Divested States May-15	Divested States Jun-15	Divested States Jul-15	Divested States Aug-15	Divested States Sep-15
Operating Expenses											
Direct O&M Expenses (Excl Bad Debt)	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	0	0	0	0	0	0	0	0	0	0	0
Taxes - Other Than Income Taxes	0	0	0	0	0	0	0	0	0	0	0
Total Direct Operating Expenses	0	0	0	0	0	0	0	0	0	0	0

Note: The O&M charges for Georgia primarily relate to th

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-12
Page 1 of 2

REQUEST:

Refer to the Company's 2015 10-K at page 40, which discusses plans regarding new financing to replace the \$250 million in Senior Notes set to mature on June 15, 2017 as follows:

"Additionally, we plan to issue new unsecured senior notes to replace \$250 million and \$450 million of unsecured senior notes that will mature in fiscal 2017 and fiscal 2019. During fiscal 2014 and 2015, we entered into forward starting interest rate swaps to fix the Treasury yield component associated with the anticipated fiscal 2019 issuances at 3.782%. In fiscal 2012, we entered into forward starting interest rate swaps to fix the Treasury yield component associated with the anticipated fiscal 2017 issuances at 3.367%."

Please provide the projected increment in the effective interest rate over the Treasury yield component for the new unsecured senior notes that will be issued in fiscal 2017. Provide all support relied on to quantify this increment. In addition, please compare the 3.367% rate to the benchmark for determination of whether there is a gain or loss on the hedge as of the most recent date available. Provide a copy of all source data and calculations relied on for your response.

RESPONSE:

The Company is unable to project the increment in the effective interest rate over the Treasury yield component for the new unsecured senior notes that will be issued in fiscal 2017. This component of the effective interest rate changes each day dependent upon multiple market conditions.

As of the time of this response, the mark-to-market value of the interest rate swaps hedging the 2017 refinance was a combined loss position of \$40.7 million. However, given the current debt does not mature until June 15, 2017, the current mark-to-market does not represent the mark-to-market the interest rate swaps will have at the time of issuing new debt. The thirty year treasury yield at the time of this response was 2.72% and the median March forecast on Bloomberg for the thirty year treasury at June 30, 2017 is 3.2%. That is an expected increase in rates of 48 basis points. The value of these hedges changes with the market as well, as such we are not able to predict the closing value of our interest rate swaps.

Please see Confidential Attachment 1 for an economic forecast.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-12
Page 2 of 2

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-12_Att1 - Economic Forecast
Kentucky Response (CONFIDENTIAL).pdf, 1 Page.

Respondent: Greg Waller

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-13
Page 1 of 4

REQUEST:

Please refer to the electronic version of the detailed AD IT Workpapers provided by the Company in response to Staff 1-59 and the updated version provided in response to Staff 2-21. Refer further to the worksheet tab for Division 002- Shared Services.

For each of the following account 190 ADIT descriptions and amounts as of May 31, 2017: (1) describe in detail the temporary difference that caused the AD IT, (2) describe how and where the Company included or excluded the cost giving rise to the temporary differences in the rate base and revenue requirement, and (3) provide the Company's justification for including the AD IT in the rate base and revenue requirement, particularly if the underlying temporary difference is not included in the rate base and revenue requirement.

- a. MIP/VPP Accrual - \$1,253,998
- b. Self Insurance- Adjustment - \$4,576,432
- c. SEBP Adjustment - \$24,316,653
- d. Restricted Stock Grant Plan - \$7,385,565
- e. Rabbi Trust - \$1,534,495
- f. Restricted Stock- MIP - \$9,513,920
- g. Director's Stock Awards - \$4,119,248
- h. Charitable Contribution Carryover - \$10,525,877
- i. VA Charitable Contributions - \$(6,968,861)

RESPONSE:

- a) **MIP/VPP Accrual**
Bonuses under the Management Incentive Plan and Variable Pay Plan are accrued throughout the year and paid subsequent to year end. For financial reporting purposes, these accruals are made throughout the year with a corresponding entry to expense. For tax, these amounts are only deductible when paid during or within 2 ½ months after the tax year end, per IRC §404. As a result, a deferred tax asset is booked for the amount expensed for books but not yet deductible for tax.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-13
Page 2 of 4

The Company removed expenses for incentive compensation, including MIP/VPP, as part of its initial petition as shown on Schedule F-10. While the Company has traditionally included these costs and related deferred taxes in revenue requirement, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment, provided it is appropriately removed from all divisions allocable to Kentucky.

b) **Self -Insurance Adjustment**

The Company self-insures itself for certain losses and contingencies. The Company accrues an expense to establish the self-insurance reserves on the general ledger. Once a loss, which is covered by a self-insurance reserve, is realized by the Company, the payment of that loss is made out the accrual which has been established on the general ledger. For tax purposes, pursuant to §461(h), liabilities may only be deducted when all events which establish the fact of the liability have occurred, the amounts can be determined with reasonable accuracy, and economic performance has occurred. A deferred tax asset is booked for those expenses recognized for books but not yet deductible for tax.

The expense accrual described in the preceding paragraph is not allocated to operating divisions and therefore not in revenue requirement. While the inclusion of the related deferred taxes has traditionally remained in ADIT, including in Case No. 2013-00148, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

c) **SEBP Adjustment**

The Company accrues a liability to meet the future obligations associated with supplemental executive benefits. For book purposes, the accruals are recorded to expense and a liability is established. For tax purposes, supplemental executive benefits are not deductible until paid, pursuant to §409A. A deferred tax asset is booked for those expenses currently recognized for financial reporting purposes but not yet deductible for tax.

The accrual for this underlying expense is booked and budgeted in O&M and therefore in revenue requirement as it has traditionally been, including in Case No. 2013-00148. It is therefore appropriate to include the related deferred tax item in ADIT, as it has traditionally been, including in Case No. 2013-00148.

d) **Restricted Stock Grant Plan**

Restricted stock units are granted to employees. There is a difference between when the expense associated with the unit grants is recognized for financial reporting purposes versus when the expense is recognized for tax purposes. For financial reporting purposes, the value of the units at the date of grant is amortized over three

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-13
Page 3 of 4

years starting on the date of grant. For tax purposes, pursuant to IRC §83(h), the expense cannot be recognized until the units vest and stock is awarded. This results in a timing difference and a deferred tax asset for the amortization recognized for financial reporting purposes but not yet deductible for tax.

The Company removed expenses for incentive compensation, including restricted stock, as part of its initial petition as shown on Schedule F-10. While the Company has traditionally included these costs and related deferred taxes in revenue requirement, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

e) **Rabbi Trust**

Accumulated appreciation, contributions and distributions on Rabbi Trust assets are tracked for financial statement purposes. Estimated trust income is booked to the general ledger prior to receipt of the trust statements. A true-up entry is booked once the statement arrives. For tax purposes, an estimate of trust income is not accrued. Only actual trust income is recognized for tax purposes. Book and tax basis are the same for cash contributions and distributions. The Rabbi Trust deferred tax balance equals the one month lag between estimated trust income per books and actual trust income per the trust statements.

The accounting entries described in the preceding paragraph are in revenue requirement as they have traditionally been, including in Case No. 2013-00148. It is therefore appropriate to include the related deferred tax item in ADIT, as it has traditionally been, including in Case No. 2013-00148.

f) **Restricted Stock MIP**

Employees can choose to convert their Management Incentive Plan bonus to time-lapse restricted stock. When this occurs, the restricted stock granted is amortized over a three year period for financial reporting purposes. For tax, the compensation expense deduction is not allowed until the restricted stock has vested, pursuant to IRC §83(h). This timing difference results in a deferred tax asset equal to the book amortization on the restricted stock not yet deductible for tax.

The Company removed expenses for incentive compensation, including MIP/VPP and restricted stock, as part of its initial petition as shown on Schedule F-10. While the Company has traditionally included these costs and related deferred taxes in revenue requirement, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-13
Page 4 of 4

g) **Director's Stock Awards**

For financial reporting purposes, the expense for Director's Stock is recorded in the year the stock is granted. Pursuant to IRC §83(h), for tax purposes the expense cannot be recognized until the stock is fully vested. A deferred tax asset is created for the book expense recognized but not yet deductible for tax.

The accrual for this underlying expense is booked and budgeted in O&M and therefore in revenue requirement as it has traditionally been, including in Case No. 2013-00148. It is therefore appropriate to include the related deferred tax item in ADIT, as it has traditionally been, including in Case No. 2013-00148.

h) **Charitable Contribution Carryover**

For financial statement purposes, charitable contributions are deducted when paid. For tax purposes, pursuant to §170(b)(2) the total deductions for any taxable year shall not exceed 10 percent of the taxpayer's taxable income. Per §170(d)(2), any contribution made by a corporation in a taxable year in excess of the amount deductible for such year under subsection (b)(2)(A) shall be deductible for each of the 5 succeeding taxable years in order of time. The ADIT item represents the contributions deducted for book purposes and not yet deductible for tax.

The contributions described in the preceding paragraph are typically booked to account 426 and therefore not in revenue requirement. While the inclusion of the related deferred taxes has traditionally remained in ADIT, including in Case No. 2013-00148, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

i) **VA Charitable Contributions**

Pursuant to §170(d)(2), any contribution made by a corporation in a taxable year in excess of the amount deductible for such year under subsection (b)(2)(A) shall be deductible for each of the 5 succeeding taxable years in order of time. This valuation allowance was established to reduce the deferred tax asset related to charitable contributions due to circumstances leading the Company to believe it is more likely than not that the benefit from certain charitable contributions will not be realized.

The contributions described in the preceding paragraph are typically booked to account 426 and therefore not in revenue requirement. While the inclusion of the related deferred taxes has traditionally remained in ADIT, including in Case No. 2013-00148, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

Respondents: Pace McDonald and Greg Waller

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-14
Page 1 of 2

REQUEST:

Please refer to the electronic version of the detailed AD IT Workpapers provided by the Company in response to Staff 1-59 and the updated version provided in response to Staff 2-21. Refer further to the worksheet tab for Division 091- KY/Mid States.

For each of the following account 190 AD IT descriptions and amounts as of May 31, 2017: (1) describe in detail the temporary difference that caused the AD IT, (2) describe how and where the Company included or excluded the cost giving rise to the temporary differences in the rate base and revenue requirement, and (3) provide the Company's justification for including the AD IT in the rate base and revenue requirement, particularly if the underlying temporary difference is not included in the rate base and revenue requirement.

- a. MIP/VPP Accrual \$141,947
- b. SEBP Adjustment \$1,364,197
- c. Charitable Contribution Carryover - \$163,960
- d. Reg Asset Benefit Accrual - \$380,148

RESPONSE:

a) **MIP/VPP Accrual**

Bonuses under the Management Incentive Plan and Variable Pay Plan are accrued throughout the year and paid subsequent to year end. For financial reporting purposes, these accruals are made throughout the year with a corresponding entry to expense. For tax, these amounts are only deductible when paid during or within 2 ½ months after the tax year end, per IRC §404. As a result, a deferred tax asset is booked for the amount expensed for books but not yet deductible for tax.

The Company removed expenses for incentive compensation, including MIP/VPP, as part of its initial petition as shown on Schedule F-10. While the Company has traditionally included these costs and related deferred taxes in revenue requirement, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment, provided it is appropriately removed from all divisions allocable to Kentucky.

b) **SEBP Adjustment**

The Company accrues a liability to meet the future obligations associated with supplemental executive benefits. For book purposes, the accruals are recorded to

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-14
Page 2 of 2

expense and a liability is established. For tax purposes, supplemental executive benefits are not deductible until paid, pursuant to §409A. A deferred tax asset is booked for those expenses currently recognized for financial reporting purposes but not yet deductible for tax.

The accrual for this underlying expense is booked and budgeted in O&M and therefore in revenue requirement as it has traditionally been, including in Case No. 2013-00148. It is therefore appropriate to include the related deferred tax item in ADIT, as it has traditionally been, including in Case No. 2013-00148.

c) **Charitable Contributions Carryover**

For financial statement purposes, charitable contributions are deducted when paid. For tax purposes, pursuant to §170(b)(2) the total deductions for any taxable year shall not exceed 10 percent of the taxpayer's taxable income. Per §170(d)(2), any contribution made by a corporation in a taxable year in excess of the amount deductible for such year under subsection (b)(2)(A) shall be deductible for each of the 5 succeeding taxable years in order of time. The ADIT item represents the contributions deducted for book purposes and not yet deductible for tax.

The contributions described in the preceding paragraph are typically booked to account 426 and therefore not in revenue requirement. While the inclusion of the related deferred taxes has traditionally remained in ADIT, including in Case No. 2013-00148, upon further review, the Company would not oppose removal of the ADIT item consistent with the underlying expense treatment.

d) **Reg Asset Benefit Accrual**

For financial statement and regulatory reporting purposes the expense for certain benefit accruals is capitalized when incurred. For tax purposes such expenses are deductible when paid as ordinary and necessary business expenses under IRC Sec. 162.

This item relates to the Company's Tennessee jurisdiction. Upon further review, it is appropriate to exclude it from ADIT in this case.

Respondents: Pace McDonald and Greg Waller

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-15
Page 1 of 2

REQUEST:

Please refer to Schedule J-3 F. Referring to the 8.50% Senior Note due 3/15/2019:

- a. Please provide all of the terms and conditions of this debt issue.
- b. Please explain why Atmos has not refinanced this note in order to obtain a lower interest rate. Please provide all documentation supporting your response.

RESPONSE:

- a) Please see Attachment 1 and Attachment 2.
- b) The 8.50%, 6.35% and 6.75% notes can be refinanced pending the repayment to holders as dictated in their respective agreements. Please see Confidential Attachment 1 for the estimated "make-whole" the Company recalculated for each issuance in question. The make-whole is designed to make a holder whole as if they held the note until maturity. Based on our calculations (there are market determinants to this calculation), the estimated make wholes are as follows:

<u>Bond</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Today's Make Whole Estimate</u>	<u>Accrued Interest Today</u>	<u>Total Cash Make Whole</u>
June 2017	\$250,000,000	6.35%	16,805,603	4,277,431	271,083,034
March 2019	\$450,000,000	8.50%	91,096,956	637,500	541,734,456
July 2028	\$150,000,000	6.75%	72,486,556	1,856,250	224,342,806

The make whole estimate for the three debt issuances in question totals over \$180 million. That represents 21% increase in debt outstanding for these three issues simply for retiring the debt issuances early. Further, increasing debt puts negative pressure on our debt ratings and the incremental debt necessary to pay debt holders make whole goes only to debt holders rather than the safety and reliability of our system.

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-15_Att1 - 8.50% Senior Note Indenture.pdf, 133 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, AG_2-15_Att2 - 8.50% Senior Note.pdf, 9 Pages.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-15
Page 2 of 2

ATTACHMENT 3 - Atmos Energy Corporation, AG_2-15_Att3 - Make Whole Summary
Schedule (CONFIDENTIAL).xls, 1 Page.

Respondent: Greg Waller

As filed with the Securities and Exchange Commission on March 23, 2009

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ATMOS ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Texas and Virginia
(State or other jurisdiction of incorporation or organization)

1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
(972) 934-9227

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

75-1743247
(I.R.S. Employer Identification No.)

Louis P. Gregory
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
(972) 934-9227

(Name, address, including zip code, and telephone number, including area code, of agent for service)

The Commission is requested to mail copies of all orders, notices and communications to:

Irwin F. Sentilles, III
Gibson, Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201
(214) 698-3100

Approximate date of commencement of proposed sale to public: From time to time after this registration statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Debt Securities and common stock (no par value per share)	\$900,000,000(1)	(2)

- An indeterminate number of securities is being registered as may from time to time be sold at indeterminate prices, up to a maximum aggregate offering price of \$900,000,000. Such amount represents the offering price of any common stock, the principal amount of any debt securities issued at their stated principal amount and the offering price of any debt securities issued at an original discount. The securities being registered also include an indeterminate number of shares of common stock that may be issued upon conversion of debt securities that are being registered. Separate consideration may or may not be received for shares of common stock that are issuable upon conversion of debt securities.
- In accordance with Rules 456(b) and 457(r), the registrant is deferring payment of all of the registration fee. The registrant previously paid a registration fee of \$278,740 with respect to the \$2,200,000,000 aggregate initial offering price of securities that were previously registered pursuant to the registrant's prior registration statement on Form S-3 (SEC File No. 333-118706), initially filed on August 31, 2004. A total of \$50,873 of such registration fee remained unused, which related to securities that had not been sold thereunder. The registrant then utilized \$28,994 of such unused registration fee in connection with offerings of securities that were registered on Form S-3 (SEC File No. 333-139093), initially filed on December 4, 2006, resulting in a total of \$21,879 in unused registration fees. In accordance with Rule 457(p), the amount of such unused registration fee paid with respect to the prior registration statements will be applied to pay the first \$21,879 of the registration fee that will be payable with respect to the securities registered under this registration statement.

PROSPECTUS



Atmos Energy Corporation

By this prospectus, we offer up to
\$900,000,000
of debt securities and common stock.

We will provide specific terms of these securities in supplements to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Investing in these securities involves risks. See "Risk Factors" on page 1 of this prospectus, in the applicable prospectus supplement and in the documents incorporated by reference.

Our common stock is listed on the New York Stock Exchange under the symbol "ATO."

Our address is 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and our telephone number is (972) 934-9227.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have not authorized any other person to provide you with any information or to make any representation that is different from, or in addition to, the information and representations contained in this prospectus or in any of the documents that are incorporated by reference in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, as well as the information contained in any document incorporated by reference, is accurate as of the date of each such document only, unless the information specifically indicates that another date applies.

TABLE OF CONTENTS

	<u>Page</u>
Cautionary Statement Regarding Forward-Looking Statements	ii
Risk Factors	1
Atmos Energy Corporation	1
Securities We May Offer	1
Use of Proceeds	2
Ratio of Earnings to Fixed Charges	2
Description of Debt Securities	2
Description of Common Stock	17
Plan of Distribution	19
Legal Matters	20
Experts	20
Where You Can Find More Information	20
Incorporation of Certain Documents by Reference	21

The distribution of this prospectus may be restricted by law in certain jurisdictions. You should inform yourself about and observe any of these restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make the offer or solicitation.

The terms "we," "our," "us" and "Atmos Energy" refer to Atmos Energy Corporation and its subsidiaries unless the context suggests otherwise. The term "you" refers to a prospective investor.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements contained or incorporated by reference in this prospectus that are not statements of historical fact are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended. Forward-looking statements are based on management’s beliefs as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future results and are not statements of fact, actual results may differ materially from those stated. Important factors that could cause future results to differ include, but are not limited to:

- our ability to continue to access the credit markets to satisfy our liquidity requirements;
- the impact of economic conditions on our customers;
- increased costs of providing pension and postretirement health care benefits and increased funding requirements;
- market risks beyond our control affecting our risk management activities, including market liquidity, commodity price volatility, increasing interest rates and counterparty creditworthiness;
- regulatory trends and decisions, including the impact of rate proceedings before various state regulatory commissions;
- increased federal regulatory oversight and potential penalties;
- the impact of environmental regulations on our business;
- the concentration of our distribution, pipeline and storage operations in Texas;
- adverse weather conditions;
- the effects of inflation and changes in the availability and prices of natural gas;
- the capital-intensive nature of our natural gas distribution business;
- increased competition from energy suppliers and alternative forms of energy;
- the inherent hazards and risks involved in operating our natural gas distribution business;
- natural disasters, terrorist activities or other events; and
- other risks and uncertainties discussed in this prospectus, any accompanying prospectus supplement and our other filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in our documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. We undertake no obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

For additional factors you should consider, please see “Risk Factors” on page 1 of this prospectus and “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the fiscal year ended September 30, 2008 and “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008. See “Incorporation of Certain Documents by Reference,” as well as the applicable prospectus supplement.

RISK FACTORS

Investing in our debt securities or our common stock involves risks. Our business is influenced by many factors that are difficult to predict and beyond our control and that involve uncertainties that may materially affect our results of operations, financial condition or cash flows, or the value of these securities. These risks and uncertainties include those described in the risk factor and other sections of the documents that are incorporated by reference in this prospectus. Moreover, risks and uncertainties not presently known to us or currently deemed immaterial by us may also adversely affect our business, results of operations, financial condition or cash flows, or the value of the securities. Subsequent prospectus supplements may contain a discussion of additional risks applicable to an investment in us and the particular type of securities we are offering under the prospectus supplements. You should carefully consider all of the information contained in or incorporated by reference in this prospectus or in the applicable prospectus supplement before you invest in our debt securities or common stock.

ATMOS ENERGY CORPORATION

Atmos Energy Corporation, headquartered in Dallas, Texas, is engaged primarily in the regulated natural gas distribution and transmission and storage businesses, as well as other nonregulated natural gas businesses. We are one of the country's largest natural gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe.

We distribute natural gas through regulated sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our six regulated natural gas distribution divisions, which cover service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our regulated transmission and storage business, we provide natural gas transportation and storage services to our Mid-Tex Division, our largest natural gas distribution division located in Texas, and for third parties. Additionally, we provide ancillary services customary to the pipeline industry, including parking arrangements, lending and sales of inventory on hand.

Through our nonregulated businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers primarily in the Midwest and Southeast. We also provide storage services to some of our natural gas distribution divisions and to third parties.

SECURITIES WE MAY OFFER

Types of Securities

The types of securities that we may offer and sell from time to time by this prospectus are:

- debt securities, which we may issue in one or more series; and
- common stock.

The aggregate initial offering price of all securities sold will not exceed \$900,000,000. We will determine when we sell securities, the amounts of securities we will sell and the prices and other terms on which we will sell them. We may sell securities to or through underwriters, through agents or dealers or directly to purchasers. The offer and sale of securities by this prospectus is subject to receipt of satisfactory regulatory approvals in five states, all of which have been received and are currently in effect. Under the most restrictive of these approvals, we are limited to issuing no more than \$450,000,000 of senior debt securities, \$150,000,000 of subordinated debt securities and \$300,000,000 of equity securities.

Prospectus Supplements

This prospectus provides you with a general description of the debt securities and common stock we may offer. Each time we offer securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add to or change information contained in this prospectus. In that case, the prospectus supplement should be read as superseding this prospectus.

In each prospectus supplement, which will be attached to the front of this prospectus, we will include, among other things, the following information:

- the type and amount of securities which we propose to sell;
- the initial public offering price of the securities;
- the names of the underwriters, agents or dealers, if any, through or to which we will sell the securities;
- the compensation, if any, of those underwriters, agents or dealers;
- if applicable, information about the securities exchanges or automated quotation systems on which the securities will be listed or traded;
- material United States federal income tax considerations applicable to the securities, where necessary; and
- any other material information about the offering and sale of the securities.

For more details on the terms of the securities, you should read the exhibits filed with our registration statement, of which this prospectus is a part. You should also read both this prospectus and the applicable prospectus supplement, together with additional information described under the heading "Where You Can Find More Information."

USE OF PROCEEDS

Except as may otherwise be stated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we may offer and sell from time to time by this prospectus for general corporate purposes, including for working capital, repaying indebtedness and funding capital projects, acquisitions and other growth.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	Three Months Ended December 31,		Year Ended September 30,				
	2008	2007	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges	3.97	4.09	2.96	2.69	2.50	2.54	2.95

For purposes of computing the ratio of earnings to fixed charges, earnings consists of the sum of our pretax income from continuing operations and fixed charges. Fixed charges consist of interest expense, amortization of debt discount, premium and expense, capitalized interest and a portion of lease payments considered to represent an interest factor.

DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more distinct series. This section summarizes the material terms of any debt securities that we anticipate will be common to all series. Please note that the terms of any series of debt securities that we may offer may differ significantly from the common terms described in this prospectus. Many of the other terms of any series of debt securities that we offer, and any

differences from the common terms described in this prospectus, will be described in the prospectus supplement for such securities to be attached to the front of this prospectus.

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, a document called an "indenture" will govern any debt securities that we issue. An indenture is a contract between us and a financial institution acting as trustee on your behalf. We will enter into an indenture with an institution having corporate trust powers, which will act as trustee (the "indenture"). The indenture will be subject to the Trust Indenture Act of 1939. The trustee under an indenture has the following two main roles:

- the trustee can enforce your rights against us if we default; there are some limitations on the extent to which the trustee acts on your behalf, which are described later in this prospectus; and
- the trustee will perform certain administrative duties for us, which include sending you interest payments and notices.

As this section is a summary of some of the terms of the debt securities we may offer under this prospectus, it does not describe every aspect of the debt securities. We urge you to read the indenture and the other documents we file with the SEC relating to the debt securities because the indenture for those securities and those other documents, and not this description, will define your rights as a holder of our debt securities. We have filed a form of indenture with the SEC as an exhibit to the registration statement of which this prospectus forms a part, and we will file any such other documents as exhibits to an annual, quarterly or current report that we file with the SEC. The actual indenture we enter into in connection with an offering may differ from the form of indenture we have filed. See "Where You Can Find More Information" for information on how to obtain copies of the indenture and any such other documents. References to the "indenture" mean the indenture that will define your rights as a holder of debt securities. Capitalized terms used in this section and not otherwise defined have the meanings set forth in the form of indenture.

General

The debt securities will be our unsecured obligations. Senior debt securities will rank equally with all of our other unsecured and unsubordinated indebtedness. Subordinated debt securities will rank junior to our senior indebtedness, including our credit facilities.

You should read the prospectus supplement for the following terms of the series of debt securities offered by the prospectus supplement. Our board of directors will establish the following terms before issuance of the series:

- the title of the debt securities and whether the debt securities will be senior debt securities or subordinated debt securities;
- the ranking of the debt securities;
- if the debt securities are subordinated, the terms of subordination;
- the aggregate principal amount of the debt securities, the percentage of their principal amount at which the debt securities will be issued, and the date or dates when the principal of the debt securities will be payable or how those dates will be determined or extended;
- the interest rate or rates, which may be fixed or variable, that the debt securities will bear, if any, how the rate or rates will be determined, and the periods when the rate or rates will be in effect;
- the date or dates from which any interest will accrue or how the date or dates will be determined, the date or dates on which any interest will be payable, whether and the terms under which payment of interest may be deferred, any regular record dates for these payments or how these dates will be determined and the basis on which any interest will be calculated, if other than on the basis of a 360-day year of twelve 30-day months;

- the place or places, if any, other than or in addition to New York City, of payment, transfer or exchange of the debt securities, and where notices or demands to or upon us in respect of the debt securities may be served;
- any optional redemption provisions and any restrictions on the sources of funds for redemption payments, which may benefit the holders of other securities;
- any sinking fund or other provisions that would obligate us to repurchase or redeem the debt securities;
- whether the amount of payments of principal of, any premium on, or interest on the debt securities will be determined with reference to an index, formula or other method, which could be based on one or more commodities, equity indices or other indices, and how these amounts will be determined;
- any modifications, deletions or additions to the events of default or covenants with respect to the debt securities described in this prospectus;
- if not the principal amount of the debt securities, the portion of the principal amount that will be payable upon acceleration of the maturity of the debt securities or how that portion will be determined;
- any modifications, deletions or additions to the provisions concerning defeasance and covenant defeasance contained in the indenture that will be applicable to the debt securities;
- any provisions granting special rights to the holders of the debt securities upon the occurrence of specified events;
- if other than the trustee, the name of the paying agent, security registrar or transfer agent for the debt securities;
- if we do not issue the debt securities in book-entry form only to be held by The Depository Trust Company, as depository, whether we will issue the debt securities in certificated form or the identity of any alternative depository;
- the person to whom any interest in a debt security will be payable, if other than the registered holder at the close of business on the regular record date;
- the denomination or denominations in which the debt securities will be issued, if other than denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof;
- any provisions requiring us to pay Additional Amounts on the debt securities to any holder who is not a United States person in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem the debt securities rather than pay the Additional Amounts;
- whether the debt securities will be convertible into or exchangeable for other debt securities, common shares or other securities of any kind of ours or another obligor, and, if so, the terms and conditions upon which the debt securities will be so convertible or exchangeable, including the initial conversion or exchange price or rate or the method of calculation, how and when the conversion price or exchange ratio may be adjusted, whether conversion or exchange is mandatory, at the option of the holder or at our option, the conversion or exchange period and any other provision related to the debt securities; and
- any other material terms of the debt securities or the indenture, which may not be consistent with the terms set forth in this prospectus.

For purposes of this prospectus, any reference to the payment of principal of, any premium on, or interest on the debt securities will include Additional Amounts if required by the terms of the debt securities.

The indenture will not limit the amount of debt securities that we are authorized to issue from time to time. The indenture will also provide that there may be multiple series of debt securities issued thereunder and more than one trustee thereunder, each for one or more series of debt securities. If a trustee is acting under the indenture with respect to more than one series of debt securities, the debt securities for which it is acting would be treated as if issued under separate indentures. If there is more than one trustee under the indenture,

the powers and trust obligations of each trustee will apply only to the debt securities of the separate series for which it is trustee.

We may issue debt securities with terms different from those of debt securities already issued. Without the consent of the holders of the outstanding debt securities, we may reopen a previous issue of a series of debt securities and issue additional debt securities of that series unless the reopening was restricted when we created that series.

There is no requirement that we issue debt securities in the future under the indenture, and we may use other indentures or documentation, containing different provisions in connection with future issues of other debt securities.

We may issue the debt securities as "original issue discount securities," which are debt securities, including any zero-coupon debt securities, that are issued and sold at a discount from their stated principal amount. Original issue discount securities provide that, upon acceleration of their maturity, an amount less than their principal amount will become due and payable. We will describe the U.S. federal income tax consequences and other considerations applicable to original issue discount securities in any prospectus supplement relating to them.

Holders of Debt Securities

Book-Entry Holders. We will issue debt securities in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. This means the debt securities will be represented by one or more global securities registered in the name of a financial institution that holds them as depository on behalf of other financial institutions that participate in the depository's book-entry system. These participating institutions, in turn, hold beneficial interests in the debt securities on behalf of themselves or their customers.

Under the indenture, we will recognize as a holder only the person in whose name a debt security is registered. Consequently, for debt securities issued in global form, we will recognize only the depository as the holder of the debt securities and we will make all payments on the debt securities to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the debt securities. As a result, you will not own the debt securities directly. Instead, you will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depository's book-entry system or holds an interest through a participant. As long as the debt securities are issued in global form, you will be an indirect holder, and not a holder, of the debt securities.

Street Name Holders. In the future we may terminate a global security or issue debt securities initially in non-global form. In these cases, you may choose to hold your debt securities in your own name or in "street name." Debt securities held in street name would be registered in the name of a bank, broker or other financial institution that you choose, and you would hold only a beneficial interest in those debt securities through an account you maintain at that institution.

For debt securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the debt securities are registered as the holders of those debt securities, and we will make all payments on those debt securities to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. If you hold debt securities in street name you will be an indirect holder, and not a holder, of those debt securities.

Legal Holders. Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to the legal holders of the debt securities. We do not have obligations to you if you hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether you choose to be an indirect holder of a debt security or have no choice because we are issuing the debt securities only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice, even if that holder is required, under agreements with depository participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose (for example, to amend the indenture or to relieve us of the consequences of a default or of our obligation to comply with a particular provision of the indenture) we would seek the approval only from the holders, and not the indirect holders, of the debt securities. Whether and how the holders contact the indirect holders is up to the holders.

When we refer to you, we mean those who invest in the debt securities being offered by this prospectus, whether they are the holders or only indirect holders of those debt securities. When we refer to your debt securities, we mean the debt securities in which you hold a direct or indirect interest.

Special Considerations for Indirect Holders. If you hold debt securities through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle a request for the holders' consent, if ever required;
- whether and how you can instruct it to send you debt securities registered in your own name so you can be a holder, if that is permitted in the future;
- how it would exercise rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests; and
- if the debt securities are in book-entry form, how the depository's rules and procedures will affect these matters.

Global Securities

What is a Global Security? We will issue each debt security under the indenture in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms. We may, however, issue a global security that represents multiple debt securities that have different terms and are issued at different times. We call this kind of global security a master global security.

Each debt security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depository. Unless we specify otherwise in the applicable prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depository for all debt securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depository or its nominee, unless special termination situations arise. We describe those situations below under "Special Situations When a Global Security Will Be Terminated." As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that does. Thus, if your security is represented by a global security, you will not be a holder of the debt security, but only an indirect holder of a beneficial interest in the global security.

Special Considerations for Global Securities. We do not recognize an indirect holder as a holder of debt securities and instead deal only with the depository that holds the global security. The account rules of your

financial institution and of the depository, as well as general laws relating to securities transfers, will govern your rights relating to a global security.

If we issue debt securities only in the form of a global security, you should be aware of the following:

- you cannot cause the debt securities to be registered in your name, and cannot obtain non-global certificates for your interest in the debt securities, except in the special situations that we describe below;
- you will be an indirect holder and must look to your own bank or broker for payments on the debt securities and protection of your legal rights relating to the debt securities, as we describe under "Holders of Debt Securities" above;
- you may not be able to sell interests in the debt securities to some insurance companies and to other institutions that are required by law to own their securities in non-book-entry form;
- you may not be able to pledge your interest in a global security in circumstances where certificates representing the debt securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;
- the depository's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to your interest in a global security. We and the trustee have no responsibility for any aspect of the depository's actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depository in any way;
- DTC requires, and other depositories may require, that those who purchase and sell interests in a global security within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and
- financial institutions that participate in the depository's book-entry system, and through which you hold your interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the debt security. Your chain of ownership may contain more than one financial intermediary. We do not monitor and are not responsible for the actions of any of those intermediaries.

Special Situations When a Global Security Will Be Terminated. In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-global form representing the debt securities it represented. After that exchange, you will be able to choose whether to hold the debt securities directly or in street name. You must consult your own bank or broker to find out how to have your interests in a global security transferred on termination to your own name, so that you will be a holder. We have described the rights of holders and street name investors above under "Holders of Debt Securities."

The special situations for termination of a global security are as follows:

- if the depository notifies us that it is unwilling, unable or no longer qualified to continue as depository for that global security and we do not appoint another institution to act as depository within 60 days;
- if we notify the trustee that we wish to terminate that global security; or
- if an event of default has occurred with regard to debt securities represented by that global security and has not been cured or waived. We discuss defaults later under "Events of Default."

If a global security is terminated, only the depository, and not we or the trustee, is responsible for deciding the names of the intermediary banks, brokers and other financial institutions in whose names the debt securities represented by the global security are registered, and, therefore, who will be the holders of those debt securities.

Covenants

This section summarizes the material covenants in the indenture. Please refer to the applicable prospectus supplement for information about any changes to our covenants, including any addition or deletion of a covenant, and to the indenture for information on other covenants not described in this prospectus or the applicable prospectus supplement.

Limitations on Liens. We will covenant in the indenture that we will not, and will not permit any of our Restricted Subsidiaries to, create, incur, issue or assume any Indebtedness secured by any Lien on any Principal Property, or on shares of stock or Indebtedness of any Restricted Subsidiary, known as Restricted Securities, without making effective provision for the Outstanding Securities, other than debt securities of any series not entitled to the benefit of this covenant, to be secured by a Lien equally and ratably with, or prior to (or in the case of debt securities of any series that are subordinated in right of payment to the Indebtedness secured by such Lien, by a Lien subordinated to), the Lien securing such Indebtedness for so long as the Indebtedness is so secured, except that the foregoing restriction does not apply to:

- any Lien existing on the date of the first issuance of debt securities of the relevant series under the indenture or existing on such other date as may be specified in any supplemental indenture, board resolution or officer's certificate with respect to such series;
- any Lien on any Principal Property or Restricted Securities of any person existing at the time that person is merged or consolidated with or into us or a Restricted Subsidiary, or this person becomes a Restricted Subsidiary, or arising thereafter otherwise than in connection with the borrowing of money arranged thereafter and pursuant to contractual commitments entered into prior to and not in contemplation of the person's becoming a Restricted Subsidiary;
- any Lien on any Principal Property or Restricted Securities existing at the time we or a Restricted Subsidiary acquire the Principal Property or Restricted Securities, whether or not the Lien is assumed by us or the Restricted Subsidiary, provided that this Lien may not extend to any other Principal Property or Restricted Securities of ours or any Restricted Subsidiary;
- any Lien on any Principal Property, including any improvements on any existing Principal Property, of ours or any Restricted Subsidiary, and any Lien on Restricted Securities of a Restricted Subsidiary that was formed or is held for the purpose of acquiring and holding the Principal Property, in each case to secure all or any part of the cost of acquisition, development, operation, construction, alteration, repair or improvement of all or any part of the Principal Property, or to secure Indebtedness incurred by us or a Restricted Subsidiary for the purpose of financing all or any part of that cost, provided that the Lien is created prior to, at the time of, or within 12 months after the latest of, the acquisition, completion of construction or improvement or commencement of commercial operation of that Principal Property and, provided further, that the Lien may not extend to any other Principal Property of ours or any Restricted Subsidiary, other than any currently unimproved real property on which the Principal Property has been constructed or developed or the improvement is located;
- any Lien on any Principal Property or Restricted Securities to secure Indebtedness owed to us or to a Restricted Subsidiary;
- any Lien in favor of a governmental body to secure advances or other payments under any contract or statute or to secure Indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to the Lien;
- any Lien created in connection with a project financed with, and created to secure, Non-Recourse Indebtedness;
- any extension, renewal, substitution or replacement, or successive extensions, renewals, substitutions or replacements, in whole or in part, of any Lien referred to in any of the bullet points above, provided that the Indebtedness secured may not exceed the principal amount of Indebtedness that is secured at the time of the renewal or refunding, plus any premium, cost or expense in connection with such extensions, renewals, substitutions or replacements, and that the renewal or refunding Lien must be

limited to all or any part of the same property and improvements, shares of stock or Indebtedness that secured the Lien that was renewed or refunded; or

- any Lien not permitted above securing Indebtedness that, together with the aggregate outstanding principal amount of other secured Indebtedness that would otherwise be subject to the above restrictions, excluding Indebtedness secured by Liens permitted under the above exceptions, and the Attributable Debt in respect of all Sale and Leaseback Transactions, not including Attributable Debt in respect of any Sale and Leaseback Transactions described in the last two bullet points in the next succeeding paragraph, would not then exceed 15% of our Consolidated Net Tangible Assets.

Limitation on Sale and Leaseback Transactions. We will covenant in the indenture that we will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless:

- we or a Restricted Subsidiary would be entitled, without securing the Outstanding Securities of any series, to incur Indebtedness secured by a Lien on the Principal Property that is the subject of the Sale and Leaseback Transaction;
- the Attributable Debt associated with the Sale and Leaseback Transaction would be in an amount permitted under the last bullet point of the preceding paragraph;
- the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into the Sale and Leaseback Transaction are to be used for our business and operations or the business and operations of any Subsidiary; or
- within 12 months after the sale or transfer, an amount equal to the proceeds received in respect of the Principal Property sold and leased back at the time of entering into the Sale and Leaseback Transaction is applied to the prepayment, other than mandatory prepayment, of any Outstanding Securities or Funded Indebtedness owed by us or a Restricted Subsidiary, other than Funded Indebtedness that is held by us or any Restricted Subsidiary or our Funded Indebtedness that is subordinate in right of payment to any Outstanding Securities that are entitled to the benefit of this covenant.

Definitions. Following are definitions of some of the terms used in the covenants described above.

"Attributable Debt" means, as to any lease under which a person is at the time liable for rent, at a date that liability is to be determined, the total net amount of rent required to be paid by that person under the lease during the remaining term, excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents, discounted from the respective due dates thereof at the rate of interest (or Yield to Maturity, in the case of original issue discount securities) borne by the then Outstanding Securities, compounded monthly.

"Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests, however designated, in stock issued by a corporation.

"Consolidated Net Tangible Assets" means the aggregate amount of assets, less applicable reserves and other properly deductible items, after deducting:

- all current liabilities, excluding any portion thereof constituting Funded Indebtedness; and
- all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles,

all as set forth on our most recent consolidated balance sheet contained in our latest quarterly or annual report filed with the SEC under the Securities Exchange Act of 1934, as amended, and computed in accordance with generally accepted accounting principles.

"Funded Indebtedness" means, as applied to any person, all Indebtedness of the person maturing after, or renewable or extendible at the option of the person beyond, 12 months from the date of determination.

"Indebtedness" means obligations for money borrowed, evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

"Lien" means any lien, mortgage, pledge, encumbrance, charge or security interest securing Indebtedness; provided, however, that the following types of transactions will not be considered, for purposes of this definition, to result in a Lien:

- any acquisition by us or any Restricted Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas or any other mineral in place or the proceeds of that interest;
- any conveyance or assignment whereby we or any Restricted Subsidiary conveys or assigns to any person or persons an interest in oil, gas or any other mineral in place or the proceeds of that interest;
- any Lien upon any property or assets either owned or leased by us or a Restricted Subsidiary or in which we or any Restricted Subsidiary owns an interest that secures for the benefit of the person or persons paying the expenses of developing or conducting operations for the recovery, storage, transportation or sale of the mineral resources of the property or assets, or property or assets with which it is unitized, the payment to the person or persons of our proportionate part or the Restricted Subsidiary's proportionate part of the development or operating expenses;
- any lease classified as an operating lease under generally accepted accounting principles;
- any hedging arrangements entered into in the ordinary course of business, including any obligation to deliver any mineral, commodity or asset; or
- any guarantees that we make for the repayment of Indebtedness of any Subsidiary or guarantees by any Subsidiary of the repayment of Indebtedness of any entity, including Indebtedness of Atmos Energy Marketing, LLC.

"Non-Recourse Indebtedness" means, at any time, Indebtedness incurred after the date of the indenture by us or a Restricted Subsidiary in connection with the acquisition of property or assets by us or a Restricted Subsidiary or the financing of the construction of or improvements on property, whenever acquired, provided that, under the terms of this Indebtedness and under applicable law, the recourse at the time and thereafter of the lenders with respect to this Indebtedness is limited to the property or assets so acquired, or the construction or improvements, including Indebtedness as to which a performance or completion guarantee or similar undertaking was initially applicable to the Indebtedness or the related property or assets if the guarantee or similar undertaking has been satisfied and is no longer in effect. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to us, any subsidiary of ours or any other person for (a) environmental or tax warranties and indemnities and such other representations, warranties, covenants and indemnities as are customarily required in such transactions or (b) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, insurance and condemnation proceeds and other sums actually received from secured assets to be paid to the lender, waste and mechanics' liens or similar matters.

"Principal Property" means any natural gas distribution property located in the United States, except any property that in the opinion of our board of directors is not of material importance to the total business conducted by us and of our consolidated Subsidiaries.

"Restricted Subsidiary" means any Subsidiary the amount of Consolidated Net Tangible Assets of which constitutes more than 10% of the aggregate amount of Consolidated Net Tangible Assets of us and our Subsidiaries.

"Sale and Leaseback Transaction" means any arrangement with any person in which we or any Restricted Subsidiary leases any Principal Property that has been or is to be sold or transferred by us or the Restricted Subsidiary to that person, other than any such arrangement involving:

- a lease for a term, including renewals at the option of the lessee, of not more than three years or classified as an operating lease under generally accepted accounting principles;
- leases between us and a Restricted Subsidiary or between Restricted Subsidiaries; and

- leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation, of the Principal Property, whichever is later.

“*Subsidiary*” of ours means:

- a corporation, a majority of whose Capital Stock with rights, under ordinary circumstances, to elect directors is owned, directly or indirectly, at the date of determination, by us, by one or more of our Subsidiaries or by us and one or more of our Subsidiaries; or
- any other person, other than a corporation, in which at the date of determination we, one or more of our Subsidiaries or we and one or more of our Subsidiaries, directly or indirectly, have at least a majority ownership and power to direct the policies, management and affairs of that person.

Consolidation, Merger or Sale of Assets. Under the terms of the indenture, we will be generally permitted to consolidate with or merge into another entity. We will also be permitted to sell or transfer our assets substantially as an entirety to another entity. However, we may not take any of these actions unless all of the following conditions are met:

- the resulting entity must agree to be legally responsible for all our obligations relating to the debt securities and the indenture;
- the transaction must not cause a default or an Event of Default, as described below;
- the resulting entity must be organized under the laws of the United States or one of the states or the District of Columbia; and
- we must deliver an officers’ certificate and legal opinion to the trustee with respect to the transaction.

In the event that we engage in one of these transactions and comply with the conditions listed above, we would be discharged from all our obligations and covenants under the indenture and all obligations under the Outstanding Securities, with the successor corporation or person succeeding to our obligations and covenants.

In the event that we engage in one of these transactions, the indenture provides that, if any Principal Property or Restricted Securities would thereupon become subject to any Lien securing the Indebtedness, the debt securities, other than debt securities not entitled to the benefits of specified covenants, must be secured, as to such Principal Property or Restricted Securities, equally and ratably with (or prior to or, in the case of debt securities that are subordinated in right of payment to the Indebtedness secured by such Lien or in the case of other Indebtedness of ours that is subordinated to the debt securities, on a subordinated basis to such Lien securing) the Indebtedness or obligations that upon the occurrence of such transaction would become secured by the Lien, unless the Lien could be created under the indenture without equally and ratably securing the debt securities (or, in the case of debt securities that are subordinated in right of payment to the Indebtedness secured by such Lien, on a subordinated basis to such Lien).

Modification or Waiver

There are two types of changes that we can make to the indenture and the debt securities.

Changes Requiring Approval. With the approval of the holders of at least a majority in principal amount of all outstanding debt securities of each series affected (including any such approvals obtained in connection with a tender or exchange offer for outstanding debt securities), we may make any changes, additions or deletions to any provisions of the indenture applicable to the affected series, or modify the rights of the holders of the debt securities of the affected series. However, without the consent of each holder affected, we cannot:

- change the stated maturity of the principal of, any premium on, or the interest on a debt security;
- reduce the principal amount, any premium on, or the rate of interest on a debt security;
- change any of our obligations to pay Additional Amounts;

- reduce the amount payable upon acceleration of maturity following the default of a debt security whose principal amount payable at stated maturity may be more or less than its principal face amount at original issuance or an original issue discount security;
- adversely affect any right of repayment at the holder's option;
- change the place of payment of a debt security;
- impair the holder's right to sue for payment;
- adversely affect any right to convert or exchange a debt security;
- reduce the percentage of holders of debt securities whose consent is needed to modify or amend the indenture; or
- modify certain provisions of the indenture dealing with suits for enforcement of payment by the trustee or modification and waiver, except to increase any percentage of consents required to amend the indenture or for any waiver, or to modify the provisions of the indenture dealing with the unconditional right of the holders of the debt securities to receive principal, premium, if any, and interest.

Changes Not Requiring Approval. The second type of change does not require any vote by the holders of the debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the outstanding debt securities in any material respect. Additionally, we do not need any approval to make any change that affects only debt securities to be issued under the indenture after the changes take effect.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

- for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default; and
- for debt securities whose principal amount is not known (for example, because it is based on an index) we will use a special rule for that debt security described in the applicable prospectus supplement.

Debt securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described later under "Defeasance and Covenant Defeasance."

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Events of Default

Holders of debt securities will have special rights if an Event of Default occurs as to the debt securities of their series that is not cured, as described later in this subsection. Please refer to the applicable prospectus supplement for information about any changes to the Events of Default, including any addition of a provision providing event risk or similar protection.

What is an Event of Default? The term "Event of Default" as to the debt securities of a series means any of the following:

- we do not pay interest on a debt security of the series within 30 days of its due date;
- we do not pay the principal of or any premium, if any, on a debt security of the series on its due date;
- we do not deposit any sinking fund payment when and as due by the terms of any debt securities requiring such payment;

- we remain in breach of a covenant or agreement in the indenture, other than a covenant or agreement not for the benefit of the series, for 60 days after we receive written notice stating that we are in breach from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series;
- we or a Restricted Subsidiary is in default under any matured or accelerated agreement or instrument under which we have outstanding Indebtedness for borrowed money or guarantees, which individually is in excess of \$25,000,000, and we have not cured any acceleration within 30 days after we receive notice of this default from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series, unless prior to the entry of judgment for the trustee, we or the Restricted Subsidiary remedy the default or the default is waived by the holders of the indebtedness;
- we file for bankruptcy or other events of bankruptcy, insolvency or reorganization occur; or
- any other Event of Default provided for the benefit of debt securities of the series.

An Event of Default for a particular series of debt securities will not necessarily constitute an Event of Default for any other series of debt securities issued under the indenture.

The trustee may withhold notice to the holders of debt securities of a particular series of any default if it considers its withholding of notice to be in the interest of the holders of that series, except that the trustee may not withhold notice of a default in the payment of the principal of, any premium on, or the interest on the debt securities or in the payment of any sinking fund installment with respect to the debt securities.

Remedies if an Event of Default Occurs. If an event of default has occurred and is continuing, the trustee or the holders of at least 25 percent in principal amount of the debt securities of the affected series may declare the entire principal amount and all accrued interest of all the debt securities of that series to be due and immediately payable by notifying us, and the trustee, if the holders give notice, in writing. This is called a declaration of acceleration of maturity.

If the maturity of any series of debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that series may cancel the acceleration if all events of default other than the non-payment of principal or interest on the debt securities of that series that have become due solely by a declaration of acceleration are cured or waived, and we deposit with the trustee a sufficient sum of money to pay:

- all overdue interest on outstanding debt securities of that series;
- all unpaid principal and any premium, if any, of any outstanding debt securities of that series that has become due otherwise than by a declaration of acceleration, and interest on the unpaid principal and any premium, if any;
- all interest on the overdue interest; and
- all amounts paid or advanced by the trustee for that series and reasonable compensation of the trustee.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an indemnity. If reasonable indemnity is provided, the holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions if the directions conflict with any law or the indenture or expose the trustee to personal liability. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring his or her own lawsuit or other formal legal action or take other steps to enforce his or her rights or protect his or her interest relating to the debt securities, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25 percent in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have instituted a proceeding for 60 days after receipt of the above notice and offer of indemnity; and
- the holders of a majority in principal amount of the debt securities must not have given the trustee a direction inconsistent with the above notice during the 60-day period.

However, a holder is entitled at any time to bring a lawsuit for the payment of money due on his or her debt securities on or after the due date without complying with the foregoing.

Holders of a majority in principal amount of the debt securities of the affected series may waive any past defaults other than the following:

- the payment of principal, any premium, or interest on any debt security; or
- in respect of a covenant that under the indenture cannot be modified or amended without the consent of each holder affected.

Each year, we will furnish the trustee with a written statement of two of our officers certifying that, to their knowledge, we are in compliance with the indenture and the debt securities, or else specifying any default.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration.

Defeasance and Covenant Defeasance

Unless we provide otherwise in the applicable prospectus supplement, the provisions for full defeasance and covenant defeasance described below apply to each series of debt securities. In general, we expect these provisions to apply to each debt security that is not a floating rate or indexed debt security.

Full Defeasance. If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the debt securities, called "full defeasance," if we put in place the following arrangements for you to be repaid:

- we must deposit in trust for the benefit of all holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- we must deliver to the trustee a legal opinion confirming that there has been a change in current federal tax law or an IRS ruling that lets us make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity.

If we ever did accomplish defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the debt securities. You could not look to us for repayment in the event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent. If we accomplish a defeasance, we would retain only the obligations to register the transfer or exchange of the debt securities, to maintain an office or agency in respect of the debt securities and to hold moneys for payment in trust.

Covenant Defeasance. Under current federal tax law, we can make the same type of deposit described above and be released from any restrictive covenants in the indenture. This is called “covenant defeasance.” In that event, you would lose the protection of any such covenants but would gain the protection of having money and obligations issued or guaranteed by the U.S. government set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- deliver to the trustee a legal opinion of our counsel confirming that, under current federal income tax law, we may make the deposit described above without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity.

If we accomplish covenant defeasance, you can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred, such as our bankruptcy, and the debt securities became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Debt Securities Issued in Non-Global Form

If any debt securities cease to be issued in global form, they will be issued:

- only in fully registered form;
- without interest coupons; and
- unless we indicate otherwise in the prospectus supplement, in denominations of \$2,000 and amounts that are integral multiples of \$1,000 in excess thereof.

Holders may exchange their debt securities that are not in global form for debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed.

Holders may exchange or transfer their debt securities at the office of the trustee. We may appoint the trustee to act as our agent for registering debt securities in the names of holders transferring debt securities, or we may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their debt securities, but they may be required to pay for any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder’s proof of legal ownership.

If we have designated additional transfer agents for a holder’s debt security, they will be named in the applicable prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any debt securities are redeemable and we redeem less than all those debt securities, we may stop the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security that will be partially redeemed.

If a debt security is issued as a global security, only the depository will be entitled to transfer and exchange the debt security as described in this section, since it will be the sole holder of the debt security.

Payment Mechanics

Who Receives Payment? If interest is due on a debt security on an interest payment date, we will pay the interest to the person or entity in whose name the debt security is registered at the close of business on the regular record date, discussed below, relating to the interest payment date. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person or entity entitled to receive the principal of the debt security. If principal or another amount besides interest is due on a debt security at maturity, we will pay the amount to the holder of the debt security against surrender of the debt security at a proper place of payment, or, in the case of a global security, in accordance with the applicable policies of the depository.

Payments on Global Securities. We will make payments on a global security in accordance with the applicable policies of the depository as in effect from time to time. Under those policies, we will pay directly to the depository, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depository and its participants, as described above under "What is a Global Security?".

Payments on Non-Global Securities. For a debt security in non-global form, we will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all other payments by check, at the paying agent described below, against surrender of the debt security. We will make all payments by check in next-day funds; for example, funds that become available on the day after the check is cashed.

Alternatively, if a non-global security has a face amount of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in New York City on the due date. To request wire payment, the holder must give the paying agent appropriate transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. In the case of any other payment, we will make payment only after the debt security is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Regular Record Dates. We will pay interest to the holders listed in the trustee's records as the owners of the debt securities at the close of business on a particular day in advance of each interest payment date. We will pay interest to these holders if they are listed as the owner even if they no longer own the debt security on the interest payment date. That particular day, usually about two weeks in advance of the interest payment date, is called the "regular record date" and will be identified in the prospectus supplement.

Payment When Offices Are Closed. If any payment is due on a debt security on a day that is not a business day, we will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. A postponement of this kind will not result in a default under any debt security or the indenture, and no interest will accrue on the postponed amount from the original due date to the next business day.

Paying Agents. We may appoint one or more financial institutions to act as our paying agents, at whose designated offices debt securities in non-global form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed the trustee, at its corporate trust office in New York City, as the paying agent. We must notify you of changes in the paying agents.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their debt securities.

The Trustee Under the Indenture

U.S. Bank National Association is the trustee under the indenture for our debt securities. We will identify any other entity acting as the trustee for a series of debt securities that we may offer in the prospectus supplement for the offering of such debt securities.

The trustee may resign or be removed with respect to one or more series of debt securities and a successor trustee may be appointed to act with respect to these series.

DESCRIPTION OF COMMON STOCK

General

Our authorized capital stock consists of 200,000,000 shares of common stock, of which 91,914,143 shares were outstanding on March 17, 2009. Each of our shares of common stock is entitled to one vote on all matters voted upon by shareholders. Our shareholders do not have cumulative voting rights. Our issued and outstanding shares of common stock are fully paid and nonassessable. There are no redemption or sinking fund provisions applicable to the shares of our common stock, and such shares are not entitled to any preemptive rights. Since we are incorporated in both Texas and Virginia, we must comply with the laws of both states when issuing shares of our common stock.

Holder of our shares of common stock are entitled to receive such dividends as may be declared from time to time by our board of directors from our assets legally available for the payment of dividends and, upon our liquidation, a pro rata share of all of our assets available for distribution to our shareholders.

American Stock Transfer & Trust Company is the registrar and transfer agent for our common stock.

Charter and Bylaws Provisions

Some provisions of our articles of incorporation and bylaws may be deemed to have an "anti-takeover" effect. The following description of these provisions is only a summary, and we refer you to our articles of incorporation and bylaws for more information. Our articles of incorporation and bylaws are included as exhibits to our annual reports on Form 10-K filed with the SEC. See "Where You Can Find More Information."

Classification of the Board. Our board of directors is divided into three classes, each of which consists, as nearly as may be possible, of one-third of the total number of directors constituting the entire board. There are currently 13 directors serving on the board. Each class of directors serves a three-year term. At each annual meeting of our shareholders, successors to the class of directors whose term expires at the annual meeting are elected for three-year terms. Our articles of incorporation prohibit cumulative voting. In general, in the absence of cumulative voting, one or more persons who hold a majority of our outstanding shares can elect all of the directors who are subject to election at any meeting of shareholders.

The classification of directors could have the effect of making it more difficult for shareholders, including those holding a majority of the outstanding shares, to force an immediate change in the composition of the board. Two shareholder meetings, instead of one, generally will be required to effect a change in the control of our board.

Removal of Directors. Our articles of incorporation and bylaws also provide that our directors may be removed only for cause and upon the affirmative vote of the holders of at least 75 percent of the shares then entitled to vote at an election of directors.

Fair Price Provisions. Article VII of our articles of incorporation provides certain "Fair Price Provisions" for our shareholders. Under Article VII, a merger, consolidation, sale of assets, share exchange, recapitalization or other similar transaction, between us or a company controlled by or under common control with us and any individual, corporation or other entity which owns or controls 10 percent or more of our voting capital stock, would be required to satisfy the condition that the aggregate consideration per share to be

received in the transaction for each class of our voting capital stock be at least equal to the highest per share price, or equivalent price for any different classes or series of stock, paid by the 10 percent shareholder in acquiring any of its holdings of our stock. If a proposed transaction with a 10 percent shareholder does not meet this condition, then the transaction must be approved by the holders of at least 75 percent of the outstanding shares of voting capital stock held by our shareholders other than the 10 percent shareholder, unless a majority of the directors who were members of our board immediately prior to the time the 10 percent shareholder involved in the proposed transaction became a 10 percent shareholder have either:

- expressly approved in advance the acquisition of the outstanding shares of our voting capital stock that caused the 10 percent shareholder to become a 10 percent shareholder; or
- approved the transaction either in advance of or subsequent to the 10 percent shareholder becoming a 10 percent shareholder.

The provisions of Article VII may not be amended, altered, changed, or repealed except by the affirmative vote of at least 75 percent of the votes entitled to be cast thereon at a meeting of our shareholders duly called for consideration of such amendment, alteration, change, or repeal. In addition, if there is a 10 percent shareholder, such action must also be approved by the affirmative vote of at least 75 percent of the outstanding shares of our voting capital stock held by the shareholders other than the 10 percent shareholder.

Shareholder Proposals and Director Nominations. Our shareholders can submit shareholder proposals and nominate candidates for the board of directors if the shareholders follow the advance notice procedures described in our bylaws.

Shareholder proposals (other than those sought to be included in our proxy statement) must be submitted to our corporate secretary at least 60 days, but not more than 85 days, before the annual meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be received by our corporate secretary no later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was provided or such public disclosure was made. The notice must include a description of the proposal, the shareholder's name and address and the number of shares held, and all other information which would be required to be included in a proxy statement filed with the SEC if the shareholder were a participant in a solicitation subject to the SEC's proxy rules. To be included in our proxy statement for an annual meeting, our corporate secretary must receive the proposal at least 120 days prior to the anniversary of the date we mailed the proxy statement for the prior year's annual meeting.

To nominate directors, shareholders must submit a written notice to our corporate secretary at least 60 days, but not more than 85 days, before a scheduled meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, such nomination shall have been received by our corporate secretary no later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. The notice must include the name and address of the shareholder and of the shareholder's nominee, the number of shares held by the shareholder, a representation that the shareholder is a holder of record of common stock entitled to vote at the meeting, and that the shareholder intends to appear in person or by proxy to nominate the persons specified in the notice, a description of any arrangements between the shareholder and the shareholder's nominee, information about the shareholder's nominee required by the SEC and the written consent of the shareholder's nominee to serve as a director.

Shareholder proposals and director nominations that are late or that do not include all required information may be rejected. This could prevent shareholders from bringing certain matters before an annual or special meeting or making nominations for directors.

PLAN OF DISTRIBUTION

We may sell the securities offered by this prospectus and a prospectus supplement as follows:

- through agents;
- to or through underwriters;
- through dealers;
- directly by us to purchasers; or
- through a combination of any such methods of sale.

We, directly or through agents or dealers, may sell, and the underwriters may resell, the securities in one or more transactions, including:

- transactions on the New York Stock Exchange or any other organized market where the securities may be traded;
- in the over-the-counter market;
- in negotiated transactions; or
- through a combination of any such methods of sale.

The securities may be sold at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Agents designated by us from time to time may solicit offers to purchase the securities. We will name any such agent involved in the offer or sale of the securities and set forth any commissions payable by us to such agent in a prospectus supplement relating to any such offer and sale of securities. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Any such agent may be deemed to be an underwriter of the securities, as that term is defined in the Securities Act.

If underwriters are used in the sale of securities, securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, we will execute an underwriting agreement with such underwriter or underwriters at the time an agreement for such sale is reached. We will set forth in the prospectus supplement the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transactions, including compensation of the underwriters and dealers. Such compensation may be in the form of discounts, concessions or commissions. Underwriters and others participating in any offering of securities may engage in transactions that stabilize, maintain or otherwise affect the price of such securities. We will describe any such activities in the prospectus supplement.

We may elect to list any class or series of securities on any exchange, but we are not currently obligated to do so. It is possible that one or more underwriters, if any, may make a market in a class or series of securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of the securities we may offer.

If a dealer is used in the sale of the securities, we or an underwriter will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. The prospectus supplement will set forth the name of the dealer and the terms of the transactions.

We may directly solicit offers to purchase the securities, and we may sell directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The prospectus supplement will describe the terms of any such sales, including the terms of any bidding, auction or other process, if used.

Agents, underwriters and dealers may be entitled under agreements which may be entered into with us to indemnification by us against specified liabilities, including liabilities under the Securities Act, or to contribution by us to payments they may be required to make in respect of such liabilities. The prospectus supplement will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates, may engage in transactions with or perform services for us and our subsidiaries in the ordinary course of their business.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP, Dallas, Texas, and Hunton & Williams LLP, Richmond, Virginia, have each rendered an opinion with respect to the validity of the securities that may be offered under this prospectus. We filed these opinions as exhibits to the registration statement of which this prospectus is a part. If counsel for any underwriters passes on legal matters in connection with an offering made under this prospectus, we will name that counsel in the prospectus supplement relating to that offering.

EXPERTS

The consolidated financial statements of Atmos Energy appearing in Atmos Energy Corporation's annual report (Form 10-K) for the fiscal year ended September 30, 2008 (including the schedule appearing therein) and the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2008 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of Atmos Energy for the three-month periods ended December 31, 2008 and 2007, incorporated herein by reference, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated February 3, 2009, included in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008, and incorporated herein by reference, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended, for their report on the unaudited interim financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an internet Web site that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of that site is www.sec.gov.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3 that registers the securities we are offering. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities offered. The rules and regulations of the SEC allow us to omit certain information included in the registration statement from this prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” information in this prospectus that we have filed with it. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this prospectus or the applicable prospectus supplement relating to an offering of our securities.

We incorporate by reference into this prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of our offering of securities. These additional documents include periodic reports, such as annual reports on Form 10-K and quarterly reports on Form 10-Q, and current reports on Form 8-K (other than information furnished under Items 2.02 and 7.01, which is deemed not to be incorporated by reference in this prospectus), as well as proxy statements (other than information identified in them as not incorporated by reference). You should review these filings as they may disclose a change in our business, prospects, financial condition or other affairs after the date of this prospectus.

This prospectus incorporates by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this document:

- Our annual report on Form 10-K for the year ended September 30, 2008;
- Our quarterly report on Form 10-Q for the three-month period ended December 31, 2008;
- Our current reports on Form 8-K filed with the SEC on November 3, 2008, November 21, 2008, December 3, 2008, January 5, 2009 and February 6, 2009; and
- The following pages and captioned text contained in our definitive proxy statement for the annual meeting of shareholders on February 4, 2009 and incorporated into our annual report on Form 10-K: pages 3 through 5 under the caption “*Beneficial Ownership of Common Stock*,” pages 6 through 9 under the captions “*Election of Directors — Nominees for Director*” and “*— Directors Continuing in Office*,” pages 10 to 11 under the captions “*Corporate Governance and Other Board Matters — Independence of Directors*” and “*— Related Person Transactions*,” pages 13 to 14 under the captions “*Corporate Governance and Other Board Matters — Committees of the Board of Directors*” and “*— Other Board and Committee Matters — Human Resources Committee Interlocks and Insider Participation*,” pages 15 through 18 under the captions “*Director Compensation*” through to the end of “*Audit Committee-Related Matters — Independence of Audit Committee Members, Financial Literacy and Audit Committee Financial Experts*,” page 20 under the caption “*Audit-Committee Related Matters — Audit Committee Pre-Approval Policy*,” pages 20 through 30 under the caption “*Compensation Discussion and Analysis*,” and pages 31 through 45 under the caption “*Named Executive Officer Compensation*” through to the end of the caption “*Ratification of Appointment of Independent Registered Public Accounting Firm*.”

These documents contain important information about us and our financial condition.

You may obtain a copy of any of these filings, or any of our future filings, from us without charge by requesting it in writing or by telephone at the following address or telephone number:

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Susan Giles
(972) 934-9227

Our internet Web site address is www.atmosenergy.com. Information on or connected to our internet Web site is not part of this prospectus.

\$900,000,000

ATMOS ENERGY CORPORATION

**Debt Securities
and
Common Stock**

PROSPECTUS

March 23, 2009

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. *Other Expenses of Issuance and Distribution.**

Securities and Exchange Commission registration fee	\$	**
Blue Sky fees, including counsel fees		4,000
Printing expenses		100,000
Trustee's fees and expenses		6,500
Rating agency fees		750,000
State filing fees		25,000
Accounting fees and expenses		250,000
Legal fees and expenses		250,000
Miscellaneous expenses		30,000
Total		<u>\$1,415,500</u>

* All fees and expenses will be paid by us. All fees and expenses are estimated.

** Deferred in accordance with Rules 456(b) and 457(r) of the Securities Act of 1933.

Item 15. *Indemnification of Directors and Officers.*

The Texas Business Corporation Act and the Virginia Stock Corporation Act permit, and in some cases require, corporations to indemnify directors and officers who are or have been a party or are threatened to be made a party to litigation against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses under certain circumstances. Article IX of our Articles of Incorporation and Article IX of our Bylaws provide for indemnification of judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses and the advance payment or reimbursement of such reasonable expenses to directors and officers to the fullest extent permitted by law.

As authorized by Article 2.02-1 of the Texas Business Corporation Act, and Section 13.1-697 of the Virginia Stock Corporation Act, each of our directors and officers may be indemnified by us against expenses, including attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred in connection with the defense or settlement of any threatened, pending or completed legal proceedings in which he is involved by reason of the fact that he is or was a director or officer of ours if he acted in good faith and in a manner that he reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe that his conduct was unlawful. In each case, such indemnity shall be to the fullest extent authorized by the Texas Business Corporation Act and the Virginia Stock Corporation Act. If the director or officer is found liable to us, or received an improper personal benefit from us, whether or not involving action in his official capacity, then indemnification will not be made.

Article X of our Articles of Incorporation provides that no director shall be personally liable to us or our shareholders for monetary damages for any breach of fiduciary duty as a director except for liability:

- for any breach of duty of loyalty to us or our shareholders,
- for an act or omission not in good faith or which involves intentional misconduct or a knowing violation of law,
- for a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office,

- for an act or omission for which the liability of a director is expressly provided by statute, or
- for an act related to an unlawful stock repurchase or payment of a dividend.

In addition, Article IX of our Articles of Incorporation and Article IX of our Bylaws require us to indemnify to the fullest extent authorized by law any person made or threatened to be made party to any action, suit or proceeding, whether criminal, civil, administrative, arbitral or investigative, by reason of the fact that such person is or was a director or officer or, while a director or officer, serves or served at our request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of any other enterprise.

We maintain an officers' and directors' liability insurance policy insuring officers and directors against certain liabilities, including liabilities under the Securities Act of 1933. The effect of such policy is to indemnify such officers and directors against losses incurred by them while acting in such capacities.

Item 16. Exhibits.

See the Exhibit Index attached to this registration statement and incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for purposes of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the undersigned registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions described in Item 15, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

Signatures and Powers of Attorney

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on March 23, 2009.

ATMOS ENERGY CORPORATION

By: /s/ FRED E. MEISENHEIMER

Fred E. Meisenheimer
Senior Vice President, Chief Financial Officer
and Controller

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Robert W. Best and Fred E. Meisenheimer, or either of them acting alone or together, as his or her true and lawful attorney-in-fact and agent, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, including post-effective amendments (and any additional registration statement related thereto permitted by or under the Securities Act of 1933 and any and all amendments, thereto, including post-effective amendments) and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ ROBERT W. BEST</u> Robert W. Best	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 23, 2009
<u>/s/ FRED E. MEISENHEIMER</u> Fred E. Meisenheimer	Senior Vice President, Chief Financial Officer and Controller (Principal Financial Officer and Principal Accounting Officer)	March 23, 2009
<u>/s/ TRAVIS W. BAIN II</u> Travis W. Bain II	Director	March 23, 2009
<u>/s/ RICHARD W. CARDIN</u> Richard W. Cardin	Director	March 23, 2009
<u>/s/ RICHARD W. DOUGLAS</u> Richard W. Douglas	Director	March 23, 2009

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ RUBEN E. ESQUIVEL</u> Ruben E. Esquivel	Director	March 23, 2009
<u>/s/ THOMAS J. GARLAND</u> Thomas J. Garland	Director	March 23, 2009
<u>/s/ RICHARD K. GORDON</u> Richard K. Gordon	Director	March 23, 2009
<u>/s/ THOMAS C. MEREDITH</u> Thomas C. Meredith	Director	March 23, 2009
<u>/s/ PHILLIP E. NICHOL</u> Phillip E. Nichol	Director	March 23, 2009
<u>/s/ NANCY K. QUINN</u> Nancy K. Quinn	Director	March 23, 2009
<u>/s/ STEPHEN R. SPRINGER</u> Stephen R. Springer	Director	March 23, 2009
<u>/s/ CHARLES K. VAUGHAN</u> Charles K. Vaughan	Director	March 23, 2009
<u>/s/ RICHARD WARE II</u> Richard Ware II	Director	March 23, 2009

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporation by Reference from</u>
1.1**	Underwriting Agreement	
4.1	Amended and Restated Articles of Incorporation of Atmos Energy Corporation (as of February 9, 2005)	Exhibit 3.(I) to Form 10-Q for the three-month period ended March 31, 2005 (File No. 1-10042)
4.2	Amended and Restated Bylaws of Atmos Energy Corporation (as of May 2, 2007)	Exhibit 3.1 to Form 8-K filed May 2, 2007 (File No. 1-10042)
4.3	Specimen Common Stock Certificate (Atmos Energy Corporation)	Exhibit (4) (b) to Form 10-K for the fiscal year ended September 30, 1988 (File No. 1-10042)
4.4*	Form of Indenture for Debt Securities	
4.5*	Form of Global Security	
5.1*	Opinion of Gibson, Dunn & Crutcher LLP, Dallas, Texas, as to the validity of the securities being registered	
5.2*	Opinion of Hunton & Williams LLP, Richmond, Virginia, as to the validity of the securities being registered	
12	Computation of ratio of earnings to fixed charges	Exhibit 12 to Form 10-K for the fiscal year ended September 30, 2008 (File No. 1-10042) and Exhibit 12 to Form 10-Q for the three-month period ended December 31, 2008 (File No. 1-10042)
23.1	Consent of Gibson, Dunn & Crutcher LLP, Dallas, Texas	See Exhibit 5.1 of this Registration Statement
23.2	Consent of Hunton & Williams LLP, Richmond, Virginia	See Exhibit 5.2 of this Registration Statement
23.3*	Consent of Ernst & Young LLP	
24	Power of Attorney	See signature pages of this Registration Statement
25*	Statement of eligibility of trustee for debt securities on Form T-1	

* Filed herewith.

** To be filed by amendment hereto, pursuant to a Current Report on Form 8-K to be incorporated herein by reference or otherwise filed with the SEC.

[E/O]

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EXHIBIT 4.4

ATMOS ENERGY CORPORATION,

Issuer,

to

U.S. BANK NATIONAL ASSOCIATION,

Trustee

Indenture

Dated as of _____, 2009

Debt Securities

Reconciliation and tie between Trust Indenture Act
of 1939 and Indenture, dated as of _____, 2009

Trust Indenture Act Section	Indenture Section
§ 310(a)(1)	608
(a)(2)	608
(b)	604, 607, 609(d)(1)
§ 311(a)	101(2), 604, 613
(b)	101(2), 604, 613
§ 312(c)	701
§ 313	702
§ 314(a)	703
(a)(4)	1004
(c)(1)	102
(c)(2)	102
(e)	101 ("Opinion of Counsel"), 102
§ 315(b)	601
§ 316(a)(last sentence)	101 ("Outstanding")
(a)(1)(A)	512
(a)(1)(B)	513
(b)	508
(c)	104(d)
§ 317(a)(1)	503
(a)(2)	504
(b)	1003
§ 318(a)	107

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE ONE	
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	
SECTION 101. <u>Definitions</u>	1
“Act”	2
“Additional Amounts”	2
“Affiliate”	2
“Attributable Debt”	2
“Authenticating Agent”	2
“Authorized Newspaper”	2
“Authorized Officer”	2
“Bankruptcy Law”	3
“Board of Directors”	3
“Board Resolution”	3
“Book-Entry Security”	3
“Business Day”	3
“Capital Stock”	3
“Commission”	3
“Company”	3
“Company Request” or “Company Order”	3
“Consolidated Net Tangible Assets”	3
“Corporate Trust Office”	4
“corporation”	4
“covenant defeasance”	4
“Custodian”	4
“Default”	4
“Defaulted Interest”	4
“defeasance”	4
“Definitive Security”	4
“Depository”	4
“Euroclear”	4
“Event of Default”	4
“Exchange Act”	4
“Extension Notice” and “Extension Period”	4
“Final Maturity”	4
“Funded Indebtedness”	4
“generally accepted accounting principles” or “GAAP”	4
“Global Securities”	5
“Government Obligations”	5
“guarantee”	5
“Holder”	5
“incorporated provision”	5
“Indebtedness”	5

Note: This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

	<u>Page</u>
"Indenture"	5
"Indexed Security"	6
"interest"	6
"Interest Payment Date"	6
"Lien"	6
"mandatory sinking fund payment"	6
"Maturity"	6
"Non-Recourse Indebtedness"	6
"Officers' Certificate"	7
"Opinion of Counsel"	7
"Option to Elect Repayment"	7
"Optional Reset Date"	7
"optional sinking fund payment"	7
"Original Issue Discount Security"	7
"Original Stated Maturity"	7
"Outstanding"	7
"Participants"	8
"Paying Agent"	8
"Person"	8
"Place of Payment"	9
"Predecessor Security"	9
"Principal Property"	9
"Redemption Date"	9
"Redemption Price"	9
"Regular Record Date"	9
"Repayment Date"	9
"Repayment Price"	9
"Reset Notice"	9
"Restricted Securities"	9
"Restricted Subsidiary"	9
"Sale and Leaseback Transaction"	9
"Securities"	10
"Security Register" and "Security Registrar"	10
"Special Record Date"	10
"Stated Maturity"	10
"Subsequent Interest Period"	10
"Subsidiary"	10
"Trust Indenture Act" or "TIA"	10
"Trustee"	10
"Trustee Payments"	10
"United States"	10
"United States person"	11
"Vice President"	11
"Yield to Maturity"	11
SECTION 102. Compliance Certificates and Opinions	11
SECTION 103. Form of Documents Delivered to Trustee	12



Page

SECTION 104. Acts of Holders	12
SECTION 105. Notices, Etc. to Trustee and Company	13
SECTION 106. Notice to Holders; Waiver	13
SECTION 107. Conflict of Any Provision of Indenture with Trust Indenture Act	14
SECTION 108. Effect of Headings and Table of Contents	14
SECTION 109. Successors and Assigns	14
SECTION 110. Separability Clause	14
SECTION 111. Benefits of Indenture	15
SECTION 112. Governing Law	15
SECTION 113. Legal Holidays	15
SECTION 114. No Recourse Against Others	15

ARTICLE TWO
SECURITY FORMS

SECTION 201. Forms Generally	16
SECTION 202. Form of Trustee's Certificate of Authentication	16
SECTION 203. Securities Issuable in Global Form	17
SECTION 204. Form of Legend for Book-Entry Securities	17

ARTICLE THREE
THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series	18
SECTION 302. Denominations	21
SECTION 303. Execution, Authentication, Delivery and Dating	21
SECTION 304. Book-Entry Securities	22
SECTION 305. Temporary Securities	24
SECTION 306. Registration, Registration of Transfer and Exchange	24
SECTION 307. Mutilated, Destroyed, Lost and Stolen Securities	26
SECTION 308. Payment of Interest; Interest Rights Preserved; Optional Interest Reset	26
SECTION 309. Optional Extension of Stated Maturity	29
SECTION 310. Persons Deemed Owners	29
SECTION 311. Cancellation	30
SECTION 312. Computation of Interest	30
SECTION 313. CUSIP Numbers	31

ARTICLE FOUR
SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture	31
SECTION 402. Application of Trust Money	32

ARTICLE FIVE
REMEDIES

SECTION 501. Events of Default	32
SECTION 502. Acceleration of Maturity; Rescission and Annulment	34
SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee	35
SECTION 504. Trustee May File Proofs of Claim	35
SECTION 505. Trustee May Enforce Claims Without Possession of Securities	36
SECTION 506. Application of Money Collected	36
SECTION 507. Limitation on Suits	37
SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest	37
SECTION 509. Restoration of Rights and Remedies	37
SECTION 510. Rights and Remedies Cumulative	38
SECTION 511. Delay or Omission Not Waiver	38
SECTION 512. Control by Holders	38
SECTION 513. Waiver of Past Defaults	38
SECTION 514. Undertaking for Costs	39
SECTION 515. Waiver of Stay or Extension Laws	39

ARTICLE SIX
THE TRUSTEE

SECTION 601. Notice of Defaults	39
SECTION 602. Certain Rights of Trustee	40
SECTION 603. Trustee Not Responsible for Recitals or Issuance of Securities	42
SECTION 604. May Hold Securities	42
SECTION 605. Money Held in Trust	42
SECTION 606. Compensation and Reimbursement	43
SECTION 607. Conflicting Interests	43
SECTION 608. Corporate Trustee Required; Eligibility; Conflicting Interests	43
SECTION 609. Resignation and Removal; Appointment of Successor	44
SECTION 610. Acceptance of Appointment by Successor	45
SECTION 611. Merger, Conversion, Consolidation or Succession to Business	46
SECTION 612. Appointment of Authenticating Agent	46
SECTION 613. Preferential Collection of Claims Against Company	48

ARTICLE SEVEN
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Disclosure of Names and Addresses of Holders	48
SECTION 702. Reports by Trustee	49

	<u>Page</u>
SECTION 703. Reports by Company	49
ARTICLE EIGHT CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE	
SECTION 801. Company May Consolidate, Etc., Only on Certain Terms	49
SECTION 802. Rights and Duties of Successor Corporation	50
SECTION 803. Securities to be Secured in Certain Events	51
ARTICLE NINE SUPPLEMENTAL INDENTURES	
SECTION 901. Supplemental Indentures Without Consent of Holders	51
SECTION 902. Supplemental Indentures with Consent of Holders	52
SECTION 903. Execution of Supplemental Indentures	53
SECTION 904. Effect of Supplemental Indentures	53
SECTION 905. Conformity with Trust Indenture Act	54
SECTION 906. Reference in Securities to Supplemental Indentures	54
SECTION 907. Notice of Supplemental Indentures	54
ARTICLE TEN COVENANTS	
SECTION 1001. Payment of Principal, Premium and Interest	55
SECTION 1002. Maintenance of Office or Agency	55
SECTION 1003. Money for Security Payments to Be Held in Trust	55
SECTION 1004. Statement as to Compliance	57
SECTION 1005. Corporate Existence	57
SECTION 1006. Limitations on Liens	57
SECTION 1007. Limitation on Sale and Leaseback Transactions	59
SECTION 1008. Additional Amounts	59
SECTION 1009. Waiver of Certain Covenants	60
ARTICLE ELEVEN REDEMPTION OF SECURITIES	
SECTION 1101. Applicability of Article	60
SECTION 1102. Election to Redeem; Notice to Trustee	60
SECTION 1103. Selection by Trustee of Securities to Be Redeemed	61
SECTION 1104. Notice of Redemption	61
SECTION 1105. Deposit of Redemption Price	62
SECTION 1106. Securities Payable on Redemption Date	62
SECTION 1107. Securities Redeemed in Part	63

	<u>Page</u>
ARTICLE TWELVE SINKING FUNDS	
SECTION 1201. Applicability of Article	63
SECTION 1202. Satisfaction of Sinking Fund Payments with Securities	64
SECTION 1203. Redemption of Securities for Sinking Fund	64
ARTICLE THIRTEEN REPAYMENT AT OPTION OF HOLDERS	
SECTION 1301. Applicability of Article	65
SECTION 1302. Repayment of Securities	65
SECTION 1303. Exercise of Option	65
SECTION 1304. When Securities Presented for Repayment Become Due and Payable	66
SECTION 1305. Securities Repaid in Part	66
ARTICLE FOURTEEN DEFEASANCE AND COVENANT DEFEASANCE	
SECTION 1401. Company's Option to Effect Defeasance or Covenant Defeasance	67
SECTION 1402. Defeasance and Discharge	67
SECTION 1403. Covenant Defeasance	67
SECTION 1404. Conditions to Defeasance or Covenant Defeasance	68
SECTION 1405. Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions	70
SECTION 1406. Reinstatement	70

INDENTURE, dated as of _____, 2009, between Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company"), and U.S. Bank National Association, a banking corporation with trust powers organized and existing under the laws of the State of United States, trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its debt securities (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

This Indenture is subject to the provisions of the Trust Indenture Act of 1939, as amended, that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein, and the terms "cash transaction" and "self-liquidating paper", as used in TIA Section 311, shall have the meanings assigned to them in the rules of the Commission adopted under the Trust Indenture Act;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States;

matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Bankruptcy Law” means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

“Board of Directors” means the Board of Directors of the Company or any duly authorized committee of such Board.

“Board Resolution” means a copy of a resolution certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Book-Entry Security” has the meaning specified in Section 304.

“Business Day”, means any day that, in the city of the principal Corporate Trust Office of the Trustee and in the City of New York, is neither a Saturday, Sunday, or legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close.

“Capital Stock” means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests (however designated) in stock issued by a corporation.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person. To the extent necessary to comply with the requirements of the provisions of TIA Sections 310 through 317 as they are applicable to the Company, the term “Company” shall include any other obligor with respect to the Securities for the purposes of complying with such provisions.

“Company Request” or “Company Order” means a written request or order signed in the name of the Company (i) by its Chairman, Chief Executive Officer, its President or a Vice President and (ii) by its Treasurer, an Assistant Treasurer, its Corporate Secretary or an Assistant Corporate Secretary and delivered to the Trustee; provided, however, that such written request or order may be signed by any two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above.

“Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting (i) all current liabilities (excluding any portion thereof constituting Funded Indebtedness) and (ii) all goodwill, trade

names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company contained in the latest quarterly or annual report of the Company filed with the Commission under the Exchange Act and computed in accordance with generally accepted accounting principles.

“Corporate Trust Office” means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office on the date of execution of this Indenture is located at U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, Attention: Corporate Trust Department.

“corporation” includes corporations, associations, partnerships, limited liability companies, companies and business trusts.

“covenant defeasance” has the meaning specified in Section 1403 hereof.

“Custodian” means any receiver, trustee, assignee, liquidator, sequestrator or similar officer under any Bankruptcy Law.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Defaulted Interest” has the meaning specified in Section 308 hereof.

“defeasance” has the meaning specified in Section 1402 hereof.

“Definitive Security” has the meaning specified in Section 304 hereof.

“Depository” has the meaning specified in Section 304.

“Euroclear” means Morgan Guaranty Trust Company of New York, Brussels Office, or its successor as operator of the Euroclear System.

“Event of Default” has the meaning specified in Section 501.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Extension Notice” and “Extension Period” shall have the meanings specified in Section 309.

“Final Maturity” has the meaning specified in Section 309.

“Funded Indebtedness” means as applied to any Person, means all Indebtedness of such Person maturing after, or renewable or extendable at the option of such Person beyond, 12 months from the date of determination.

“generally accepted accounting principles” or “GAAP” means generally accepted accounting principles in the United States.

“Global Securities” means one or more Securities evidencing all or part of the Securities to be issued as Book-Entry Securities, issued to the Depository in accordance with Section 304 and bearing the legend prescribed in Section 204.

“Government Obligations” means securities which are (i) direct obligations of the United States government or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States government, the payment of which is unconditionally guaranteed by the United States government, which, in either case, are full faith and credit obligations of the United States government payable and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest or principal of the Government Obligation evidenced by such depository receipt.

“guarantee” means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation or (ii) an agreement, direct or indirect, contingent or otherwise, providing assurance of the payment or performance (or payment of damages in the event of non-performance) of any part or all of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit. Notwithstanding anything herein to the contrary, a guarantee shall not include any agreement solely because such agreement creates a Lien on the assets of any Person. The amount of a guarantee shall be deemed to be the maximum amount of the obligation guaranteed for which the guarantor could be held liable under such guarantee.

“Holder” means the Person in whose name a Security is registered in the Security Register.

“incorporated provision” has the meaning specified in Section 107.

“Indebtedness” means obligations for money borrowed, evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

“Indenture” means this instrument as originally executed (including all exhibits and schedules hereto) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular series of Securities established as contemplated by Section 301; provided, however, that, if at any time there is more than one series of Securities issued under this instrument, “Indenture” shall mean, with respect to each such series of Securities, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the provisions hereof applicable to such series and shall include the terms of such series of Securities

established as contemplated by Section 301, exclusive, however, of any provisions or terms which do not relate to such series, regardless of when such provisions or terms were adopted.

“Indexed Security” means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

“interest”, when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity at the rate prescribed in such Original Issue Discount Security.

“Interest Payment Date”, when used with respect to any series of Securities, means the Stated Maturity of an installment of interest on such Securities.

“Lien” means any lien, mortgage, pledge, encumbrance, charge or security interest securing Indebtedness; provided, however, that the following types of transactions will not be considered, for purposes of this definition, to result in a Lien: (i) any acquisition by the Company or any Restricted Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas or any other mineral in place or the proceeds thereof, (ii) any conveyance or assignment whereby the Company or any Restricted Subsidiary conveys or assigns to any Person or Persons an interest in oil, gas or any other mineral in place or the proceeds thereof, (iii) any Lien upon any property or assets either owned or leased by the Company or any Restricted Subsidiary or in which the Company or any Restricted Subsidiary owns an interest that secures for the benefit of the Person or Persons paying the expenses of developing or conducting operations for the recovery, storage, transportation or sale of the mineral resources of such property or assets (or property or assets with which it is unitized) the payment to such Person or Persons of the Company’s or the Restricted Subsidiary’s proportionate part of such development or operating expenses, (iv) any lease classified as an operating lease under generally accepted accounting principles, (v) any hedging arrangements entered into in the ordinary course of business, including any obligation to deliver any mineral, commodity or asset in connection therewith or (vi) any guarantees by the Company of the repayment of Indebtedness of any Subsidiary or guarantees by any Subsidiary of the repayment of Indebtedness of any entity, including, but not limited to, Indebtedness of Atmos Energy Marketing, L.L.C.

“mandatory sinking fund payment” shall have the meaning specified in Section 1201.

“Maturity”, when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided whether at the Stated Maturity, by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise.

“Non-Recourse Indebtedness” means, at any time, Indebtedness incurred after the date of the Indenture by the Company or a Restricted Subsidiary in connection with the acquisition of property or assets by the Company or a Restricted Subsidiary or the financing of

the construction of or improvements on property, whenever acquired, provided that, under the terms of such Indebtedness and under applicable law, the recourse at such time and thereafter of the lenders with respect to such Indebtedness is limited to the property or assets so acquired, or the construction or improvements, including Indebtedness as to which a performance or completion guarantee or similar undertaking was initially applicable to the Indebtedness or the related property or assets if the guarantee or similar undertaking has been satisfied and is no longer in effect. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to the Company, any Subsidiary of the Company or any other person for (a) environmental or tax warranties and indemnities and such other representations, warranties, covenants and indemnities as are customarily required in such transactions, or (b) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, insurance and condemnation proceeds and other sums actually received from secured assets to be paid to the lender, waste and mechanics' liens or similar matters.

"Officers' Certificate" means a certificate signed by (i) the Chairman, Chief Executive Officer, the President, a Vice President or the Treasurer of the Company and (ii) the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee; provided, however, that such certificate may be signed by two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company. Each such opinion shall include the statements provided for in TIA Section 314(e) to the extent applicable.

"Option to Elect Repayment" shall have the meaning specified in Section 1303.

"Optional Reset Date" shall have the meaning specified in Section 308.

"optional sinking fund payment" shall have the meaning specified in Section 1201.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Original Stated Maturity" shall have the meaning specified in Section 309.

"Outstanding" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for whose payment, purchase, redemption or repayment at the option of the Holder money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in

trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities, except to the extent provided in Sections 1402 and 1403, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article Fourteen; and

(iv) Securities paid pursuant to Section 307 or Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that, in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, direction, consent or waiver hereunder, and for the purpose of making the calculations required by TIA Section 316, (i) the principal amount of an Original Issue Discount Security that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 502, (ii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 301, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which an Authorized Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

"Participants" has the meaning specified in Section 304.

"Paying Agent" means any Person (including the Company acting as Paying Agent) authorized by the Company to pay the principal of (or premium, if any) or interest, if any, on any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment” means, when used with respect to the Securities of or within any series, the place or places where the principal of (and premium, if any) and interest, if any, on such Securities are payable as specified as contemplated by Sections 301 and 1002.

“Predecessor Security” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 307 in exchange for a mutilated Security or in lieu of a destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Principal Property” means any natural gas distribution property located in the United States, except any property that in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its consolidated Subsidiaries.

“Redemption Date”, when used with respect to any Security to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price”, when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of or within any series means the date specified for that purpose as contemplated by Section 301.

“Repayment Date” means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment pursuant to this Indenture.

“Repayment Price” means, when used with respect to any Security to be repaid at the option of the Holder, the price at which it is to be repaid pursuant to this Indenture.

“Reset Notice” shall have the meaning specified in Section 308.

“Restricted Securities” has the meaning specified in Section 1006.

“Restricted Subsidiary” means any Subsidiary the amount of Consolidated Net Tangible Assets of which constitutes more than 10% of the aggregate amount of Consolidated Net Tangible Assets of the Company and its Subsidiaries.

“Sale and Leaseback Transaction” means any arrangement with any Person in which the Company or any Restricted Subsidiary leases any Principal Property that has been or is to be sold or transferred by the Company or the Restricted Subsidiary to such Person, other than any such arrangement involving (i) a lease for a term, including renewals at the option of the lessee, of not more than three years or classified as an operating lease under generally accepted accounting principles, (ii) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries and (iii) leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or

improvement, or the commencement of commercial operation, of the Principal Property, whichever is later.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture; provided, however, that if at any time there is more than one series of Securities, “Securities” with respect to the Indenture for such series shall mean the Securities authenticated and delivered under such Indenture for such series, exclusive, however, of the Securities of any series authenticated and delivered under any other Indenture.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 306.

“Special Record Date” means a date fixed by the Trustee for the payment of any Defaulted Interest pursuant to Section 308.

“Stated Maturity”, when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security representing such installment of principal or interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable, as such date may be extended pursuant to the provisions of Section 309.

“Subsequent Interest Period” shall have the meaning specified in Section 308.

“Subsidiary” of the Company means (i) a corporation, a majority of whose Capital Stock with rights, under ordinary circumstances, to elect directors is owned, directly or indirectly, at the date of determination, by the Company, by one or more Subsidiaries or by the Company and one or more Subsidiaries or (ii) any other Person (other than a corporation) in which at the date of determination the Company, one or more Subsidiaries or the Company and one or more Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs of that Person.

“Trust Indenture Act” or “TIA” means the Trust Indenture Act of 1939, as amended, and as in force at the date as of which this Indenture was executed, except as provided in Section 905.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder; provided, however, that if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean only the Trustee with respect to Securities of that series.

“Trustee Payments” shall have the meaning specified in Section 610.

“United States” means, unless otherwise specified with respect to any Securities pursuant to Section 301, the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“United States person” means, unless otherwise specified with respect to any Securities pursuant to Section 301, an individual who is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

“Vice President”, when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president”.

“Yield to Maturity” means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers’ Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion (other than the certificates required by Section 1004) with respect to compliance with a covenant or condition provided for in this Indenture shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such covenant or condition has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Outstanding Securities of any series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments or so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to TIA Section 315) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) If the Company shall solicit from the Holders of Securities any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination

of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding TIA Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Securities then Outstanding shall be computed as of such record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. Notices, Etc. to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder, an agent of any bank or the Company shall be sufficient for every purpose hereunder if made, given, furnished or delivered, in writing, to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department; or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or delivered, in writing, to the Company, addressed to it c/o 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, Attention: Treasurer, or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice of any event to Holders of Securities by the Company or the Trustee, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where

notice to Holders of Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of Securities. Any notice mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impractical to mail notice of any event to Holders of Securities when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice for every purpose hereunder.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. Conflict of Any Provision of Indenture with Trust Indenture Act.

If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Sections 310 to 318, inclusive, or conflicts with any provision (an "incorporated provision") required by or deemed to be included in this Indenture by operation of such TIA Sections, such imposed duties or incorporated provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or excluded, as the case may be.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in any Security shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Authenticating Agent, any Paying Agent, any Securities Registrar and their successors hereunder and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles that would apply any other law. This Indenture is subject to the provisions of the Trust Indenture Act that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date or Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment, or if this Indenture provides for a time period that ends on a day that is not a Business Day, then (notwithstanding any other provision of this Indenture or of any Security other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section), (a) payment of principal (or premium, if any) or interest, if any, need not be made at such Place of Payment on such date, but such payments may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date, or at the Stated Maturity or Maturity; provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be, to such succeeding Business Day and (b) such time period shall be deemed to end on the next succeeding Business Day.

SECTION 114. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each Holder by accepting any of the Securities waives and releases all such liability.

SECTION 203. Securities Issuable in Global Form.

When Securities of or within a series are issued in global form, as specified as contemplated by Section 301, then, any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of Outstanding Securities of such series represented thereby may from time to time be increased or decreased to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 303 or Section 305. Subject to the provisions of Section 303 and, if applicable, Section 305, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Company Order. If a Company Order pursuant to Section 303 or Section 305 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 102 and need not be accompanied by an Opinion of Counsel.

The provisions of the last sentence of Section 303 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the last sentence of Section 303.

Notwithstanding the provisions of Section 308, unless otherwise specified as contemplated by Section 301, payment of principal of (and premium, if any) and interest, if any, on any Security in permanent global form shall be made to the Person or Persons specified therein.

Notwithstanding the provisions of Section 310 and except as provided in the preceding paragraph, the Company, the Trustee and any agent of the Company and the Trustee shall treat as the Holder of such principal amount of Outstanding Securities represented by a permanent Global Security the Holder of such permanent Global Security.

SECTION 204. Form of Legend for Book-Entry Securities.

Any Global Security authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY

NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

ARTICLE THREE
THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and, subject to Section 303, set forth in, or determined in the manner provided in, an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series, any or all of the following, as applicable (each of which, if so provided, may be determined from time to time by the Company with respect to unissued Securities of the series and set forth in such Securities of the series when issued from time to time):

- (1) The title of the Securities of the series (which shall distinguish the Securities of the series from all other series of Securities);
- (2) Whether the Securities of the series are subject to subordination and, if so, the terms of such subordination;
- (3) The aggregate principal amount of the Securities of the series, the percentage of their principal amount at which the Securities of the series shall be issued and the date or dates on which the principal of the Securities of the series shall be payable or the method by which such date or dates shall be determined or extended;
- (4) The rate or rates (which may be fixed or variable) at which the Securities of the series shall bear interest, if any, and, if variable, the method by which such rate or rates shall be determined and the periods when such rate or rates will be in effect;
- (5) The date or dates from which any interest shall accrue or the method by which such date or dates will be determined, the date or dates on which any interest will be payable (including the Regular Record Dates for such Interest Payment Dates) or the method by which such dates will be determined, the terms under which payment of any interest may be deferred if it may be deferred, and the basis on which any interest will be calculated if other than on the basis of a 360-day year of twelve 30-day months;

(6) The place or places, if any, other than or in addition to New York City, where the principal of (and premium, if any, on) and interest, if any, on the Securities of the series will be payable, where any Securities may be surrendered for registration of transfer, where the Securities of the series may be surrendered for exchange and where notices or demands to or upon the Company in respect of the Securities of the series may be served;

(7) The period or periods within which, the price or prices at which, and the other terms and conditions upon which, the Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option and any restrictions on the sources of funds for redemption payments (which may benefit the holders of any other securities of the Company);

(8) The obligation, if any, of the Company to redeem, purchase or repay the Securities of the series, in whole or in part, pursuant to any sinking fund or analogous provision or at the option of a holder thereof, and the period or periods within which, the price or prices at which, and the other terms and conditions upon which, the Securities of the series will be so redeemed, purchased or repaid;

(9) Whether the amount of payments of principal of (and premium, if any, on) and interest, if any, on the Securities of the series may be determined with reference to an index, formula or other method (which index, formula or method may, without limitation, be based on one or more commodities, equity indices or other indices) and the manner in which such amounts shall be determined;

(10) Any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to the Securities of the series (which Events of Default or covenants may not be consistent with the Events of Default or covenants set forth in the general provisions of this Indenture);

(11) If other than the entire principal amount thereof, the portion of the principal amount of the Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502 or the method by which such portion shall be determined;

(12) Any provisions in modification of, in addition to or in lieu of any provisions of Article Fourteen of this Indenture relating to defeasance and covenant defeasance that shall be applicable to the Securities of the series;

(13) Any provisions granting special rights to the Holders of the Securities of the series upon the occurrence of such events as may be specified;

(14) If other than the Trustee, the designation of any Paying Agent or Security Registrar for the Securities of the series, and the designation of any transfer or other agents or depositories for the Securities of the series;

(15) Whether the Securities of the series shall be issuable initially in temporary global form, whether any of the Securities of the series is to be issuable in permanent

global form and, if so, whether beneficial owners of interests in any Global Security may exchange such interests for Definitive Securities of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in the Indenture, and, if the Securities are to be issuable as a Global Security, the identity of the depository for the Securities of the series;

(16) The person to whom any interest on any Security shall be payable, if other than the person in whose name the Securities of the series (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, or the manner in which any interest payable on a temporary Security issued in global form shall be paid (if other than as described in Section 304);

(17) The denomination or denominations in which the Securities of the series shall be issuable, if other than \$2,000 or any integral multiple of \$1,000 in excess thereof;

(18) Whether and under what circumstances the Company shall pay Additional Amounts, as contemplated by Section 1008 of this Indenture, on the Securities of the series to any Holder who is not a United States person (including any modification of the definition of such term as contained in this Indenture) in respect of any tax, assessment or governmental charge and, if so, whether the Company shall have the option to redeem the Securities of the series rather than pay such Additional Amounts (and the terms of any such option);

(19) Whether the Securities of the series will be convertible into or exchangeable for other Securities, common shares or other securities of any kind of the Company or another obligor, and, if so, the terms and conditions upon which such Securities will be so convertible or exchangeable, including the initial conversion or exchange price or rate or the method of calculation, how and when the conversion price or exchange ratio may be adjusted, whether conversion or exchange is mandatory, at the option of the holder or at the Company's option, the conversion or exchange period, and any other provision related to such securities and

(20) Any other terms, conditions, rights and preferences (or limitations on such rights and preferences) of the Securities of the series which may not be consistent with the other provisions of this Indenture.

All Securities of any one series shall be substantially identical except as may otherwise be provided in or pursuant to such Board Resolution (subject to Section 303) and set forth in such Officers' Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions, the Securities of such series, other than Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by any one of the following: its Chairman, its Chief Executive Officer, its President or one of its Vice Presidents, and attested by one of its Vice Presidents, its Corporate Secretary or one of its Assistant Corporate Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series, executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, which order shall set forth the number of separate Securities, the principal amount of the Securities to be authenticated, the date on which the Securities are to be authenticated, the registered holders of the Securities and delivery instructions, and the Trustee in accordance with such Company Order shall authenticate and make available for delivery such Securities. If not all the Securities of any series are to be issued at one time and if the Board Resolution, Officers' Certificate or supplemental indenture establishing such series shall so permit, such Company Order may set forth procedures acceptable to the Trustee for the issuance of such Securities and determining terms of particular Securities of such series such as interest rate, stated maturity, date of issuance and date from which interest shall accrue.

In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to TIA Sections 315(a) through 315(d)) shall be fully protected in relying upon, an Opinion of Counsel stating:

- (1) that the form or forms of such Securities have been established in conformity with the provisions of this Indenture;
- (2) that the terms of such Securities have been established in conformity with the provisions of this Indenture; and
- (3) that such Securities, when completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, authenticated and made available for delivery by the Trustee in

accordance with this Indenture and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights, to general equitable principles and to other customary qualifications.

Notwithstanding the provisions of Section 301 and of the preceding two paragraphs, if not all the Securities of any series are to be issued at one time, so long as the terms and provisions of such Securities are substantially identical to the other Securities of such series, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to the preceding two paragraphs prior to or at the time of issuance of each Security, but such documents shall be delivered prior to or at the time of issuance of the first Security of such series.

The Trustee shall not be required to authenticate and make available for delivery any such Securities if the issuance of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties, immunities, protections, privileges, indemnities and benefits under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee and the Trustee shall not be liable to the Company for any failure to authenticate any such Securities in such circumstances.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 311 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

SECTION 304. Book-Entry Securities.

(a) The Securities of a series may be issuable in whole or in part in the form of one or more Global Securities ("Book-Entry Securities") deposited with, or on behalf of, a Depository (the "Depository"). In the case of Book-Entry Securities, one or more Global Securities will be issued in a denomination or aggregate denomination equal to the portion of the aggregate principal amount of Outstanding Securities of the series to be represented by such

Global Security or Global Securities. The additional provisions set forth in this Section 304 shall apply to Book-Entry Securities.

(b) Book-Entry Securities will be deposited with, or on behalf of, the Depository, and registered in the name of the Depository's nominee, for credit to the respective accounts of institutions that have accounts with the Depository or its nominee ("Participants"); provided that Book-Entry Securities purchased by Persons outside the United States may be credited to or through accounts maintained at the Depository by or on behalf of Euroclear or Clearstream International. The accounts to be credited will be designated by the underwriters or agents of such Securities or, if such Securities are offered and sold directly by the Company, by the Company. Ownership of beneficial interests in Book-Entry Securities will be limited to Persons that may hold interests through Participants.

Participants shall have no rights under this Indenture or any indenture supplemental hereto with respect to any Book-Entry Security held on their behalf by the Depository, or the Trustee as its custodian, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Book-Entry Security for all purposes whatsoever. Notwithstanding the foregoing, nothing in this Indenture or any such supplemental indenture shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between a Depository and its Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(c) Transfers of Book-Entry Securities shall be limited to transfers in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in Book-Entry Securities may be transferred or exchanged for Securities in fully registered, certificated form ("Definitive Securities") only if (i) the Depository notifies the Trustee in writing that the Depository is no longer willing or able to continue as Depository and a qualified successor Depository is not appointed by the Company within 60 days following such notice, (ii) the Company, at any time and in its sole discretion, determines not to have any Securities of one or more series represented by Global Securities or (iii) after the occurrence of an Event of Default with respect to such Securities, a holder of Securities notifies the Trustee in writing that it wishes to receive a Definitive Security and provides to the Trustee evidence reasonably satisfactory to the Trustee of its ownership interest in such Securities. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery of Definitive Securities equal in principal amount to such beneficial interest and registered in its name.

(d) In connection with any transfer or exchange of a portion of the beneficial interest in any Book-Entry Security to beneficial owners pursuant to paragraph (c) above, the Security Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Book-Entry Security in an amount equal to the principal amount of the beneficial interest in the Book-Entry Security to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities of like tenor and principal amount of authorized denominations.

(e) In connection with the transfer of Book-Entry Securities as an entirety to beneficial owners pursuant to paragraph (c) above, the Book-Entry Securities shall be deemed to be surrendered to the Trustee for cancellation and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in the Book-Entry Securities, an equal aggregate principal amount of Definitive Securities of like tenor of authorized denominations.

(f) The Holder of any Book-Entry Security may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Securities.

SECTION 305. Temporary Securities.

Pending the preparation of Definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are typewritten, printed, lithographed, engraved or otherwise produced by any combination of these methods, in any authorized denomination, substantially of the tenor of the Definitive Securities in lieu of which they are issued, in registered form and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities. Such temporary Securities may be in global form.

If temporary Securities of any series are issued, the Company will cause Definitive Securities of that series to be prepared without unreasonable delay. After the preparation of Definitive Securities of such series, the temporary Securities of such series shall be exchangeable for Definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Securities of the same series of authorized denominations. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of such series.

Until exchanged in full as hereinabove provided, the temporary Securities of any series, including temporary Global Securities (whether or not issued as Book-Entry Securities as provided in Section 304), shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of the same series and of like tenor authenticated and delivered hereunder.

SECTION 306. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register for each series of Securities (the registers maintained in such office of the Trustee and in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may

prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby initially appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Except as otherwise described in this Article Three, upon surrender for registration of transfer of any Security of any series at the office or agency of the Security Registrar in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, in each case, of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp, similar issue or transfer taxes or other governmental charges that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 305, 906, 1107 or 1305 not involving any transfer.

Neither the Company nor the Security Registrar shall be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the selection for redemption of Securities of that series under Section 1103 or 1203 and ending at the close of business on the day of the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to issue, register the transfer of or exchange any Security which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Security not to be so repaid.

SECTION 307. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee together with, in proper cases, such security or indemnity as may be required by the Company or the Trustee to save each of them and any agent of either of them harmless from any loss or liability which any of them may suffer if a Security is replaced and subsequently presented or claimed for payment, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding, or, in case any such mutilated Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

If there shall be delivered to the Company and to the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or an Authorized Officer of the Trustee that such Security has been acquired by a "protected purchaser" (as defined in Article 8 of the Uniform Commercial Code), the Company shall execute and upon Company Order the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the provisions of the previous two paragraphs, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series, if any, issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section 307 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 308. Payment of Interest; Interest Rights Preserved; Optional Interest Reset.

(a) Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest, if any, on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name such Security (or one or more Predecessor Securities) is registered at the close of business on the

Regular Record Date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 1002; provided, however, that each installment of interest, if any, on any Security may at the Company's option be paid by (i) mailing a check for such interest, payable to or upon the written order of the Person entitled thereto pursuant to Section 310, to the address of such Person as it appears on the Security Register or (ii) with the consent of the Trustee (if the Trustee is then serving as Paying Agent) wire transfer to an account located in the United States maintained by the payee.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such defaulted interest and, if applicable, interest on such defaulted interest (to the extent lawful) at the rate specified in the Securities of such series (such defaulted interest and, if applicable, interest thereon herein collectively called "Defaulted Interest") may be paid by the Company, at its election in each case, as provided in Subsection (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money (except as otherwise specified pursuant to Section 301 for the Securities of such series) equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given in the manner provided in Section 106, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose name the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Subsection (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

(b) The provisions of this Section 308(b) may be made applicable to any series of Securities pursuant to Section 301 (with such modifications, additions or substitutions as may be specified pursuant to such Section 301). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an "Optional Reset Date"). The Company may exercise such option with respect to such Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security, which notice shall contain such information as may be required by the Trustee to transmit the Reset Notice (as hereinafter defined). Not later than 40 days prior to each Optional Reset Date, the Trustee shall transmit, in the manner provided for in Section 106, to the Holder of any such Security a notice (the "Reset Notice") indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity of such Security (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or a spread or spread multiplier used to calculate such interest rate, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustee to transmit, in the manner provided for in Section 106, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security; and such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the tenth day (or if such day is not a Business Day, on the immediately succeeding Business Day) before such Optional Reset Date.

Subject to the foregoing provisions of this Section and Section 306, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any

other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 309. Optional Extension of Stated Maturity.

The provisions of this Section 309 may be made applicable to any series of Securities pursuant to Section 301 (with such modifications, additions or substitutions as may be specified pursuant to such Section 301). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the "Original Stated Maturity"). If the Company exercises such option, the Trustee shall transmit, in the manner provided for in Section 106, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the "Extension Notice") indicating (i) the election of the Company to extend the Stated Maturity, (ii) the new Stated Maturity, (iii) the interest rate, if any, applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to transmit, in the manner provided for in Section 106, notice of such higher interest rate to the Holder of such Security; and such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity of such Security, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders, except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustee revoke such tender for repayment until the close of business on the tenth day (or if such day is not a Business Day, on the immediately succeeding Business Day) before the Original Stated Maturity.

SECTION 310. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of

principal of (and premium, if any) and (subject to Sections 306 and 308) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of (i) the records relating to or payments made on account of any Participants or any beneficial ownership interests of a Security in global form, (ii) maintaining, supervising or reviewing any records maintained by any Depository or Participant or any other Person relating to such beneficial ownership interests, (iii) the delivery or timeliness of delivery of any notice to any beneficial owner of Securities which is required or permitted under the terms of this Indenture or such Securities, (iv) the selection of the beneficial owners to receive payments in the event of a partial redemption or repayment, or (v) any consent given or other action taken by the Depository or other Holder of a Security, as the registered holder thereof.

Notwithstanding the foregoing, with respect to any Global Security, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any Depository, as a Holder, with respect to such Global Security or impair, as between such Depository and owners of beneficial interests in such Global Security, the operation of customary practices governing the exercise of the rights of such Depository (or its nominee) as Holder of such Global Security.

SECTION 311. Cancellation.

All Securities surrendered for payment, redemption, repayment at the option of the Holder, registration of transfer or exchange or for credit against any current or future sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. All Securities so delivered to the Trustee shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. If the Company shall so acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedures, unless by Company Order the Company shall direct that cancelled Securities be returned to it.

SECTION 312. Computation of Interest.

Interest, if any, on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 313. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use) in addition to serial numbers, and, if so, the Trustee shall use such "CUSIP" numbers in addition to serial numbers in notices of repurchase as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a repurchase and that reliance may be placed only on the serial or other identification numbers printed on the Securities, and any such repurchase shall not be affected by any defect in or omission of such "CUSIP" numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture.

This Indenture shall, upon Company Request, cease to be of further effect with respect to any series of Securities specified in such Company Request (except as to any surviving rights of registration of transfer or exchange of Securities of such series expressly provided for herein or pursuant hereto) and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series when

(1) either

(A) all Securities of such series theretofore authenticated and delivered have been delivered to the Trustee for cancellation; or

(B) all Securities of such series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company;

(2) the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose (A) an amount of cash in U.S. dollars or (B) Government Obligations applicable to such series of Securities which through the scheduled payment of principal and interest

in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of and premium, if any, and interest, if any, on such Securities, money in an amount, or (C) a combination of (A) and (B) in such amounts in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest, if any, to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(3) the Company has delivered irrevocable instructions to the Trustee to apply the deposited cash and Government Obligations towards the payment of the Securities of such series at the Stated Maturity or Redemption Date;

(4) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(5) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture as to such series, the obligations of the Company to the Trustee under Section 606, the obligations of the Trustee to any Authenticating Agent under Section 612 and, if money and/or Government Obligations shall have been deposited with the Trustee pursuant to subclause (B) of Subsection (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

SECTION 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest, if any, for whose payment such money has been deposited with the Trustee.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events:

- (1) default in the payment of any installment of interest upon any Security of such series when it becomes due and payable, continued for 30 days; or
- (2) default in the payment of the principal of (or premium, if any, on) any Security of such series at its Maturity; or
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of the Securities of such series and Article Twelve; or
- (4) failure on the part of the Company to observe or perform any other covenant or agreement contained in this Indenture (other than a covenant or agreement included in this Indenture not for the benefit of such series) for 60 days after written notice stating the Company is in breach has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of outstanding Securities of such series; or
- (5) default under any indenture or instrument under which the Company or any Restricted Subsidiary has at the time outstanding indebtedness for borrowed money or guarantees thereof in any individual instance in excess of \$25,000,000 and, if not already matured in accordance with its terms, such indebtedness has been accelerated and such acceleration is not cured within 30 days after notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of Outstanding Securities of such series; provided that, if, prior to the entry of judgment in favor of the Trustee for payment of the Securities of such series, the default under such indenture or instrument has been remedied by the Company or such Restricted Subsidiary, or waived by the holders of such indebtedness, then the Event of Default under this Indenture will be deemed likewise to have been remedied or waived; or
- (6) the entry of a decree or order by court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Bankruptcy Law or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or
- (7) the institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by the Company to the institution of bankruptcy or insolvency proceedings against it, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Law or any other applicable federal or state law, or the consent by the Company to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of the property of the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due; or

(8) any other Event of Default provided for the benefit of Securities of such series.

SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If any Event of Default described in Section 501 with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of at least 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities of that series and all accrued interest thereon to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company, and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(1) all overdue interest, if any, on all Outstanding Securities of that series,

(2) all unpaid principal of (and premium, if any, on) any Outstanding Securities of that series which has become due otherwise than by such declaration of acceleration, and interest on such unpaid principal (and premium, if any) at the rate or rates prescribed therefor in such Securities,

(3) interest upon such overdue interest at the rate or rates prescribed therefor in such Securities, and

(4) all sums paid or advanced by the Trustee for such series hereunder and reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel;

(b) all Events of Default with respect to Securities of that series, other than the non-payment of principal of (or premium, if any, on) or interest, if any, on Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

then the Company will, upon demand of the Trustee, pay to it for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal (and premium, if any) and interest, if any, and interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series under this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any), or such portion of the principal amount of any series of Original Issue Discount Securities or Indexed Securities as may be specified in the terms of such series, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and



advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 606.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any proposal, plan of reorganization, arrangement, adjustment or composition or other similar arrangement affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, if any, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 606;

Second: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest, if any, on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, if any, respectively; and

Third: The balance, if any, to the Company.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of at least 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of an Event of Default described in Section 501 in its own name as Trustee hereunder and such Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (3) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (4) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority or more in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of the same series, in respect of any Event of Default described in Section 501, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the same series, in respect of such Event of Default.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 308) interest, if any, on, such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder and

thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided in Section 307, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

With respect to the Securities of any series, the Holders of not less than a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, related to or arising under Section 501, provided that in each case

- (1) such direction shall not be in conflict with any rule of law or with this Indenture or expose the Trustee to personal liability, and
- (2) subject to the provisions of the TIA Section 315, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

Subject to Section 502, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past Default or Event of Default in Section 501 in respect of such series and its consequences, except a Default or Event of Default,

- (1) in respect of the payment of the principal of (or premium, if any) or interest, if any, on any Security of such series, or

(2) in respect of a covenant or provision of such series which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of Securities of any series by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on Securities of any series on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date); provided that neither this Section 514 nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

**ARTICLE SIX
THE TRUSTEE**

SECTION 601. Notice of Defaults.

Within 90 days after the occurrence of any Default hereunder with respect to the Securities of any series of which the Trustee is deemed to have knowledge pursuant to Section

602, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, notice of such Default hereunder, unless such Default shall have been cured or waived; provided, however, that, except in the case of a Default in the payment of the principal of (or premium, if any) or interest, if any, on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors and/or Authorized Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided further that in the case of any Default or breach of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof.

SECTION 602. Certain Rights of Trustee.

The duties and rights of the Trustee hereunder shall be provided in TIA Sections 315(a) through 315(d) and, subject thereto,

- (1) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (2) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;
- (3) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;
- (4) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;
- (5) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;
- (6) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee

shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(7) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(8) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(9) The Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(10) The Trustee is not required to take notice or deemed to have notice of any Default or Event of Default hereunder, unless an Authorized Officer of the Trustee has received notice in writing of such Default or Event of Default from the Company or from the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of the series so affected, and in absence of any such notice, the Trustee may conclusively assume that no Default or Event of Default exists;

(11) The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(12) The Trustee's immunities and protections from liability and its rights to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and final payment of the Securities;

(13) The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to any series of Securities, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Securities, other than the filing of any documents required to be filed by an indenture trustee pursuant to the Trust Indenture Act;

(14) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(15) The Trustee may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded;

(16) The Trustee shall not be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss or profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(17) The Trustee shall not be required to give any note, bond or surety in respect of the execution of the trusts and powers under this Indenture.

SECTION 603. Trustee Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except for the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements to be made by it in a Statement of Eligibility on Form T-1 supplied to the Company are true and accurate, subject to the qualifications set forth therein. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 604. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to TIA Sections 310(b) and 311, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 605. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 606. Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Company and the Trustee for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and

(3) to indemnify each of Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability or expense including taxes (other than taxes based on the income of the Trustee) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with any action taken, suffered or omitted by the Trustee hereunder.

As security for the performance of the obligations of the Company under this Section 606, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (or premium, if any) or interest, if any, on particular Securities.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 607. Conflicting Interests.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 608. Corporate Trustee Required; Eligibility; Conflicting Interests.

There shall at all times be a Trustee hereunder qualified or to be qualified under TIA Section 310(a)(1) and which, to the extent there is such an institution eligible and willing to serve, shall have a combined capital and surplus of at least \$50,000,000. If such Trustee publishes or files reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 608, the combined capital and surplus of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published or filed. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 608, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 610 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of not less than a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the removed Trustee may, at the expense of the Company, petition a court of competent jurisdiction for the appointment of a successor Trustee.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of TIA Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company, by a Board Resolution, may remove the Trustee with respect to all Securities, or (ii) subject to TIA Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any

particular series). If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with Section 610, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to the Holders of Securities of such series in the manner provided for in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 610. Acceptance of Appointment by Successor.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; provided, however, that the retiring Trustee shall continue to be entitled to the benefit of Section 606; but, on the request of the Company or the successor Trustee and after payment of all amounts due and payable to such retiring Trustee pursuant to Section 606 (collectively, the "Trustee Payments"), such retiring Trustee shall, upon payment of any additional charges therefor, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series and after receipt by the retiring Trustee of the Trustee Payments, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or

facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee and after receipt by the retiring Trustee of all Trustee Payments, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities. In case any of the Securities shall not have been authenticated by such predecessor Trustee, any successor Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee. In all such cases such certificates shall have the full force and effect which this Indenture provides for the certificate of authentication of the Trustee; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 612. Appointment of Authenticating Agent.

At any time when any of the Securities remain Outstanding, the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series and the

Trustee shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 106. Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by an Authorized Officer of the Trustee, and a copy of such instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be reasonably acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes or files reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published or filed. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 106. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

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If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

Dated: _____

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
as Authenticating Agent

By _____
Authorized Officer

SECTION 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Disclosure of Names and Addresses of Holders.

Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that none of the Company or the Trustee or any agent of either of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with TIA Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under TIA Section 312.

SECTION 702. Reports by Trustee.

Within 60 days after May 15 of each year commencing with the first May 15 after the first issuance of Securities pursuant to this Indenture, the Trustee shall transmit to the Holders of Securities, in the manner and to the extent provided in TIA Section 313(c), a brief report dated as of such May 15 if required by TIA Section 313(a).

SECTION 703. Reports by Company.

The Company shall:

(1) file with the Trustee, within 30 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of such Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit to all Holders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in TIA Section 313(c), such summaries of any information, documents and reports required to be filed by the Company pursuant to Subsections (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, any Person, unless:

(1) Immediately after giving effect to such transaction, no Event of Default (or event that with notice or lapse of time, or both, would become an Event of Default) shall have happened and be continuing;

(2) The corporation or other entity formed by such consolidation or into which the Company is merged, or the Person to which such properties and assets will have been conveyed, transferred or leased, assumes the Company's obligation as to the due and punctual payment of the principal of (and premium, if any, on) and interest, if any, on all the Securities and the performance and observance of every covenant to be performed by the Company under this Indenture, and will be organized under the laws of the United States, one of the states thereof or the District of Columbia; and

(3) The Company has delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

This Section shall only apply to a merger or consolidation in which the Company is not the surviving entity and to conveyances, leases and transfers by the Company as transferor or lessor.

SECTION 802. Rights and Duties of Successor Corporation.

In case of any such consolidation, merger, conveyance or transfer to which Section 801 applies and upon any such assumption by the successor corporation or Person, such successor corporation or Person shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company and the predecessor corporation shall be relieved of any further obligation under this Indenture. Such successor corporation or Person thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation or Person, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Securities which such successor corporation or Person thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof. As used in this Section, "successor corporation or Person" means the entity formed by such consolidation or into which the Company is merged, or the Person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety, as the case may be, in each case as provided in Section 801.

SECTION 803. Securities to be Secured in Certain Events.

If, upon any such consolidation of the Company with, or merger of the Company into, any other entity, or upon any conveyance, transfer or lease of the property of the Company substantially as the entirety to any other Person, any Principal Property of the Company or any Restricted Securities owned immediately prior thereto, would become or be subject to any Lien securing Indebtedness, then unless such Lien could be created pursuant to Section 1006 without equally and ratably securing the Securities (or, in the case of Securities of any series that are subordinated in right of payment to the Indebtedness secured by such Lien, on a subordinated basis to such Lien), the Company prior to or simultaneously with such transaction will, as to such Principal Property or Restricted Securities, secure the Securities Outstanding hereunder that have the benefit of Section 1006 (together with, if the Company shall so determine, any other Indebtedness of the Company now existing or hereafter created) equally and ratably with (or prior to or, in the case of Securities of any series that are subordinated in right of payment to the Indebtedness secured by such Lien or in the case of other Indebtedness of the Company that is subordinated to the Securities, on a subordinated basis to such Lien securing) the Indebtedness which upon such event is to become secured as to such Principal Property or Restricted Securities by such Lien, or will cause such Securities to be so secured.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or
- (2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are being included solely for the benefit of such series) or to surrender any right or power herein or in the Securities of any series conferred upon the Company; or
- (3) to add any additional Events of Default (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series); or
- (4) to change or eliminate any of the provisions of this Indenture; provided that any such change or elimination shall become effective with respect to any series only

if there is no Security Outstanding of such series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(5) to secure the Securities of any series pursuant to the requirements of Section 803 or 1006 or otherwise; or

(6) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(7) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 610(b); or

(8) to close this Indenture with respect to the authentication and delivery of additional series of Securities; or

(9) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; provided that such action shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or

(10) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 401, 1402 and 1403; provided that any such action shall not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect; or

(11) to make any other change that does not adversely affect the rights of any Holder.

SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities of the series affected by such supplemental indenture (including any consents obtained in connection with a tender or exchange offer for Outstanding Securities), by Act of such Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture applicable to such series or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture amendment or waiver shall, without the consent of the Holder of each Outstanding Security of such series affected thereby:

(1) change the Stated Maturity of the principal of (or premium, if any) or any installment of interest on any Security, or reduce the principal amount thereof (or

premium, if any) or the rate of interest, if any, thereon, or change any obligation of the Company to pay Additional Amounts as contemplated by Section 1008 (except as contemplated by Section 801(2) and permitted by Section 901(1)), or reduce the amount of the principal of an Indexed Security or an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 or the amount thereof provable in bankruptcy pursuant to Section 504, or adversely affect any right of repayment at the option of any Holder of any Security, or change any Place of Payment where, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be), or adversely affect any right to convert or exchange any Security as may be provided pursuant to Section 301 herein, or

(2) reduce the percentage in principal amount of the Outstanding Securities of such series, the consent of whose Holders is required for any such supplemental indenture, or

(3) modify any of the provisions of this Section 902, Section 503 (second paragraph only), Section 513 or Section 1009, except to increase any percentage provided therein, or modify Section 508.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture as applicable to a particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 602 hereof) shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, protections, privileges, indemnities, benefits or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures.

Any Holder which has consented to an amendment or waiver pursuant to Section 902 or any subsequent Holder of a Security evidencing the same debt may revoke the consent as to its Security or portion of a Security; provided that any revocation of a consent by the Holder of a

Security or any such subsequent Holder shall be effective only if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate from the Company certifying that the requisite number of consents have been received. If a record date is fixed in connection with any such consent pursuant to Section 105 hereof, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date.

Any amendment or waiver becomes effective upon the (i) receipt by the Company or the Trustee of the requisite number of consents, (ii) satisfaction of any conditions to effectiveness as set forth in this Indenture or any indenture supplemental hereto containing such amendment, supplement or waiver and (iii) execution of such amendment or waiver (or the related supplemental indenture) by the Company and the Trustee.

After an amendment or waiver becomes effective in the manner described in the immediately preceding paragraph, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (3) of Section 902, in which case, the amendment or waiver shall bind a Holder of a Security who is affected thereby, and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, only if such Holder or any such subsequent Holder has consented to such amendment or waiver; *provided* that any such waiver shall not impair or affect the right of any Holder to receive payment of principal of and interest on a Security, on or after the respective due dates expressed in such Security, or to bring suit for the enforcement of any such payment on or after such respective dates without the consent of such Holder.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

SECTION 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture.

ARTICLE TEN COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company covenants and agrees, as to each series of Securities, that it will duly and punctually pay the principal of (and premium, if any, on) and interest, if any, on the Securities of such series in accordance with the terms of such Securities and this Indenture.

SECTION 1002. Maintenance of Office or Agency.

The Company will maintain, as to each series of Securities, in each Place of Payment for each series of Securities an office or agency where Securities of such series may be presented or surrendered for payment, where Securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of such series and this Indenture may be served.

The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. Unless otherwise specified with respect to any Securities pursuant to Section 301 with respect to a series of Securities, the Company hereby designates as Places of Payment for each series of Securities the office or agency of the Trustee in the Borough of Manhattan, the City of New York, and initially appoints the Trustee at its Corporate Trust Office in Atlanta, Georgia and at the office of its agent in the Borough of Manhattan, the City of New York as Paying Agent in each such city as its agent to receive all such presentations, surrenders, notices and demands.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, before each due date of the principal of (and premium, if any, on) and interest, if any, on any of the Securities of such series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum (except as otherwise specified pursuant to Section 301 for the Securities of such series) sufficient to pay the principal of (and premium, if any, on) and interest, if any, on Securities of such Series so becoming due until such sums shall be paid to

such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to or on each due date of the principal of (and premium, if any, on) and interest, if any, on any Securities of such series, deposit with the Paying Agent, a sum sufficient to pay the principal (and premium, if any, on) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) will promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent (other than the Trustee) for any series of Securities to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of the principal of (and premium, if any, on) and interest, if any, on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any payment of principal (and premium, if any, on) and interest, if any, on the Securities of such series; and
- (3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any, on) and interest, if any, on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any, on) or interest has become due and payable, shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date

specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 1004. Statement as to Compliance.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, commencing with its fiscal year ending after the date hereof, a brief certificate from any two of its principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the compliance by the Company with all conditions and covenants under this Indenture. For purposes of this Section 1004, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 1005. Corporate Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises and the respective corporate existence, rights (charter and statutory) and franchises of its Restricted Subsidiaries; provided, however, that the Company shall not be required to preserve any such existence of any Restricted Subsidiary or any right or franchise of the Company or any Restricted Subsidiary, if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries as a whole and not disadvantageous in any material respect to the Holders.

SECTION 1006. Limitations on Liens.

The Company covenants and agrees that it will not, and will not permit any Restricted Subsidiary to, create, incur, issue or assume any Indebtedness secured by any Lien on any Principal Property, or on shares of stock or Indebtedness of any Restricted Subsidiary ("Restricted Securities"), without making effective provision for the Outstanding Securities (other than Securities of any series not entitled to the benefit of this Section) to be secured by a Lien equally and ratably with, or prior to (or in the case of Securities of any series that are subordinated in right of payment to the Indebtedness secured by such Lien, by a Lien subordinated to), the Lien securing such Indebtedness for so long as such Indebtedness is so secured, except that the foregoing restriction shall not apply to:

- (1) Any Lien existing on the date of the first issuance of Securities of the relevant series under this Indenture, or existing on such other date as may be specified in any supplemental indenture, Board Resolution or Officers' Certificate with respect to such series;
- (2) Any Lien on any Principal Property or Restricted Securities of any Person existing at the time such Person is merged or consolidated with or into the Company or a Restricted Subsidiary, or becomes a Restricted Subsidiary, or arising thereafter otherwise than in connection with the borrowing of money arranged thereafter and pursuant to contractual commitments entered into prior to and not in contemplation of such Person's becoming a Restricted Subsidiary;

(3) Any Lien on any Principal Property or Restricted Securities existing at the time of acquisition of such Principal Property or Restricted Securities by the Company or a Restricted Subsidiary, whether or not assumed by the Company or such Restricted Subsidiary, provided that no such Lien may extend to any other Principal Property or Restricted Securities of the Company or any Restricted Subsidiary;

(4) Any Lien on any Principal Property (including any improvements on an existing Principal Property) of the Company or any Restricted Subsidiary, and any Lien on Restricted Securities of a Restricted Subsidiary that was formed or is held for the purpose of acquiring and holding such Principal Property, in each case to secure all or any part of the cost of acquisition, development, operation, construction, alteration, repair or improvement of all or any part of such Principal Property (or to secure Indebtedness incurred by the Company or a Restricted Subsidiary for the purpose of financing all or any part of such cost); provided that such Lien is created prior to, at the time of, or within 12 months after the latest of, the acquisition, completion of construction or improvement or commencement of commercial operation of such Principal Property and provided, further, that no such Lien may extend to any other Principal Property of the Company or any Restricted Subsidiary, other than any currently unimproved real property on which the Principal Property has been constructed or developed or the improvement is located;

(5) Any Lien on any Principal Property or Restricted Securities to secure Indebtedness owing to the Company or to a Restricted Subsidiary;

(6) Any Lien in favor of a governmental body to secure advances or other payments under any contract or statute or to secure Indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to such Lien;

(7) Any Lien created in connection with a project financed with, and created to secure, Non-Recourse Indebtedness;

(8) Any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (8), provided that the Indebtedness secured thereby may not exceed the principal amount of Indebtedness so secured at the time of such renewal or refunding, plus any premium, cost or expense in connection with such extensions, renewals, substitutions or replacements and that such renewal or refunding Lien must be limited to all or any part of the same property and improvements, shares of stock or Indebtedness that secured the Lien renewed or refunded; and

(9) Any Lien not permitted above securing Indebtedness that, together with the aggregate outstanding principal amount of other secured Indebtedness that would otherwise be subject to the foregoing restrictions (excluding Indebtedness secured by Liens permitted under the foregoing exceptions) and the Attributable Debt in respect of all Sale and Leaseback Transactions (not including Attributable Debt in respect of any such Sale and Leaseback Transactions described in clause (iii) and (iv) of Section 1007) would not then exceed 15% of Consolidated Net Tangible Assets.

This Section 1006 shall not apply to any series of Securities that, pursuant to the applicable supplemental indenture, Board Resolution or Officers' Certificate, does not have the benefit of this Section.

SECTION 1007. Limitation on Sale and Leaseback Transactions.

The Company covenants and agrees that it will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless (i) the Company or a Restricted Subsidiary would be entitled, without securing the Outstanding Securities of any series, to incur Indebtedness secured by a Lien on the Principal Property that is the subject of such Sale and Leaseback Transaction pursuant to the provisions of Section 1006; (ii) the Attributable Debt associated with the Sale and Leaseback Transaction would be in an amount permitted under Section 1006(9); (iii) the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction are used for the business and operations of the Company or any Subsidiary; or (iv) within 12 months after the sale or transfer, an amount equal to the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction is applied to the prepayment (other than mandatory prepayment pursuant to Section 1201) of any Outstanding Securities or Funded Indebtedness that is owed by the Company or a Restricted Subsidiary (other than Funded Indebtedness that is held by the Company or any Restricted Subsidiary or Funded Indebtedness of the Company that is subordinate in right of payment to any Outstanding Securities that are entitled to the benefits of this Section 1007).

This Section 1007 shall not apply to any series of Securities that, pursuant to the applicable supplemental indenture, Board Resolution or Officers' Certificate, does not have the benefit of this Section.

SECTION 1008. Additional Amounts.

If any Securities of a series provide for the payment of additional amounts to any Holder who is not a United States person in respect of any tax, assessment or governmental charge ("Additional Amounts"), the Company shall pay to the Holder of any Security of such series such Additional Amounts as may be specified pursuant to Section 301. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of (and premium, if any, on) or interest, if any, on, or in respect of, any Security of a series or the net proceeds received on the sale or exchange of any Security of a series, such mention shall be deemed to include mention of the payment of Additional Amounts provided for by the terms of such series established pursuant to Section 301 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to such terms, and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made. Except as otherwise specified pursuant to Section 301, if the Securities of a series provide for the payment of Additional Amounts, at least 10 days prior to the first Interest Payment Date, if any, with respect to Securities of such series (or if the Securities of such series do not bear interest or will not bear interest prior to Maturity, the first day on which a payment of principal and any premium is made), and at least 10 days prior to each date of payment of interest or principal and any premium if there has been any change with respect to the matters set forth in

the below-mentioned Officers' Certificate, the Company shall furnish the Trustee and the Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and the Paying Agent or Paying Agents whether such payment of principal of (and premium, if any, on) or interest, if any, on the Securities of such series shall be made to Holders of Securities of such series who are not United States persons without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of the series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities of such series and the Company shall pay to the Trustee or the Paying Agent or Paying Agents the Additional Amounts required by the terms of such Securities. In the event that the Trustee or any Paying Agent, as the case may be, shall not so receive the above-mentioned certificate, then the Trustee or such Paying Agent shall be entitled (i) to assume that no such withholding or deduction is required with respect to any payment of principal, premium or interest with respect to any Securities of a series until it shall have received a certificate advising otherwise and (ii) to make all payments of principal, premium and interest with respect to the Securities of a series without withholding or deductions until otherwise advised. The Company hereby covenants and agrees to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability, cost or expense reasonably incurred without negligence or willful misconduct on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

SECTION 1009. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Section 803 or Sections 1005 to 1007, inclusive, if before or after the time for such compliance the Holders of at least a majority in principal amount of all Outstanding Securities of the series affected, by Act of such Holders, waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1102. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company, the

Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed and shall deliver to the Trustee such documentation and records as shall enable the Trustee to select the Securities to be redeemed pursuant to Section 1103. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate and Opinion of Counsel evidencing compliance with such restriction.

SECTION 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Securities of such series; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than the minimum authorized denomination for Securities of such series established pursuant to Section 301.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 1104. Notice of Redemption.

Notice of redemption shall be given in the manner provided for in Section 106 not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed.

All notices of redemption shall identify the Securities (including CUSIP number, if any) to be redeemed and shall state:

- (1) the Redemption Date,
- (2) the Redemption Price and the amount of accrued interest to the Redemption Date payable as provided in Section 1106, if any,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,

(4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,

(5) that on the Redemption Date, the Redemption Price and accrued interest, if any, to the Redemption Date payable as provided in Section 1106 will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(6) the Place or Places of Payment where such Securities maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price and accrued interest, if any, and

(7) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee, in the name and at the expense of the Company, upon delivery to the Trustee at least 40 days prior to the Redemption Date, or such shorter period as may be satisfactory to the Trustee, of written direction to give, and a complete copy of, such notice.

SECTION 1105. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and accrued interest, if any, on, all the Securities which are to be redeemed on that date.

SECTION 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein (together with accrued interest, if any, to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities shall, if the same were interest-bearing, cease to bear interest, and except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that installments of interest on Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 308.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part (pursuant to the provisions of this Article or of Article Twelve) shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

**ARTICLE TWELVE
SINKING FUNDS**

SECTION 1201. Applicability of Article.

Retirements of Securities of any series pursuant to any sinking fund shall be made in accordance with the terms of such Securities and in accordance with this Article.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

Subject to Section 1203, in lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (1) deliver to the Trustee Outstanding Securities of a series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company and/or (2) receive credit for the principal amount of Securities of such series which have been previously delivered to the Trustee by the Company or for Securities of such series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of the same series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided, however, that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering or crediting Securities of that series pursuant to Section 1202 (which Securities will, if not previously delivered, accompany such certificate) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series. Such certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. In the case of the failure of the Company to deliver such certificate, the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Securities subject to a mandatory sinking fund payment without the option to deliver or credit Securities as provided in Section 1202 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Not more than 60 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

Prior to any sinking fund payment date, the Company shall pay to the Trustee or a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) in cash a sum equal to any interest that will accrue to the date fixed

for redemption of Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 1203.

Notwithstanding the foregoing, with respect to a sinking fund for any series of Securities, if at any time the amount of cash to be paid into such sinking fund on the next succeeding sinking fund payment date, together with any unused balance of any preceding sinking fund payment or payments for such series, does not exceed in the aggregate \$100,000, the Trustee, unless requested by the Company, shall not give the next succeeding notice of the redemption of Securities of such series through the operation of the sinking fund. Any such unused balance of moneys deposited in such sinking fund shall be added to the sinking fund payment for such series to be made in cash on the next succeeding sinking fund payment date or, at the written request of the Company, shall be applied at any time or from time to time to the purchase of Securities of such series, by public or private purchase, in the open market or otherwise, at a purchase price for such Securities (excluding accrued interest and brokerage commissions, for which the Trustee or any Paying Agent will be promptly reimbursed by the Company) not in excess of the principal amount thereof.

ARTICLE THIRTEEN REPAYMENT AT OPTION OF HOLDERS

SECTION 1301. Applicability of Article.

Repayment of Securities of any series before their Stated Maturity at the option of Holders thereof shall be made in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1302. Repayment of Securities.

Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest, if any, thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that on or before the Repayment Date it will deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the principal (or, if so provided by the terms of the Securities of any series, a percentage of the principal) of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest, if any, on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

SECTION 1303. Exercise of Option.

Securities of any series subject to repayment at the option of the Holders thereof will contain an "Option to Elect Repayment" form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the "Option to Elect Repayment" form on the reverse of such Security duly completed by the Holder (or by the Holder's attorney duly authorized in writing), must be received by the Company at the

Place of Payment therefor specified in the terms of such Security (or at such other place or places of which the Company shall from time to time notify the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

SECTION 1304. When Securities Presented for Repayment Become Due and Payable.

If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the payment of such Securities on such Repayment Date) such Securities shall, if the same were interest-bearing, cease to bear interest and except to the extent provided below, shall be void. Upon surrender of any such Security for repayment in accordance with such provisions, together with all coupons, if any, appertaining thereto maturing after the Repayment Date, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest, if any, to the Repayment Date; provided, however, that, in the case of Securities, installments of interest, if any, whose Stated Maturity is on or prior to the Repayment Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 308.

If the principal amount of any Security surrendered for repayment shall not be so repaid upon surrender thereof, such principal amount (together with interest, if any, thereon accrued to such Repayment Date) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 1305. Securities Repaid in Part.

Upon surrender of any Security which is to be repaid in part only, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal

amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

ARTICLE FOURTEEN

DEFEASANCE AND COVENANT DEFEASANCE

SECTION 1401. Company's Option to Effect Defeasance or Covenant Defeasance.

The provisions of this Article Fourteen shall apply to each series of Securities, and the Company may, at its option, effect defeasance of the Securities of or within a series under Section 1402, or covenant defeasance of the Securities of or within a series under Section 1403, in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1402. Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section with respect to any series of Securities, the Company shall be deemed to have been discharged from its obligations with respect to such series of Outstanding Securities on the date the conditions set forth in Section 1404 are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such series of Outstanding Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 1405 and the other Sections of this Indenture referred to in (A) and (B) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of such Outstanding Securities to receive, solely from the trust fund described in Section 1404 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any) and interest, if any, on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 305, 306, 307, 1002 and 1003 and with respect to the payment of Additional Amounts, if any, on such Securities as contemplated by Section 1008, (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (D) this Article Fourteen. Subject to compliance with this Article Fourteen, the Company may exercise its option under this Section 1402 notwithstanding the prior exercise of its option under Section 1403 with respect to such Securities.

SECTION 1403. Covenant Defeasance.

Upon the Company's exercise under Section 1401 of the option applicable to this Section 1403 with respect to any Securities of or within a series, the Company shall be released from its obligations under Sections 1006 and 1007, and if specified pursuant to Section 301, its

obligations under any other covenant, with respect to such Outstanding Securities on and after the date the conditions set forth in Section 1404 are satisfied (hereinafter, "covenant defeasance"), and such Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder (it being understood that such Securities shall not be deemed Outstanding for financial accounting purposes). For this purpose, such covenant defeasance means that, with respect to such Outstanding Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(4) or Section 501(8) or otherwise, as the case may be, but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby.

SECTION 1404. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 1402 or Section 1403 to any series of Outstanding Securities:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 608 who shall agree to comply with the provisions of this Article Fourteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) an amount of money or (B) Government Obligations applicable to such Securities which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of and premium, if any, and interest, if any, on such Securities, money in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, if any) and interest, if any, on such Outstanding Securities on the Stated Maturity (or Redemption Date, if applicable) of such principal (and premium, if any) or installment of interest, if any, and (ii) any mandatory sinking fund payments or analogous payments applicable to such Outstanding Securities on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such Government Obligations to said payments with respect to such Securities. Before such a deposit, the Company may give to the Trustee, in accordance with Section 1102 hereof, a notice of its election to redeem all or any portion of such Outstanding Securities at a future date in accordance with the terms of the Securities of such series and Article Eleven hereof, which notice shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing;

(2) No Default or Event of Default (other than a Default or Event of Default resulting from non-compliance with any covenant from which the Company will be released upon effectiveness of such defeasance or covenant defeasance pursuant to Section 1402 or 1403, as applicable) with respect to such Securities shall have occurred and be continuing on the date of such deposit;

(3) No event or condition shall exist that would prevent the Company from making payments of the principal of (and premium, if any) or interest on such Securities on the date of such deposit;

(4) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company is a party or by which it is bound;

(5) the Company shall have delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and qualifications) to the effect that, assuming no intervening bankruptcy of the Company between the date of deposit and the 123rd day following the deposit and assuming that no Holder is an "insider" of the Company under applicable Bankruptcy Law, after the 123rd day following the deposit, the trust funds shall not be subject to the effect of Section 547 of the United States Bankruptcy Code or any analogous New York State law provision;

(6) In the case of an election under Section 1402, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of execution of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(7) In the case of an election under Section 1403, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(8) In the case of an election under either Section 1402 or 1403, the Company shall represent to the Trustee that the deposit made by the Company pursuant to its election under Section 1402 or 1403 was not made by the Company with the intent of preferring the Holders of Securities of any series over other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; or

(9) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 1402 or the covenant defeasance under Section 1403 (as the case may be) have been complied with.

SECTION 1405. Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all money and Government Obligations (or other property as may be provided pursuant to Section 301) (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 1405, the "Trustee") pursuant to Section 1404 in respect of such Outstanding Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal (and premium, if any) and interest, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Section 1404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of such Outstanding Securities.

Anything in this Article Fourteen to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in Section 1404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance, as applicable, in accordance with this Article.

SECTION 1406. Reinstatement.

If the Trustee or any Paying Agent is unable to apply any money in accordance with Section 1405 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and such Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 1402 or 1403, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 1405; provided, however, that if the Company makes any payment of principal of (or premium, if any) or interest, if any, on any such Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

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Description: Exhibit 4.4

[E/O]

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This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

[E/O]

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IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

ATMOS ENERGY CORPORATION

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

[E/O]

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Exhibit 4.5

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ATMOS ENERGY CORPORATION

[] % Senior Notes due []

No. []

CUSIP NO. []
[ISIN NO. []]

Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company", which term includes any successor entity under the Indenture, hereinafter defined), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of [] on [] (the "Maturity Date"), at the office or agency of the Company referred to below, and to pay interest thereon from [], or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on [] and [] in each year (each, an "Interest Payment Date"), commencing [] at []% per annum until the principal hereof is paid or duly provided for.

Any payment of principal or interest required to be made on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Interest payable on each Interest Payment Date will include interest accrued from and including [], or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding such Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person (the "Holder") in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the [] or [] (whether or not a Business Day) next preceding such Interest Payment Date (a "Regular Record Date"). Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on such Regular Record Date and either may be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (referred to herein), notice whereof shall be given to the Holder of this Security not less than ten days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

For purposes of this Security, "Business Day" means any day that, in the city of the principal Corporate Trust Office of the Trustee and in the City of New York, is neither a Saturday, Sunday, or legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York, or at such other office or agency of the Company as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. So long as this Security remains in book-entry form, all payments of principal and interest will be made by the Company in immediately available funds.

Unless the certificate of authentication hereon has been duly executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

This Security is one of a duly authorized issue of securities of the Company, designated as the []% Senior Notes due [] (the "Securities"), issued under an Indenture dated as of [], 2009, as it may be supplemented from time to time (referred to herein as the "Indenture"), between the Company and U.S. Bank National Association, as trustee (referred to herein as the "Trustee", which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part). A reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered, except as otherwise provided herein.

The Securities are initially limited to \$[] aggregate principal amount. The Company may, at any time, without the consent of the Holders of the Securities, create and issue additional securities having the same ranking, interest rate, maturity and other terms as the Securities. Any such additional securities shall be consolidated and form the same series of the Securities having the same terms as to status, redemption and otherwise as the Securities under the Indenture.

Events of Default. If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

Modification and Waivers; Obligations of the Company Absolute. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities. Certain limited amendments may be effected under the Indenture at any time by the Company and the Trustee without the consent of any Holders of the Securities. Certain other amendments affecting the Securities may only be effected under the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of not less than a majority in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all Outstanding Securities, to waive compliance by the Company with certain provisions of the Indenture affecting the Securities. Furthermore, provisions in the Indenture permit the Holders of not less than a majority in principal amount of the Outstanding Securities to waive on behalf of all of the Holders of all Outstanding Securities certain past defaults under the Indenture in respect of the Securities and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and

unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

Defeasance and Covenant Defeasance. The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company represented by this Security and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

Authorized Denominations. The Securities are issuable only in registered form, without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Registration of Transfer or Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. At the date of the original issuance of this Security such office or agency of the Company is maintained by U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107.

As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges payable in connection with any registration of transfer or exchange.

Prior to the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

Defined Terms. All capitalized terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Governing Laws. This Security and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles that would apply any other law.

[E/O]

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

ATMOS ENERGY CORPORATION

By: _____

Name:

Title:

Attest:

By: _____

Name:

Title:

Name: ATMOS ENERGY

[E/O]

CRC: 14475

EDGAR 2

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Description: EXHIBIT 4.5



TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

U.S. Bank National Association,
as Trustee

By: _____
Authorized Officer

Name: ATMOS ENERGY

[E/O]

CRC: 38358

EDGAR 2

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Queue: BOD_CPS

Description: EXHIBIT 4.5

ASSIGNMENT FORM

To assign this Security, fill in the form below:

(I) or (we) assign and transfer this Security to

(Insert assignee's social security or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint

agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Signature: _____

(sign exactly as name appears on the other side of this Security)

Signature guaranteed by: _____

EXHIBIT 5.1

[GIBSON, DUNN & CRUTCHER LLP LETTERHEAD]

March 23, 2009

(214) 698-3100

03896-00036

(214) 698-3400

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240

Re: *Atmos Energy Corporation Registration Statement on Form S-3*

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 (the "*Registration Statement*") of Atmos Energy Corporation (the "*Company*") to be filed with the Securities and Exchange Commission (the "*SEC*") under the Securities Act of 1933 (as amended, the "*Act*"), on the date hereof, in connection with the offering and issuance from time to time by the Company of the following: (i) one or more series of its debt securities (the "*Debt Securities*") and (ii) shares of its Common Stock, no par value per share (the "*Common Stock*"). The foregoing securities are herein collectively referred to as the "*Securities*." All capitalized terms which are not defined herein shall have the meanings assigned to them in the Registration Statement.

In connection with our examination of documents as hereinafter described, we have assumed the genuineness of all signatures on, and the authenticity of, all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. With respect to agreements and instruments executed by natural persons, we have assumed the legal competency of such persons.

For the purpose of rendering this opinion, we have made such factual and legal examination as we deemed necessary under the circumstances, and in that connection we have examined, among other things, originals or copies of the following:

- (1) The Amended and Restated Articles of Incorporation of the Company, as amended to date (the "*Articles of Incorporation*");

Atmos Energy Corporation
March 23, 2009
Page 2

- (2) The Amended and Restated Bylaws of the Company, as amended to date (the "Bylaws");
- (3) The form of Indenture between the Company and the trustee for the Debt Securities filed as an exhibit to the Registration Statement (as amended or supplemented in accordance with the terms thereof, the "Indenture");
- (4) Such records of the corporate proceedings of the Company, and such other documents that we considered necessary or appropriate for the purpose of rendering this opinion; and
- (5) Such other certificates and assurances from public officials, officers and representatives of the Company that we considered necessary or appropriate for the purpose of rendering this opinion.

On the basis of the foregoing examination, and in reliance thereon and on the statements of fact therein, and subject to completion of the corporate action required to be taken by the Company based on the type of Security being issued (including, without limitation, the due reservation of any Common Stock for issuance), the due execution and delivery of the Indenture and the relevant instrument representing any Debt Securities pursuant to which such Debt Securities may be issued and the assumptions, qualifications and limitations stated herein, we are of the opinion that:

1. When the Debt Securities shall have been issued and sold as described in the Registration Statement, and if in an underwritten offering, in accordance with the terms and conditions of the applicable underwriting agreement, and in a manner contemplated in the Registration Statement, including the Prospectus Supplement (as hereinafter defined) relating to any such Debt Securities, the Debt Securities will be duly authorized and valid and binding obligations of the Company, subject to the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement, or similar laws affecting the enforcement of creditors' rights generally (including, without limitation, the effect of statutory or other laws regarding fraudulent transfers or preferential transfers) and general principles of equity, regardless of whether a matter is considered in a proceeding in equity or at law, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, injunctive relieve or other equitable remedies.
2. When the Common Stock shall have been authorized, issued and sold within the limits and as described in the Registration Statement, and if in an underwritten offering, in accordance with the terms and conditions of the applicable underwriting agreement, and in a manner contemplated in the Registration Statement, including the Prospectus Supplement relating to the applicable offering of such Common Stock, the Common Stock will be validly issued, fully paid and nonassessable.

Atmos Energy Corporation
March 23, 2009
Page 3

The opinions set forth herein are subject to the following assumptions, qualifications and limitations being true and correct at or prior to the time of the delivery of any Security:

(a) the Board of Directors of the Company will have duly established the terms of such Security and duly authorized and taken any other necessary corporate action to approve the issuance and sale of such Security in conformity with the Articles of Incorporation and Bylaws, each as amended through such time (subject to the further assumption that such instruments have not been amended from the date hereof in a manner that would affect any of the opinions rendered herein), and such authorization shall remain in effect and unchanged at all times during which such Security is offered and will not have been modified or rescinded (subject to the further assumption that the sale of any Security takes place in accordance with such authorization);

(b) the Registration Statement, and any amendments thereto (including post-effective amendments), filed under the Act and the effectiveness thereof will not have been terminated or rescinded;

(c) a prospectus supplement (a "*Prospectus Supplement*") will have been prepared and filed with the SEC describing the Securities offered thereby;

(d) all Securities will be issued and sold in compliance with applicable federal and state securities laws and solely in the manner stated in the Registration Statement and the appropriate Prospectus Supplement and there will not have occurred any change in law affecting any of the opinions rendered herein;

(e) with respect to Debt Securities, the trustee shall have been qualified under the Trust Indenture Act of 1939, as amended, and a Statement of Eligibility of the Trustee on Form T-1 shall have been properly filed with the SEC (to the extent not heretofore filed); and

(f) in the case of an indenture pursuant to which any Debt Securities are to be issued, there shall be no terms or provisions contained therein which would affect any of the opinions rendered herein.

This opinion is limited to the present laws of the States of Texas and New York, the present federal laws of the United States, and to the present judicial interpretations thereof and to the facts as they presently exist. We express no opinion as to the effect of the laws of the Commonwealth of Virginia on the issuance, payment and nonassessability of the Common Stock. We undertake no obligation to advise you as a result of developments occurring after the date hereof or as a result of facts or circumstances brought to our attention after the date hereof.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not

[E/O]

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Atmos Energy Corporation
March 23, 2009
Page 4

thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the SEC.

Very truly yours,

/s/ Gibson, Dunn & Crutcher LLP

Exhibit 5.2

HUNTON & WILLIAMS LLP
RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219-4074

TEL 804 • 788 • 8200
FAX 804 • 788 • 8218

March 23, 2009

FILE NO: 51645.000001

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240

Re: *Atmos Energy Corporation Registration Statement on Form S-3*

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 (the "*Registration Statement*") of Atmos Energy Corporation (the "*Company*") to be filed with the Securities and Exchange Commission (the "*SEC*") under the Securities Act of 1933 (as amended, the "*Act*"), on the date hereof, in connection with the offering and issuance from time to time by the Company of the following: (i) one or more series of its debt securities and (ii) shares of its Common Stock, no par value per share (the "*Common Stock*"). All capitalized terms which are not defined herein shall have the meanings assigned to them in the Registration Statement.

In connection with our examination of documents as hereinafter described, we have assumed the genuineness of all signatures on, and the authenticity of, all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. With respect to agreements and instruments executed by natural persons, we have assumed the legal competency of such persons.

For the purpose of rendering this opinion, we have made such factual and legal examination as we deemed necessary under the circumstances, and in that connection we have examined, among other things, originals or copies of the following:

- (1) The Restated Articles of Incorporation of the Company, as amended to date (the "*Articles of Incorporation*");
- (2) The Amended and Restated Bylaws of the Company, as amended to date (the "*Bylaws*");

Atmos Energy Corporation
March 23, 2009
Page 2

- (3) Such records of the corporate proceedings of the Company, and such other documents that we considered necessary or appropriate for the purpose of rendering this opinion; and
- (4) Such other certificates and assurances from public officials, officers and representatives of the Company that we considered necessary or appropriate for the purpose of rendering this opinion.

On the basis of the foregoing examination, and in reliance thereon and on the statements of fact therein, and subject to completion of the corporate action required to be taken by the Company in connection with the issuance of Common Stock, we are of the opinion that when the Common Stock shall have been authorized, issued and sold within the limits and as described in the Registration Statement, and if in an underwritten offering, in accordance with the terms and conditions of the applicable underwriting agreement, and in a manner contemplated in the Registration Statement, including the Prospectus Supplement relating to the applicable offering of such Common Stock, the Common Stock will be validly issued and the Common Stock will be fully paid and nonassessable.

The opinions set forth herein are subject to the following assumptions, qualifications and limitations being true and correct at or prior to the time of the delivery of any Security:

- (a) the Board of Directors of the Company will have duly authorized and taken any necessary corporate action to approve the issuance and sale of shares of Common Stock in conformity with the Articles of Incorporation and Bylaws, each as amended through such time (subject to the further assumption that such instruments have not been amended from the date hereof in a manner that would affect any of the opinions rendered herein), and such authorization shall remain in effect and unchanged at all times during which such shares of Common Stock are offered and will not have been modified or rescinded (subject to the further assumption that the sale of any shares of Common Stock takes place in accordance with such authorization);
- (b) the Registration Statement, and any amendments thereto (including post-effective amendments), filed under the Act and the effectiveness thereof will not have been terminated or rescinded;
- (c) a prospectus supplement (a "*Prospectus Supplement*") will have been prepared and filed with the SEC describing the shares of Common Stock offered thereby; and

Atmos Energy Corporation
March 23, 2009
Page 3

(d) all shares of Common Stock will be issued and sold in compliance with applicable federal and state securities laws and solely in the manner stated in the Registration Statement and the appropriate Prospectus Supplement and there will not have occurred any change in law affecting any of the opinions rendered herein.

This opinion is limited to the present laws of the Commonwealth of Virginia, and to the present judicial interpretations thereof and to the facts as they presently exist. We express no opinion as to the effect of the laws of the State of Texas on the issuance, payment and nonassessability of the Common Stock. We undertake no obligation to advise you as a result of developments occurring after the date hereof or as a result of facts or circumstances brought to our attention after the date hereof.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the SEC.

Very truly yours,

/s/ Hunton & Williams LLP

[E/O]

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EXHIBIT 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" in this Registration Statement (Form S-3) and related Prospectus of Atmos Energy Corporation for the registration of \$900 million of debt and equity securities and to the incorporation by reference therein of our report dated November 18, 2008, with respect to the consolidated financial statements and schedule of Atmos Energy Corporation, and the effectiveness of internal control over financial reporting of Atmos Energy Corporation, included in its Annual Report (Form 10-K) for the year ended September 30, 2008, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Dallas, Texas
March 20, 2009

[E/O]

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EXHIBIT 25

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE
Check if an Application to Determine Eligibility of
a Trustee Pursuant to Section 305(b)(2)

U.S. BANK NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

31-0841368
I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55402
(Zip Code)

Raymond S. Haverstock
U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107
(651) 495-3909
(Name, address and telephone number of agent for service)

Atmos Energy Corporation
(Issuer with respect to the Securities)

Texas
Virginia
(State or other jurisdiction of incorporation or organization)

75-1743247
(I.R.S. Employer Identification No.)

1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas
(Address of Principal Executive Offices)

75240
(Zip Code)

Senior Debt Securities
(Title of the Indenture Securities)

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*

Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*

Yes

Item 2. AFFILIATIONS WITH OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business.*
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers.*
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of December 31, 2008 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to Exhibit 25.1 to registration statement on S-4, Registration Number 333-145601 filed on August 21, 2007.

[E/O]

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SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of St. Paul, State of Minnesota on the 13th of March, 2009.

By: /s/ RAYMOND S. HAVERSTOCK
Raymond S. Haverstock
Vice President

By: /s/ THOMAS MAPLE
Thomas Maple
Vice President

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: March 13th 2009

By: /s/ RAYMOND S. HAVERSTOCK
Raymond S. Haverstock
Vice President

By: /s/ THOMAS MAPLE
Thomas Maple
Vice President

Exhibit 7
U.S. Bank National Association
Statement of Financial Condition
As of 12/31/2008

(\$000's)

	12/31/2008
Assets	
Cash and Balances Due From Depository Institutions	\$ 8,077,564
Securities	37,455,111
Federal Funds	3,290,350
Loans & Lease Financing Receivables	180,437,040
Fixed Assets	4,522,546
Intangible Assets	12,495,040
Other Assets	15,497,940
Total Assets	\$261,775,591
Liabilities	
Deposits	\$171,980,048
Fed Funds	11,861,941
Treasury Demand Notes	0
Trading Liabilities	1,919,265
Other Borrowed Money	39,187,106
Acceptances	0
Subordinated Notes and Debentures	7,329,967
Other Liabilities	6,647,510
Total Liabilities	\$238,925,837
Equity	
Minority Interest in Subsidiaries	\$ 1,664,422
Common and Preferred Stock	18,200
Surplus	12,597,620
Undivided Profits	8,569,512
Total Equity Capital	\$ 22,849,754
Total Liabilities and Equity Capital	\$261,775,591

To the best of the undersigned's determination, as of the date hereof, the above financial information is true and correct.

U.S. Bank National Association

By: /s/ RAYMOND S. HAVERSTOCK

Raymond S. Haverstock
Vice President

Date: March 13th 2009

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ATMOS ENERGY CORPORATION

8.50% Senior Notes due 2019

No. 1

CUSIP NO. 049560 AJ4
ISIN NO. US045960AJ40

Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company", which term includes any successor entity under the Indenture, hereinafter defined), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of FOUR HUNDRED FIFTY MILLION DOLLARS (\$450,000,000) on March 15, 2019 (the "Maturity Date"), at the office or agency of the Company referred to below, and to pay interest thereon from March 26, 2009, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on March 15 and September 15 in each year (each, an "Interest Payment Date"), commencing March 26, 2009 at 8.50% per annum until the principal hereof is paid or duly provided for.

Any payment of principal or interest required to be made on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Interest payable on each Interest Payment Date will include interest accrued from and including March 26, 2009, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding such Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person (the "Holder") in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the March 1 or September 1 (whether or not a Business Day) next preceding such Interest Payment Date (a "Regular Record Date"). Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on such Regular Record Date and either may be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (referred to herein), notice whereof shall be given to the Holder of this Security not less than ten days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

For purposes of this Security, "Business Day" means any day that, in the city of the principal Corporate Trust Office of the Trustee and in the City of New York, is neither a Saturday, Sunday, or legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York, or at such other office or agency of the Company as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. So long as this Security remains in book-entry form, all payments of principal and interest will be made by the Company in immediately available funds.

Unless the certificate of authentication hereon has been duly executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

This Security is one of a duly authorized issue of securities of the Company, designated as the 8.50% Senior Notes due 2019 (the "Securities"), issued under an Indenture dated as of March 26, 2009, as it may be supplemented from time to time (referred to herein as the "Indenture"), between the Company and U.S. Bank National Association, as trustee (referred to herein as the "Trustee", which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part). A reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered, except as otherwise provided herein.

The Securities are initially limited to \$450,000,000 aggregate principal amount. The Company may, at any time, without the consent of the Holders of the Securities, create and issue additional securities having the same ranking, interest rate, maturity and other terms as the Securities. Any such additional securities shall be consolidated and form the same series of the Securities having the same terms as to status, redemption and otherwise as the Securities under the Indenture.

Events of Default. If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

Optional Redemption. The Securities will be redeemable, in whole or in part, at the Company's option, at any time at a Redemption Price equal to the greater of:

- (a) 100% of the principal amount of the Securities to be redeemed, or
- (b) as determined by the Quotation Agent, the sum of the present values of the Remaining Scheduled Payments of principal and interest on the Securities to be redeemed discounted to the Redemption Date on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Adjusted Treasury Rate plus 50 basis points;

plus, in either case, accrued and unpaid interest on the principal amount of Securities being redeemed to the Redemption Date.

"Adjusted Treasury Rate" means, for any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

"Comparable Treasury Issue" means the United States treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Securities to be redeemed that would be used, at the time of a selection and in accordance with customary

financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities to be redeemed.

“Comparable Treasury Price” means, for any Redemption Date, the Reference Treasury Dealer Quotation for that Redemption Date.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company.

“Reference Treasury Dealer” means Banc of America Securities LLC and its successors; provided, however, if Banc of America Securities LLC ceases to be a primary U.S. government securities dealer in New York City, the Company will replace Banc of America Securities LLC as Reference Treasury Dealer with an entity that is a primary U.S. government securities dealer in New York City.

“Reference Treasury Dealer Quotation” means, with respect to any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer by 5:00 p.m. on the third business day preceding the Redemption Date.

“Remaining Scheduled Payments” means, with respect to each Security to be redeemed, the remaining scheduled payments of the principal and interest on such Security that would be due after the related Redemption Date but for such redemption; provided, however, that if such Redemption Date is not an Interest Payment Date, the amount of the next succeeding scheduled interest payment on such Security will be reduced by the amount of interest accrued on such Security to such Redemption Date.

In the event that less than all of the Securities are to be redeemed at any time, selection of such Securities for redemption will be made by The Depository Trust Company (“DTC”) during any period the Securities are issued in the form of a global security registered in the name of DTC or a nominee thereof; *provided that* during any period the Securities are issued in certificated form, the selection of such Securities for redemption will be made by the Trustee by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate. A partial redemption shall not reduce the portion of the principal amount of a Security not redeemed to a principal amount of less than \$2,000. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the Redemption Date, to each Holder of Securities to be redeemed, at its address as shown in the Security Register. If the Securities are to be redeemed in part only, the notice of redemption that relates to such Securities shall state the portion of the principal amount thereof to be redeemed. A new Security in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon surrender for cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption unless the Company defaults in the payment of the Redemption Price.

Sinking Fund. This Security does not have the benefit of any sinking fund obligations.

Modification and Waivers; Obligations of the Company Absolute. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities. Certain limited amendments may be effected under the Indenture at any time by the Company and the Trustee without the consent of any Holders of the Securities. Certain other amendments affecting the Securities may only be effected under the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of not less than a majority in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all Outstanding Securities, to waive compliance by the Company with certain provisions of the Indenture affecting the Securities. Furthermore, provisions in the Indenture permit the Holders of not less than a majority in principal amount of the Outstanding Securities to waive on behalf of all of the Holders of all Outstanding Securities certain past defaults under the Indenture in respect of the Securities and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

Defeasance and Covenant Defeasance. The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company represented by this Security and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

Authorized Denominations. The Securities are issuable only in registered form, without coupons, in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Registration of Transfer or Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. At the date of the original issuance of this Security such office or agency of the Company is maintained by U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107.

As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges payable in connection with any registration of transfer or exchange.

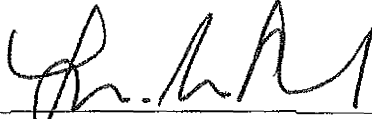

Prior to the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.



Defined Terms. All capitalized terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Governing Laws. This Security and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles that would apply any other law.

IN WITNESS WHEREOF, the Company has caused this instrument to be
duly executed.

ATMOS ENERGY CORPORATION

By: 
Name: Laurie M. Sherwood 
Title: Vice President and Treasurer

Attest:
By: 
Name: Dwala Kuhn 
Title: Corporate Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: March 26, 2009

U.S. Bank National Association,
as Trustee

By: _____
Authorized Officer

ASSIGNMENT FORM

To assign this Security, fill in the form below:
(I) or (we) assign and transfer this Security to

(Insert assignee's social security or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
agent to transfer this Security on the books of the Company. The agent may substitute another to
act for him.

Date: _____ Signature: _____
(sign exactly as name appears on the other side of this
Security)

Signature guaranteed by: _____

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-16
Page 1 of 1

REQUEST:

Please refer to Schedule J-3 F. Referring to the 6.35% Senior Note due 6/15/2017:

- a. Please provide all of the terms and conditions of this debt issue.
- b. Please explain why Atmos has not refinanced this note in order to obtain a lower interest rate. Please provide all documentation supporting your response.

RESPONSE:

- a) Please see Attachment 1 and Attachment 2.
- b) Please see the Company's response to AG DR No. 2-15 subpart (b).

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-16_Att1 - 6.35% Senior Note Indenture dtd June 14 2007.pdf, 79 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, AG_2-16_Att2 - 6.35% Senior Note due 2017.pdf, 9 Pages.

Respondent: Greg Waller

EXECUTION COPY

ATMOS ENERGY CORPORATION,

Issuer,

to

U.S. BANK NATIONAL ASSOCIATION,

Trustee

Indenture

Dated as of June 14, 2007

Debt Securities

Reconciliation and tie between Trust Indenture Act
of 1939 and Indenture, dated as of June 14, 2007

Trust Indenture Act Section	Indenture Section
§ 310(a)(1)	608
(a)(2)	608
(b)	604, 607, 609(d)(1)
§ 311(a)	101(2), 604, 613
(b)	101(2), 604, 613
§ 312(c)	701
§ 313	702
§ 314(a)	703
(a)(4)	1004
(c)(1)	102
(c)(2)	102
(e)	101 ("Opinion of Counsel"), 102
§ 315(b)	601
§ 316(a)(last sentence)	101 ("Outstanding")
(a)(1)(A)	512
(a)(1)(B)	513
(b)	508
(c)	104(d)
§ 317(a)(1)	503
(a)(2)	504
(b)	1003
§ 318(a)	107

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE ONE	
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	
SECTION 101. <u>Definitions</u>	1
“Act”	2
“Additional Amounts”	2
“Affiliate”	2
“Attributable Debt”	2
“Authenticating Agent”	2
“Authorized Newspaper”	2
“Authorized Officer”	2
“Bankruptcy Law”	3
“Board of Directors”	3
“Board Resolution”	3
“Book-Entry Security”	3
“Business Day”	3
“Capital Stock”	3
“Commission”	3
“Company”	3
“Company Request” or “Company Order”	3
“Consolidated Net Tangible Assets”	3
“Corporate Trust Office”	4
“corporation”	4
“covenant defeasance”	4
“Custodian”	4
“Default”	4
“Defaulted Interest”	4
“defeasance”	4
“Definitive Security”	4
“Depository”	4
“Euroclear”	4
“Event of Default”	4
“Exchange Act”	4
“Extension Notice” and “Extension Period”	4
“Final Maturity”	4
“Funded Indebtedness”	4
“generally accepted accounting principles” or “GAAP”	4
“Global Securities”	4
“Government Obligations”	5
“guarantee”	5
“Holder”	5

Note: This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

	<u>Page</u>
“incorporated provision”	5
“Indebtedness”	5
“Indenture”	5
“Indexed Security”	6
“interest”	6
“Interest Payment Date”	6
“Lien”	6
“mandatory sinking fund payment”	6
“Maturity”	6
“Non-Recourse Indebtedness”	6
“Officers’ Certificate”	7
“Opinion of Counsel”	7
“Option to Elect Repayment”	7
“Optional Reset Date”	7
“optional sinking fund payment”	7
“Original Issue Discount Security”	7
“Original Stated Maturity”	7
“Outstanding”	7
“Participants”	8
“Paying Agent”	8
“Person”	8
“Place of Payment”	8
“Predecessor Security”	8
“Principal Property”	9
“Redemption Date”	9
“Redemption Price”	9
“Regular Record Date”	9
“Repayment Date”	9
“Repayment Price”	9
“Reset Notice”	9
“Restricted Securities”	9
“Restricted Subsidiary”	9
“Sale and Leaseback Transaction”	9
“Securities”	9
“Security Register” and “Security Registrar”	10
“Special Record Date”	10
“Stated Maturity”	10
“Subsequent Interest Period”	10
“Subsidiary”	10
“Trust Indenture Act” or “TIA”	10
“Trustee”	10
“Trustee Payments”	10
“United Cities Indenture”	10
“United States”	11
“United States person”	11
“Vice President”	11
“Yield to Maturity”	11

Page

SECTION 102.	<u>Compliance Certificates and Opinions</u>	11
SECTION 103.	<u>Form of Documents Delivered to Trustee</u>	12
SECTION 104.	<u>Acts of Holders</u>	12
SECTION 105.	<u>Notices, etc. to Trustee and Company</u>	13
SECTION 106.	<u>Notice to Holders; Waiver</u>	13
SECTION 107.	<u>Conflict of Any Provision of Indenture with Trust Indenture Act</u>	14
SECTION 108.	<u>Effect of Headings and Table of Contents</u>	14
SECTION 109.	<u>Successors and Assigns</u>	14
SECTION 110.	<u>Separability Clause</u>	14
SECTION 111.	<u>Benefits of Indenture</u>	15
SECTION 112.	<u>Governing Law</u>	15
SECTION 113.	<u>Legal Holidays</u>	15
SECTION 114.	<u>No Recourse Against Others</u>	15

ARTICLE TWO
SECURITY FORMS

SECTION 201.	<u>Forms Generally</u>	15
SECTION 202.	<u>Form of Trustee’s Certificate of Authentication</u>	16
SECTION 203.	<u>Securities Issuable in Global Form</u>	16
SECTION 204.	<u>Form of Legend for Book-Entry Securities</u>	17

ARTICLE THREE
THE SECURITIES

SECTION 301.	<u>Amount Unlimited; Issuable in Series</u>	17
SECTION 302.	<u>Denominations</u>	20
SECTION 303.	<u>Execution, Authentication, Delivery and Dating</u>	20
SECTION 304.	<u>Book-Entry Securities</u>	22
SECTION 305.	<u>Temporary Securities</u>	23
SECTION 306.	<u>Registration, Registration of Transfer and Exchange</u>	24
SECTION 307.	<u>Mutilated, Destroyed, Lost and Stolen Securities</u>	25
SECTION 308.	<u>Payment of Interest; Interest Rights Preserved; Optional Interest Reset</u>	26
SECTION 309.	<u>Optional Extension of Stated Maturity</u>	28
SECTION 310.	<u>Persons Deemed Owners</u>	29
SECTION 311.	<u>Cancellation</u>	30
SECTION 312.	<u>Computation of Interest</u>	30
SECTION 313.	<u>CUSIP Numbers</u>	30

ARTICLE FOUR
SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture31
SECTION 402. Application of Trust Money.....32

ARTICLE FIVE
REMEDIES

SECTION 501. Events of Default32
SECTION 502. Acceleration of Maturity; Rescission and Annulment.....33
SECTION 503. Collection of Indebtedness and Suits for Enforcement by
Trustee.....34
SECTION 504. Trustee May File Proofs of Claim35
SECTION 505. Trustee May Enforce Claims Without Possession of Securities.....35
SECTION 506. Application of Money Collected.....36
SECTION 507. Limitation on Suits.....36
SECTION 508. Unconditional Right of Holders to Receive Principal, Premium
and Interest.....37
SECTION 509. Restoration of Rights and Remedies.....37
SECTION 510. Rights and Remedies Cumulative.....37
SECTION 511. Delay or Omission Not Waiver.....37
SECTION 512. Control by Holders.....37
SECTION 513. Waiver of Past Defaults38
SECTION 514. Undertaking for Costs.....38
SECTION 515. Waiver of Stay or Extension Laws39

ARTICLE SIX
THE TRUSTEE

SECTION 601. Notice of Defaults.....39
SECTION 602. Certain Rights of Trustee39
SECTION 603. Trustee Not Responsible for Recitals or Issuance of Securities41
SECTION 604. May Hold Securities42
SECTION 605. Money Held in Trust.....42
SECTION 606. Compensation and Reimbursement42
SECTION 607. Conflicting Interests.....43
SECTION 608. Corporate Trustee Required; Eligibility; Conflicting Interests.....43
SECTION 609. Resignation and Removal; Appointment of Successor.....43
SECTION 610. Acceptance of Appointment by Successor44
SECTION 611. Merger, Conversion, Consolidation or Succession to Business46
SECTION 612. Appointment of Authenticating Agent.....46
SECTION 613. Preferential Collection of Claims Against Company.....48

ARTICLE SEVEN
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701.	<u>Disclosure of Names and Addresses of Holders</u>	48
SECTION 702.	<u>Reports by Trustee</u>	48
SECTION 703.	<u>Reports by Company</u>	48

ARTICLE EIGHT
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801.	<u>Company May Consolidate, Etc., Only on Certain Terms</u>	49
SECTION 802.	<u>Rights and Duties of Successor Corporation</u>	49
SECTION 803.	<u>Securities to be Secured in Certain Events</u>	50

ARTICLE NINE
SUPPLEMENTAL INDENTURES

SECTION 901.	<u>Supplemental Indentures Without Consent of Holders</u>	50
SECTION 902.	<u>Supplemental Indentures with Consent of Holders</u>	52
SECTION 903.	<u>Execution of Supplemental Indentures</u>	53
SECTION 904.	<u>Effect of Supplemental Indentures</u>	53
SECTION 905.	<u>Conformity with Trust Indenture Act</u>	53
SECTION 906.	<u>Reference in Securities to Supplemental Indentures</u>	53
SECTION 907.	<u>Notice of Supplemental Indentures</u>	53

ARTICLE TEN
COVENANTS

SECTION 1001.	<u>Payment of Principal, Premium and Interest</u>	54
SECTION 1002.	<u>Maintenance of Office or Agency</u>	54
SECTION 1003.	<u>Money for Security Payments to Be Held in Trust</u>	54
SECTION 1004.	<u>Statement as to Compliance</u>	56
SECTION 1005.	<u>Corporate Existence</u>	56
SECTION 1006.	<u>Limitations on Liens</u>	56
SECTION 1007.	<u>Limitation on Sale and Leaseback Transactions</u>	58
SECTION 1008.	<u>Additional Amounts</u>	58
SECTION 1009.	<u>Waiver of Certain Covenants</u>	59

ARTICLE ELEVEN
REDEMPTION OF SECURITIES

SECTION 1101.	<u>Applicability of Article</u>	59
SECTION 1102.	<u>Election to Redeem; Notice to Trustee</u>	59
SECTION 1103.	<u>Selection by Trustee of Securities to Be Redeemed</u>	60
SECTION 1104.	<u>Notice of Redemption</u>	60
SECTION 1105.	<u>Deposit of Redemption Price</u>	61
SECTION 1106.	<u>Securities Payable on Redemption Date</u>	61

Page

SECTION 1107. Securities Redeemed in Part61

ARTICLE TWELVE
SINKING FUNDS

SECTION 1201. Applicability of Article62

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities 62

SECTION 1203. Redemption of Securities for Sinking Fund.....62

ARTICLE THIRTEEN
REPAYMENT AT OPTION OF HOLDERS

SECTION 1301. Applicability of Article 63

SECTION 1302. Repayment of Securities64

SECTION 1303. Exercise of Option64

SECTION 1304. When Securities Presented for Repayment Become Due and Payable.....64

SECTION 1305. Securities Repaid in Part.....65

ARTICLE FOURTEEN
DEFEASANCE AND COVENANT DEFEASANCE

SECTION 1401. Company's Option to Effect Defeasance or Covenant Defeasance65

SECTION 1402. Defeasance and Discharge65

SECTION 1403. Covenant Defeasance66

SECTION 1404. Conditions to Defeasance or Covenant Defeasance66

SECTION 1405. Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions68

SECTION 1406. Reinstatement.....68

INDENTURE, dated as of June 14, 2007, between Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company"), and U.S. Bank National Association, a banking corporation with trust powers organized and existing under the laws of the State of United States, trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its senior debt securities (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

This Indenture is subject to the provisions of the Trust Indenture Act of 1939, as amended, that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein, and the terms "cash transaction" and "self-liquidating paper", as used in TIA Section 311, shall have the meanings assigned to them in the rules of the Commission adopted under the Trust Indenture Act;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States; and

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Three, are defined in that Article.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

"Additional Amounts" has the meaning specified in Section 1008.

"Affiliate" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Attributable Debt" means, as to any lease under which any Person is at the time liable for rent, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term, excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents, discounted from the respective due dates thereof at the rate of interest (or Yield to Maturity, in the case of Original Issue Discount Securities) borne by the then Outstanding Securities, compounded monthly.

"Authenticating Agent" means any Person appointed by the Trustee to act on behalf of the Trustee pursuant to Section 612 to authenticate Securities.

"Authorized Newspaper" means a newspaper, in the English language or in an official language of the country of publication, customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays, and of general circulation in each place in connection with which the term is used or in the financial community of each such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day.

"Authorized Officer", when used with respect to the Trustee, means any vice-president, assistant vice president, any assistant secretary, any assistant treasurer, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above-designated officers, in each case who is assigned by the Trustee to administer corporate trust matters at its Corporate Trust Office, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Bankruptcy Law” means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

“Board of Directors” means the Board of Directors of the Company or any duly authorized committee of such Board.

“Board Resolution” means a copy of a resolution certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Book-Entry Security” has the meaning specified in Section 304.

“Business Day”, means any day that, in the city of the principal Corporate Trust Office of the Trustee and in the City of New York, is neither a Saturday, Sunday, or legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close.

“Capital Stock” means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests (however designated) in stock issued by a corporation.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person. To the extent necessary to comply with the requirements of the provisions of TIA Sections 310 through 317 as they are applicable to the Company, the term “Company” shall include any other obligor with respect to the Securities for the purposes of complying with such provisions.

“Company Request” or “Company Order” means a written request or order signed in the name of the Company (i) by its Chairman, Chief Executive Officer, its President or a Vice President and (ii) by its Treasurer, an Assistant Treasurer, its Corporate Secretary or an Assistant Corporate Secretary and delivered to the Trustee; provided, however, that such written request or order may be signed by any two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above.

“Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting (i) all current liabilities (excluding any portion thereof constituting Funded Indebtedness) and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company contained in the latest

quarterly or annual report of the Company filed with the Commission under the Exchange Act and computed in accordance with generally accepted accounting principles.

“Corporate Trust Office” means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office on the date of execution of this Indenture is located at U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, Attention: Corporate Trust Department.

“corporation” includes corporations, associations, partnerships, limited liability companies, companies and business trusts.

“covenant defeasance” has the meaning specified in Section 1403 hereof.

“Custodian” means any receiver, trustee, assignee, liquidator, sequestrator or similar officer under any Bankruptcy Law.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Defaulted Interest” has the meaning specified in Section 308 hereof.

“defeasance” has the meaning specified in Section 1402 hereof.

“Definitive Security” has the meaning specified in Section 304 hereof.

“Depository” has the meaning specified in Section 304.

“Euroclear” means Morgan Guaranty Trust Company of New York, Brussels Office, or its successor as operator of the Euroclear System.

“Event of Default” has the meaning specified in Section 501.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Extension Notice” and “Extension Period” shall have the meanings specified in Section 309.

“Final Maturity” has the meaning specified in Section 309.

“Funded Indebtedness” means as applied to any Person, means all Indebtedness of such Person maturing after, or renewable or extendable at the option of such Person beyond, 12 months from the date of determination.

“generally accepted accounting principles” or “GAAP” means generally accepted accounting principles in the United States.

“Global Securities” means one or more Securities evidencing all or part of the Securities to be issued as Book-Entry Securities, issued to the Depository in accordance with Section 304 and bearing the legend prescribed in Section 204.

“Government Obligations” means securities which are (i) direct obligations of the United States government or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States government, the payment of which is unconditionally guaranteed by the United States government, which, in either case, are full faith and credit obligations of the United States government payable and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest or principal of the Government Obligation evidenced by such depository receipt.

“guarantee” means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation or (ii) an agreement, direct or indirect, contingent or otherwise, providing assurance of the payment or performance (or payment of damages in the event of non-performance) of any part or all of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit. Notwithstanding anything herein to the contrary, a guarantee shall not include any agreement solely because such agreement creates a Lien on the assets of any Person. The amount of a guarantee shall be deemed to be the maximum amount of the obligation guaranteed for which the guarantor could be held liable under such guarantee.

“Holder” means the Person in whose name a Security is registered in the Security Register.

“incorporated provision” has the meaning specified in Section 107.

“Indebtedness” means obligations for money borrowed, evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

“Indenture” means this instrument as originally executed (including all exhibits and schedules hereto) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular series of Securities established as contemplated by Section 301; provided, however, that, if at any time there is more than one series of Securities issued under this instrument, “Indenture” shall mean, with respect to each such series of Securities, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the provisions hereof applicable to such series and shall include the terms of such series of Securities established as contemplated by Section 301, exclusive, however, of any provisions or terms which do not relate to such series, regardless of when such provisions or terms were adopted.

“Indexed Security” means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

“interest”, when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity at the rate prescribed in such Original Issue Discount Security.

“Interest Payment Date”, when used with respect to any series of Securities, means the Stated Maturity of an installment of interest on such Securities.

“Lien” means any lien, mortgage, pledge, encumbrance, charge or security interest securing Indebtedness; provided, however, that the following types of transactions will not be considered, for purposes of this definition, to result in a Lien: (i) any acquisition by the Company or any Restricted Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas or any other mineral in place or the proceeds thereof, (ii) any conveyance or assignment whereby the Company or any Restricted Subsidiary conveys or assigns to any Person or Persons an interest in oil, gas or any other mineral in place or the proceeds thereof, (iii) any Lien upon any property or assets either owned or leased by the Company or any Restricted Subsidiary or in which the Company or any Restricted Subsidiary owns an interest that secures for the benefit of the Person or Persons paying the expenses of developing or conducting operations for the recovery, storage, transportation or sale of the mineral resources of such property or assets (or property or assets with which it is unitized) the payment to such Person or Persons of the Company’s or the Restricted Subsidiary’s proportionate part of such development or operating expenses, (iv) any lease classified as an operating lease under generally accepted accounting principles, (v) any hedging arrangements entered into in the ordinary course of business, including any obligation to deliver any mineral, commodity or asset in connection therewith or (v) any guarantees by the Company of the repayment of Indebtedness of any Subsidiary or guarantees by any Subsidiary of the repayment of Indebtedness of any entity, including, but not limited to, Indebtedness of Atmos Energy Marketing, L.L.C.

“mandatory sinking fund payment” shall have the meaning specified in Section 1201.

“Maturity”, when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided whether at the Stated Maturity, by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise.

“Non-Recourse Indebtedness” means, at any time, Indebtedness incurred after the date of the Indenture by the Company or a Restricted Subsidiary in connection with the acquisition of property or assets by the Company or a Restricted Subsidiary or the financing of the construction of or improvements on property, whenever acquired, provided that, under the terms of such Indebtedness and under applicable law, the recourse at such time and thereafter of the lenders with respect to such Indebtedness is limited to the property or assets so acquired, or

the construction or improvements, including Indebtedness as to which a performance or completion guarantee or similar undertaking was initially applicable to the Indebtedness or the related property or assets if the guarantee or similar undertaking has been satisfied and is no longer in effect. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to the Company, any Subsidiary of the Company or any other person for (a) environmental representations, warranties or indemnities, or (b) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, insurance and condemnation proceeds and other sums actually received from secured assets to be paid to the lender, waste and mechanics' liens or similar matters.

"Officers' Certificate" means a certificate signed by (i) the Chairman, Chief Executive Officer, the President, a Vice President or the Treasurer of the Company and (ii) the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee; provided, however, that such certificate may be signed by two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, and who shall be acceptable to the Trustee. Each such opinion shall include the statements provided for in TIA Section 314(e) to the extent applicable.

"Option to Elect Repayment" shall have the meaning specified in Section 1303.

"Optional Reset Date" shall have the meaning specified in Section 308.

"optional sinking fund payment" shall have the meaning specified in Section 1201.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Original Stated Maturity" shall have the meaning specified in Section 309.

"Outstanding" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for whose payment, purchase, redemption or repayment at the option of the Holder money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities, except to the extent provided in Sections 1402 and 1403, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article Fourteen; and

(iv) Securities paid pursuant to Section 307 or Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that, in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, direction, consent or waiver hereunder, and for the purpose of making the calculations required by TIA Section 316, (i) the principal amount of an Original Issue Discount Security that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 502, (ii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 301, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which an Authorized Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

"Participants" has the meaning specified in Section 304.

"Paying Agent" means any Person (including the Company acting as Paying Agent) authorized by the Company to pay the principal of (or premium, if any) or interest, if any, on any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, when used with respect to the Securities of or within any series, the place or places where the principal of (and premium, if any) and interest, if any, on such Securities are payable as specified as contemplated by Sections 301 and 1002.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and,

for the purposes of this definition, any Security authenticated and delivered under Section 307 in exchange for a mutilated Security or in lieu of a destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Principal Property” means any natural gas distribution property located in the United States, except any property that in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its consolidated Subsidiaries.

“Redemption Date”, when used with respect to any Security to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price”, when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of or within any series means the date specified for that purpose as contemplated by Section 301.

“Repayment Date” means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment pursuant to this Indenture.

“Repayment Price” means, when used with respect to any Security to be repaid at the option of the Holder, the price at which it is to be repaid pursuant to this Indenture.

“Reset Notice” shall have the meaning specified in Section 308.

“Restricted Securities” has the meaning specified in Section 1006.

“Restricted Subsidiary” means any Subsidiary the amount of Consolidated Net Tangible Assets of which constitutes more than 10% of the aggregate amount of Consolidated Net Tangible Assets of the Company and its Subsidiaries.

“Sale and Leaseback Transaction” means any arrangement with any Person in which the Company or any Restricted Subsidiary leases any Principal Property that has been or is to be sold or transferred by the Company or the Restricted Subsidiary to such Person, other than any such arrangement involving (i) a lease for a term, including renewals at the option of the lessee, of not more than three years or classified as an operating lease under generally accepted accounting principles, (ii) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries and (iii) leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation, of the Principal Property.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture; provided, however, that if at any time there is more than one series of Securities, “Securities” with respect to the Indenture for such series shall mean the Securities authenticated and delivered under such

Indenture for such series, exclusive, however, of the Securities of any series authenticated and delivered under any other Indenture.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 306.

“Special Record Date” means a date fixed by the Trustee for the payment of any Defaulted Interest pursuant to Section 308.

“Stated Maturity”, when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security representing such installment of principal or interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable, as such date may be extended pursuant to the provisions of Section 309.

“Subsequent Interest Period” shall have the meaning specified in Section 308.

“Subsidiary” of the Company means (i) a corporation, a majority of whose Capital Stock with rights, under ordinary circumstances, to elect directors is owned, directly or indirectly, at the date of determination, by the Company, by one or more Subsidiaries or by the Company and one or more Subsidiaries or (ii) any other Person (other than a corporation) in which at the date of determination the Company, one or more Subsidiaries or the Company and one or more Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs of that Person.

“Trust Indenture Act” or “TIA” means the Trust Indenture Act of 1939, as amended, and as in force at the date as of which this Indenture was executed, except as provided in Section 905.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder; provided, however, that if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean only the Trustee with respect to Securities of that series.

“Trustee Payments” shall have the meaning specified in Section 610.

“United Cities Indenture” means that certain Indenture of Mortgage, dated as of July 15, 1959, from United Cities Gas Company to U.S. Bank Trust National Association (formerly First Trust of Illinois, National Association), and M.J. Kruger, as Trustees, as amended supplemented or otherwise modified from time to time, the Indenture of Mortgage through the Twenty-Second Supplemental Indenture by the Company to U.S. Bank Trust National Association (formerly First Trust National Association) and Russell C. Bergman, as Trustees, as amended, supplemented or otherwise modified from time to time.

“United States” means, unless otherwise specified with respect to any Securities pursuant to Section 301, the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“United States person” means, unless otherwise specified with respect to any Securities pursuant to Section 301, an individual who is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

“Vice President”, when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president”.

“Yield to Maturity” means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion (other than the certificates required by Section 1004) with respect to compliance with a covenant or condition provided for in this Indenture shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such covenant or condition has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Outstanding Securities of any series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments or so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to TIA Section 315) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) If the Company shall solicit from the Holders of Securities any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination

of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding TIA Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Securities then Outstanding shall be computed as of such record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. Notices, etc. to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder, an agent of any bank or the Company shall be sufficient for every purpose hereunder if made, given, furnished or delivered, in writing, to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department; or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or delivered, in writing, to the Company, addressed to it c/o 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, Attention: Treasurer, or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice of any event to Holders of Securities by the Company or the Trustee, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where

notice to Holders of Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of Securities. Any notice mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impractical to mail notice of any event to Holders of Securities when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice for every purpose hereunder.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. Conflict of Any Provision of Indenture with Trust Indenture Act.

If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Sections 310 to 318, inclusive, or conflicts with any provision (an "incorporated provision") required by or deemed to be included in this Indenture by operation of such TIA Sections, such imposed duties or incorporated provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or excluded, as the case may be.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in any Security shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Authenticating Agent, any Paying Agent, any Securities Registrar and their successors hereunder and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles that would apply any other law. This Indenture is subject to the provisions of the Trust Indenture Act that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, sinking fund payment date or Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of any Security other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section), payment of principal (or premium, if any) or interest, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date or sinking fund payment date, or at the Stated Maturity or Maturity; provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be, to such succeeding Business Day.

SECTION 114. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each Holder by accepting any of the Securities waives and releases all such liability.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities shall be in substantially the forms as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of

any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the forms of Securities of any series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The Trustee's certificate of authentication on all Securities shall be in substantially the form set forth in this Article.

The definitive Securities shall be printed, lithographed or engraved on steel-engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

Subject to Section 612, the Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: _____

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

SECTION 203. Securities Issuable in Global Form.

When Securities of or within a series are issued in global form, as specified as contemplated by Section 301, then, any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of Outstanding Securities of such series represented thereby may from time to time be increased or decreased to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 303 or Section 305. Subject to the provisions of Section 303 and, if applicable, Section 305, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons

specified therein or in the applicable Company Order. If a Company Order pursuant to Section 303 or Section 305 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 102 and need not be accompanied by an Opinion of Counsel.

The provisions of the last sentence of Section 303 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the last sentence of Section 303.

Notwithstanding the provisions of Section 308, unless otherwise specified as contemplated by Section 301, payment of principal of (and premium, if any) and interest, if any, on any Security in permanent global form shall be made to the Person or Persons specified therein.

Notwithstanding the provisions of Section 310 and except as provided in the preceding paragraph, the Company, the Trustee and any agent of the Company and the Trustee shall treat as the Holder of such principal amount of Outstanding Securities represented by a permanent Global Security the Holder of such permanent Global Security.

SECTION 204. Form of Legend for Book-Entry Securities.

Any Global Security authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and, subject to Section 303, set forth in, or determined in the manner provided in, an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series, any or all of the following, as applicable (each of which, if so provided, may be determined from time to time by the Company with respect to unissued Securities of the series and set forth in such Securities of the series when issued from time to time):

- (1) The title of the Securities of the series (which shall distinguish the Securities of the series from all other series of Securities);
- (2) Whether the Securities of the series are subject to subordination and, if so, the terms of such subordination;
- (3) The aggregate principal amount of the Securities of the series, the percentage of their principal amount at which the Securities of the series shall be issued and the date or dates on which the principal of the Securities of the series shall be payable or the method by which such date or dates shall be determined or extended;
- (4) The rate or rates (which may be fixed or variable) at which the Securities of the series shall bear interest, if any, and, if variable, the method by which such rate or rates shall be determined and the periods when such rate or rates will be in effect;
- (5) The date or dates from which any interest shall accrue or the method by which such date or dates will be determined, the date or dates on which any interest will be payable (including the Regular Record Dates for such Interest Payment Dates) or the method by which such dates will be determined, the terms under which payment of any interest may be deferred if it may be deferred, and the basis on which any interest will be calculated if other than on the basis of a 360-day year of twelve 30-day months;
- (6) The place or places, if any, other than or in addition to New York City, where the principal of (and premium, if any, on) and interest, if any, on the Securities of the series will be payable, where any Securities may be surrendered for registration of transfer, where the Securities of the series may be surrendered for exchange and where notices or demands to or upon the Company in respect of the Securities of the series may be served;
- (7) The period or periods within which, the price or prices at which, and the other terms and conditions upon which, the Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option and any restrictions on the sources of funds for redemption payments (which may benefit the holders of any other securities of the Company);
- (8) The obligation, if any, of the Company to redeem, purchase or repay the Securities of the series, in whole or in part, pursuant to any sinking fund or analogous provision or at the option of a holder thereof, and the period or periods within which, the

price or prices at which, and the other terms and conditions upon which, the Securities of the series will be so redeemed, purchased or repaid;

(9) Whether the amount of payments of principal of (and premium, if any, on) and interest, if any, on the Securities of the series may be determined with reference to an index, formula or other method (which index, formula or method may, without limitation, be based on one or more commodities, equity indices or other indices) and the manner in which such amounts shall be determined;

(10) Any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to the Securities of the series (which Events of Default or covenants may not be consistent with the Events of Default or covenants set forth in the general provisions of this Indenture);

(11) If other than the entire principal amount thereof, the portion of the principal amount of the Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502 or the method by which such portion shall be determined;

(12) Any provisions in modification of, in addition to or in lieu of any provisions of Article Fourteen of this Indenture relating to defeasance and covenant defeasance that shall be applicable to the Securities of the series;

(13) Any provisions granting special rights to the Holders of the Securities of the series upon the occurrence of such events as may be specified;

(14) If other than the Trustee, the designation of any Paying Agent or Security Registrar for the Securities of the series, and the designation of any transfer or other agents or depositories for the Securities of the series;

(15) Whether the Securities of the series shall be issuable initially in temporary global form, whether any of the Securities of the series is to be issuable in permanent global form and, if so, whether beneficial owners of interests in any Global Security may exchange such interests for Definitive Securities of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in the Indenture, and, if the Securities are to be issuable as a Global Security, the identity of the depository for the Securities of the series;

(16) The person to whom any interest on any Security shall be payable, if other than the person in whose name the Securities of the series (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, or the manner in which any interest payable on a temporary Security issued in global form shall be paid (if other than as described in Section 304);

(17) The denomination or denominations in which the Securities of the series shall be issuable, if other than \$1,000 or any integral multiple thereof;

(18) Whether and under what circumstances the Company shall pay Additional Amounts, as contemplated by Section 1008 of this Indenture, on the Securities of the series to any Holder who is not a United States person (including any modification of the definition of such term as contained in this Indenture) in respect of any tax, assessment or governmental charge and, if so, whether the Company shall have the option to redeem the Securities of the series rather than pay such Additional Amounts (and the terms of any such option); and

(19) Any other terms, conditions, rights and preferences (or limitations on such rights and preferences) of the Securities of the series which may not be consistent with the other provisions of this Indenture.

All Securities of any one series shall be substantially identical except as may otherwise be provided in or pursuant to such Board Resolution (subject to Section 303) and set forth in such Officers' Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions, the Securities of such series, other than Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by any one of the following: its Chairman, its Chief Executive Officer, its President or one of its Vice Presidents, and attested by one of its Vice Presidents, its Corporate Secretary or one of its Assistant Corporate Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series, executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, which order shall set forth the number of separate Securities, the principal amount of the Securities to be authenticated, the date on which the Securities are to be authenticated, the registered holders of the Securities and delivery instructions, and the Trustee

in accordance with such Company Order shall authenticate and make available for delivery such Securities. If not all the Securities of any series are to be issued at one time and if the Board Resolution or supplemental indenture establishing such series shall so permit, such Company Order may set forth procedures acceptable to the Trustee for the issuance of such Securities and determining terms of particular Securities of such series such as interest rate, stated maturity, date of issuance and date from which interest shall accrue.

In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to TIA Sections 315(a) through 315(d)) shall be fully protected in relying upon, an Opinion of Counsel stating:

- (1) that the form or forms of such Securities have been established in conformity with the provisions of this Indenture;
- (2) that the terms of such Securities have been established in conformity with the provisions of this Indenture;
- (3) that such Securities, when completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, authenticated and made available for delivery by the Trustee in accordance with this Indenture and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights, to general equitable principles and to such other qualifications as such counsel shall conclude do not materially affect the rights of Holders of such Securities;
- (4) that all laws and requirements in respect of the execution and delivery by the Company of such Securities, and of the supplemental indentures, if any, have been complied with and that authentication and delivery of such Securities and the execution and delivery of the supplemental indenture, if any, by the Trustee will not violate the terms of the Indenture;
- (5) that the Company has the corporate power to issue such Securities, and all necessary corporate action with respect to such issuance has been taken ; and
- (6) that the issuance of such Securities will not contravene the articles of incorporation or bylaws of the Company or result in any violation of any of the terms or provisions of any law or regulation or of any indenture, mortgage or other agreement known to such Counsel by which the Company is bound.

Notwithstanding the provisions of Section 301 and of the preceding two paragraphs, if not all the Securities of any series are to be issued at one time, so long as the terms and provisions of such Securities are substantially identical to the other Securities of such series, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to the

preceding two paragraphs prior to or at the time of issuance of each Security, but such documents shall be delivered prior to or at the time of issuance of the first Security of such series.

The Trustee shall not be required to authenticate and make available for delivery any such Securities if the issuance of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties, immunities, protections, privileges, indemnities and benefits under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 311 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

SECTION 304. Book-Entry Securities.

(a) The Securities of a series may be issuable in whole or in part in the form of one or more Global Securities ("Book-Entry Securities") deposited with, or on behalf of, a Depository (the "Depository"). In the case of Book-Entry Securities, one or more Global Securities will be issued in a denomination or aggregate denomination equal to the portion of the aggregate principal amount of Outstanding Securities of the series to be represented by such Global Security or Global Securities. The additional provisions set forth in this Section 304 shall apply to Book-Entry Securities.

(b) Book-Entry Securities will be deposited with, or on behalf of, the Depository, and registered in the name of the Depository's nominee, for credit to the respective accounts of institutions that have accounts with the Depository or its nominee ("Participants"); provided that Book-Entry Securities purchased by Persons outside the United States may be credited to or through accounts maintained at the Depository by or on behalf of Euroclear or Clearstream International. The accounts to be credited will be designated by the underwriters or agents of such Securities or, if such Securities are offered and sold directly by the Company, by the Company. Ownership of beneficial interests in Book-Entry Securities will be limited to Persons that may hold interests through Participants.

Participants shall have no rights under this Indenture or any indenture supplemental hereto with respect to any Book-Entry Security held on their behalf by the Depository, or the Trustee as its custodian, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Book-Entry Security for all purposes whatsoever. Notwithstanding the foregoing, nothing in this Indenture or any such supplemental indenture shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between a Depository and its Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(c) Transfers of Book-Entry Securities shall be limited to transfers in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in Book-Entry Securities may be transferred or exchanged for Securities in fully registered, certificated form ("Definitive Securities") only if (i) the Depository notifies the Trustee in writing that the Depository is no longer willing or able to continue as Depository and a qualified successor Depository is not appointed by the Company within 60 days following such notice, (ii) the Company, at any time and in its sole discretion, determines not to have any Securities of one or more series represented by Global Securities or (iii) after the occurrence of an Event of Default with respect to such Securities, a holder of Securities notifies the Trustee in writing that it wishes to receive a Definitive Security and provides to the Trustee evidence reasonably satisfactory to the Trustee of its ownership interest in such Securities. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery of Definitive Securities equal in principal amount to such beneficial interest and registered in its name.

(d) In connection with any transfer or exchange of a portion of the beneficial interest in any Book-Entry Security to beneficial owners pursuant to paragraph (c) above, the Security Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Book-Entry Security in an amount equal to the principal amount of the beneficial interest in the Book-Entry Security to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities of like tenor and principal amount of authorized denominations.

(e) In connection with the transfer of Book-Entry Securities as an entirety to beneficial owners pursuant to paragraph (c) above, the Book-Entry Securities shall be deemed to be surrendered to the Trustee for cancellation and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in the Book-Entry Securities, an equal aggregate principal amount of Definitive Securities of like tenor of authorized denominations.

(f) The Holder of any Book-Entry Security may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Securities.

SECTION 305. Temporary Securities.

Pending the preparation of Definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are typewritten, printed, lithographed, engraved or otherwise produced by any combination of these methods, in any authorized denomination, substantially of the tenor of the Definitive Securities in lieu of which they are issued, in registered form and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities. Such temporary Securities may be in global form.

If temporary Securities of any series are issued, the Company will cause Definitive Securities of that series to be prepared without unreasonable delay. After the preparation of Definitive Securities of such series, the temporary Securities of such series shall be exchangeable for Definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Securities of the same series of authorized denominations. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of such series.

Until exchanged in full as hereinabove provided, the temporary Securities of any series, including temporary Global Securities (whether or not issued as Book-Entry Securities as provided in Section 304), shall in all respects be entitled to the same benefits under this Indenture as Definitive Securities of the same series and of like tenor authenticated and delivered hereunder.

SECTION 306. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register for each series of Securities (the registers maintained in such office of the Trustee and in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby initially appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Except as otherwise described in this Article Three, upon surrender for registration of transfer of any Security of any series at the office or agency of the Security Registrar in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, in each case, of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever

any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp, similar issue or transfer taxes or other governmental charges that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 305, 906, 1107 or 1305 not involving any transfer.

Neither the Company nor the Security Registrar shall be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the selection for redemption of Securities of that series under Section 1103 or 1203 and ending at the close of business on the day of the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to issue, register the transfer of or exchange any Security which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Security not to be so repaid.

SECTION 307. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee together with, in proper cases, such security or indemnity as may be required by the Company or the Trustee to save each of them and any agent of either of them harmless from any loss or liability which any of them may suffer if a Security is replaced and subsequently presented or claimed for payment, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding, or, in case any such mutilated Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

If there shall be delivered to the Company and to the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or an Authorized Officer of the Trustee that such Security

has been acquired by a bona fide purchaser, the Company shall execute and upon Company Order the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the provisions of the previous two paragraphs, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series, if any, issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section 307 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 308. Payment of Interest; Interest Rights Preserved; Optional Interest Reset.

(a) Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest, if any, on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name such Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 1002; provided, however, that each installment of interest, if any, on any Security may at the Company's option be paid by (i) mailing a check for such interest, payable to or upon the written order of the Person entitled thereto pursuant to Section 310, to the address of such Person as it appears on the Security Register or (ii) with the consent of the Trustee (if the Trustee is then serving as Paying Agent) wire transfer to an account located in the United States maintained by the payee.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such defaulted interest and, if applicable, interest on such defaulted interest (to the extent lawful) at the rate specified in the Securities of such series (such defaulted interest and, if applicable, interest thereon herein collectively called "Defaulted Interest") may be paid by the Company, at its election in each case, as provided in Subsection (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money (except as otherwise specified pursuant to Section 301 for the Securities of such series) equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given in the manner provided in Section 106, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose name the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Subsection (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

(b) The provisions of this Section 308(b) may be made applicable to any series of Securities pursuant to Section 301 (with such modifications, additions or substitutions as may be specified pursuant to such Section 301). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an "Optional Reset Date"). The Company may exercise such option with respect to such Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security, which notice shall contain such information as may be required by the Trustee to transmit the Reset Notice (as hereinafter defined). Not later than 40 days prior to each Optional Reset Date, the Trustee shall transmit, in the manner provided for in Section 106, to the Holder of any such Security a notice (the "Reset Notice") indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next

Optional Reset Date, to the Stated Maturity of such Security (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or a spread or spread multiplier used to calculate such interest rate, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustee to transmit, in the manner provided for in Section 106, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security; and such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the tenth day (or if such day is not a Business Day, on the immediately succeeding Business Day) before such Optional Reset Date.

Subject to the foregoing provisions of this Section and Section 306, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 309. Optional Extension of Stated Maturity.

The provisions of this Section 309 may be made applicable to any series of Securities pursuant to Section 301 (with such modifications, additions or substitutions as may be specified pursuant to such Section 301). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the "Original Stated Maturity"). If the Company exercises such option, the Trustee shall transmit, in the manner provided for in Section 106, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the "Extension Notice") indicating (i) the election of the

Company to extend the Stated Maturity, (ii) the new Stated Maturity, (iii) the interest rate, if any, applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to transmit, in the manner provided for in Section 106, notice of such higher interest rate to the Holder of such Security; and such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity of such Security, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders, except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustee revoke such tender for repayment until the close of business on the tenth day (or if such day is not a Business Day, on the immediately succeeding Business Day) before the Original Stated Maturity.

SECTION 310. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Sections 306 and 308) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of (i) the records relating to or payments made on account of any Participants or any beneficial ownership interests of a Security in global form, (ii) maintaining, supervising or reviewing any records maintained by any Depository or Participant or any other Person relating to such beneficial ownership interests, (iii) the delivery or timeliness of delivery of any notice to any beneficial owner of Securities which is required or permitted under the terms of this Indenture or such Securities, (iv) the selection of the beneficial owners to receive payments in the event of a partial redemption or repayment, or (v) any consent given or other action taken by the Depository or other Holder of a Security, as the registered holder thereof.

Notwithstanding the foregoing, with respect to any Global Security, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any Depository, as a Holder, with respect to such Global Security or impair, as between such Depository and owners of beneficial interests in such Global Security, the operation of customary practices governing the exercise of the rights of such Depository (or its nominee) as Holder of such Global Security.

SECTION 311. Cancellation.

All Securities surrendered for payment, redemption, repayment at the option of the Holder, registration of transfer or exchange or for credit against any current or future sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. All Securities so delivered to the Trustee shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. If the Company shall so acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedures, unless by Company Order the Company shall direct that cancelled Securities be returned to it.

SECTION 312. Computation of Interest.

Interest, if any, on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 313. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use) in addition to serial numbers, and, if so, the Trustee shall use such "CUSIP" numbers in addition to serial numbers in notices of repurchase as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a repurchase and that reliance may be placed only on the serial or other identification numbers printed on the Securities, and any such repurchase shall not be affected by any defect in or omission of such "CUSIP" numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture.

This Indenture shall, upon Company Request, cease to be of further effect with respect to any series of Securities specified in such Company Request (except as to any surviving rights of registration of transfer or exchange of Securities of such series expressly provided for herein or pursuant hereto) and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series when

(1) either

(A) all Securities of such series theretofore authenticated and delivered have been delivered to the Trustee for cancellation; or

(B) all Securities of such series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest, if any, to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture as to such series, the obligations of the Company to the Trustee under Section 606, the obligations of the Trustee to any Authenticating Agent under Section 612 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Subsection (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

SECTION 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest, if any, for whose payment such money has been deposited with the Trustee.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

“Event of Default”, wherever used herein with respect to Securities of any series, means any one of the following events:

- (1) default in the payment of any installment of interest upon any Security of such series when it becomes due and payable, continued for 30 days; or
- (2) default in the payment of the principal of (or premium, if any, on) any Security of such series at its Maturity; or
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of the Securities of such series and Article Twelve; or
- (4) failure on the part of the Company to observe or perform any other covenant or agreement contained in this Indenture (other than a covenant or agreement included in this Indenture not for the benefit of such series) for 60 days after written notice stating the Company is in breach has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of outstanding Securities of such series; or
- (5) default under any indenture or instrument under which the Company or any Restricted Subsidiary has at the time outstanding indebtedness for borrowed money or guarantees thereof in any individual instance in excess of \$25,000,000 and, if not already matured in accordance with its terms, such indebtedness has been accelerated and such acceleration is not cured within 30 days after notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of Outstanding Securities of such series; provided

that, if, prior to the entry of judgment in favor of the Trustee for payment of the Securities of such series, the default under such indenture or instrument has been remedied by the Company or such Restricted Subsidiary, or waived by the holders of such indebtedness, then the Event of Default under this Indenture will be deemed likewise to have been remedied or waived; or

(6) the entry of a decree or order by court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Bankruptcy Law or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(7) the institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by the Company to the institution of bankruptcy or insolvency proceedings against it, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Law or any other applicable federal or state law, or the consent by the Company to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of the property of the Company or of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due; or

(8) any other Event of Default provided for the benefit of Securities of such series.

SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If any Event of Default described in Section 501 with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of at least 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities of that series and all accrued interest thereon to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company, and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(1) all overdue interest, if any, on all Outstanding Securities of that series,

(2) all unpaid principal of (and premium, if any, on) any Outstanding Securities of that series which has become due otherwise than by such declaration of acceleration, and interest on such unpaid principal (and premium, if any) at the rate or rates prescribed therefor in such Securities,

(3) interest upon such overdue interest at the rate or rates prescribed therefor in such Securities, and

(4) all sums paid or advanced by the Trustee for such series hereunder and reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel;

(b) all Events of Default with respect to Securities of that series, other than the non-payment of principal of (or premium, if any, on) or interest, if any, on Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

then the Company will, upon demand of the Trustee, pay to it for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal (and premium, if any) and interest, if any, and interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final

decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series under this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any), or such portion of the principal amount of any series of Original Issue Discount Securities or Indexed Securities as may be specified in the terms of such series, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 606.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any proposal, plan of reorganization, arrangement, adjustment or composition or other similar arrangement affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, if any, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 606;

Second: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest, if any, on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, if any, respectively; and

Third: The balance, if any, to the Company.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of at least 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of an Event of Default described in Section 501 in its own name as Trustee hereunder and such Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(3) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(4) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority or more in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of the same series, in respect of any Event of Default described in Section 501, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the same series, in respect of such Event of Default.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 308) interest, if any, on, such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided in Section 307, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

With respect to the Securities of any series, the Holders of not less than a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, related to or arising under Section 501, provided that in each case,

- (1) such direction shall not be in conflict with any rule of law or with this Indenture or expose the Trustee to personal liability, and
- (2) subject to the provisions of the TIA Section 315, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

Subject to Section 502, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past Default or Event of Default in Section 501 in respect of such series and its consequences, except a Default or Event of Default,

- (1) in respect of the payment of the principal of (or premium, if any) or interest, if any, on any Security of such series, or
- (2) in respect of a covenant or provision of such series which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of Securities of any series by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on Securities of any series on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date); provided that neither this Section 514 nor the Trust Indenture Act shall be deemed to

authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Notice of Defaults.

Within 90 days after the occurrence of any Default hereunder with respect to the Securities of any series of which the Trustee is deemed to have knowledge pursuant to Section 602, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, notice of such Default hereunder, unless such Default shall have been cured or waived; provided, however, that, except in the case of a Default in the payment of the principal of (or premium, if any) or interest, if any, on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors and/or Authorized Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided further that in the case of any Default or breach of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof.

SECTION 602. Certain Rights of Trustee.

The duties and rights of the Trustee hereunder shall be provided in TIA Sections 315(a) through 315(d) and, subject thereto,

(1) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(4) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(7) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(8) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(9) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(10) The Trustee is not required to take notice or deemed to have notice of any Default or Event of Default hereunder, unless an Authorized Officer of the Trustee has received notice in writing of such Default or Event of Default from the Company or from the Holders of at least 25% in aggregate principal amount of the Outstanding Securities

of the series so affected, and in absence of any such notice, the Trustee may conclusively assume that no Default or Event of Default exists;

(11) The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(12) The Trustee's immunities and protections from liability and its rights to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and final payment of the Securities;

(13) The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to any series of Securities, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Securities, other than the filing of any documents required to be filed by an indenture trustee pursuant to the Trust Indenture Act;

(14) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(15) The Trustee may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded;

(16) The Trustee shall not be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss or profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(17) The Trustee shall not be required to give any note, bond or surety in respect of the execution of the trusts and powers under this Indenture.

SECTION 603. Trustee Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except for the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of

Securities or the proceeds thereof, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements to be made by it in a Statement of Eligibility on Form T-1 supplied to the Company are true and accurate, subject to the qualifications set forth therein. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 604. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to TIA Sections 310(b) and 311, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 605. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 606. Compensation and Reimbursement.

The Company agrees:

- (1) to pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Company and the Trustee for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and
- (3) to indemnify each of Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability or expense including taxes (other than taxes based on the income of the Trustee) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with any action taken, suffered or omitted by the Trustee hereunder.

As security for the performance of the obligations of the Company under this Section 606, the Trustee shall have a lien prior to the Securities upon all property and funds held

or collected by the Trustee as such, except funds held in trust for the payment of principal of (or premium, if any) or interest, if any, on particular Securities.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 607. Conflicting Interests.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 608. Corporate Trustee Required; Eligibility; Conflicting Interests.

There shall at all times be a Trustee hereunder qualified or to be qualified under TIA Section 310(a)(1) and which, to the extent there is such an institution eligible and willing to serve, shall have a combined capital and surplus of at least \$50,000,000. If such Trustee publishes or files reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 608, the combined capital and surplus of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published or filed. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 608, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 610 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of not less than a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the removed Trustee may, at the expense of the Company, petition a court of competent jurisdiction for the appointment of a successor Trustee.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of TIA Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company, by a Board Resolution, may remove the Trustee with respect to all Securities, or (ii) subject to TIA Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series). If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with Section 610, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to the Holders of Securities of such series in the manner provided for in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 610. Acceptance of Appointment by Successor.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; provided, however, that the retiring Trustee shall continue to be entitled to the benefit of Section 606; but, on the request of the Company or the successor Trustee and after payment of all amounts due and payable to such retiring Trustee pursuant to Section 606 (collectively, the "Trustee Payments"), such retiring Trustee shall, upon payment of any additional charges therefor, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series and after receipt by the retiring Trustee of the Trustee Payments, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee and after receipt by the retiring Trustee of all Trustee Payments, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities. In case any of the Securities shall not have been authenticated by such predecessor Trustee, any successor Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee. In all such cases such certificates shall have the full force and effect which this Indenture provides for the certificate of authentication of the Trustee; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 612. Appointment of Authenticating Agent.

At any time when any of the Securities remain Outstanding, the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series and the Trustee shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 106. Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by an Authorized Officer of the Trustee, and a copy of such instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be reasonably acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes or files reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published or filed. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 106. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

Dated: _____

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
as Authenticating Agent

By _____
Authorized Officer

SECTION 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Disclosure of Names and Addresses of Holders.

Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that none of the Company or the Trustee or any agent of either of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with TIA Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under TIA Section 312.

SECTION 702. Reports by Trustee.

Within 60 days after May 15 of each year commencing with the first May 15 after the first issuance of Securities pursuant to this Indenture, the Trustee shall transmit to the Holders of Securities, in the manner and to the extent provided in TIA Section 313(c), a brief report dated as of such May 15 if required by TIA Section 313(a).

SECTION 703. Reports by Company.

The Company shall:

(1) file with the Trustee, within 30 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of such Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information,

documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in TIA Section 313(c), such summaries of any information, documents and reports required to be filed by the Company pursuant to Subsections (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, any Person, unless:

(1) Immediately after giving effect to such transaction, no Event of Default (or event that with notice or lapse of time, or both, would become an Event of Default) shall have happened and be continuing;

(2) The corporation or other entity formed by such consolidation or into which the Company is merged, or the Person to which such properties and assets will have been conveyed, transferred or leased, assumes the Company's obligation as to the due and punctual payment of the principal of (and premium, if any, on) and interest, if any, on all the Securities and the performance and observance of every covenant to be performed by the Company under this Indenture, and will be organized under the laws of the United States, one of the states thereof or the District of Columbia; and

(3) The Company has delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

This Section shall only apply to a merger or consolidation in which the Company is not the surviving entity and to conveyances, leases and transfers by the Company as transferor or lessor.

SECTION 802. Rights and Duties of Successor Corporation.

In case of any such consolidation, merger, conveyance or transfer to which Section 801 applies and upon any such assumption by the successor corporation or Person, such successor corporation or Person shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company and the predecessor corporation shall

be relieved of any further obligation under this Indenture. Such successor corporation or Person thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation or Person, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Securities which such successor corporation or Person thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof. As used in this Section, "successor corporation or Person" means the entity formed by such consolidation or into which the Company is merged, or the Person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety, as the case may be, in each case as provided in Section 801.

SECTION 803. Securities to be Secured in Certain Events.

If, upon any such consolidation of the Company with, or merger of the Company into, any other entity, or upon any conveyance, transfer or lease of the property of the Company substantially as the entirety to any other Person, any Principal Property of the Company or any Restricted Securities owned immediately prior thereto, would become or be subject to any Lien, then unless such Lien could be created pursuant to Section 1006 without equally and ratably securing the Securities, the Company prior to or simultaneously with such transaction will, as to such Principal Property or Restricted Securities, secure the Securities Outstanding hereunder (together with, if the Company shall so determine, any other Indebtedness of the Company now existing or hereafter created which is not subordinate to the Securities) equally and ratably with (or prior to) the Indebtedness which upon such event is to become secured as to such Principal Property or Restricted Securities by such Lien, or will cause such Securities to be so secured; provided that for the purpose of providing such equal and ratable security the principal amount of Original Issue Discount Securities and Indexed Securities shall mean that amount which, at the time of making such provision of such equal and ratable security, would be due and payable pursuant to Section 502 and the terms of such Original Issue Discount Securities and Indexed Securities upon a declaration of acceleration of the Maturity thereof, and the extent of such equal and ratable security shall be adjusted, to the extent permitted by law, as and when said amount changes over time pursuant to the terms of such Original Issue Discount Securities and Indexed Securities.

ARTICLE NINE.

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are being included solely for the benefit of such series) or to surrender any right or power herein or in the Securities conferred upon the Company; or

(3) to add any additional Events of Default (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series); or

(4) to change or eliminate any of the provisions of this Indenture; provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(5) to secure the Securities pursuant to the requirements of Section 803 or 1006 or otherwise; or

(6) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(7) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 610(b); or

(8) to close this Indenture with respect to the authentication and delivery of additional series of Securities; or

(9) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; provided that such action shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or

(10) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 401, 1402 and 1403; provided that any such action shall

not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect; or

(11) to make any other change that does not adversely affect the rights of any Holder.

SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities of the series affected by such supplemental indenture (including any consents obtained in connection with a tender or exchange offer for Outstanding Securities), by Act of such Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into one or more indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture applicable to such series or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture amendment or waiver shall, without the consent of the Holder of each Outstanding Security of such series affected thereby:

(1) change the Stated Maturity of the principal of (or premium, if any) or any installment of interest on any Security, or reduce the principal amount thereof (or premium, if any) or the rate of interest, if any, thereon, or change any obligation of the Company to pay Additional Amounts as contemplated by Section 1008 (except as contemplated by Section 801(2) and permitted by Section 901(1)), or reduce the amount of the principal of an Indexed Security or an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 or the amount thereof provable in bankruptcy pursuant to Section 504, or adversely affect any right of repayment at the option of any Holder of any Security, or change any Place of Payment where, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be), or adversely affect any right to convert or exchange any Security as may be provided pursuant to Section 301 herein, or

(2) reduce the percentage in principal amount of the Outstanding Securities of such series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section 902, Section 513 or Section 1009, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture as applicable to a particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 602 hereof) shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, protections, privileges, indemnities, benefits or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

SECTION 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice

thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company covenants and agrees, as to each series of Securities, that it will duly and punctually pay the principal of (and premium, if any, on) and interest, if any, on the Securities of such series in accordance with the terms of such Securities and this Indenture.

SECTION 1002. Maintenance of Office or Agency.

The Company will maintain, as to each series of Securities, in each Place of Payment for each series of Securities an office or agency where Securities of such series may be presented or surrendered for payment, where Securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of such series and this Indenture may be served.

The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. Unless otherwise specified with respect to any Securities pursuant to Section 301 with respect to a series of Securities, the Company hereby designates as Places of Payment for each series of Securities the office or agency of the Trustee in the Borough of Manhattan, the City of New York, and initially appoints the Trustee at its Corporate Trust Office in Atlanta, Georgia and at the office of its agent in the Borough of Manhattan, the City of New York as Paying Agent in each such city as its agent to receive all such presentations, surrenders, notices and demands.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, before each due date of the principal of (and premium, if any, on) and interest, if any, on any of the Securities of such series, segregate and hold in trust for the

benefit of the Persons entitled thereto a sum (except as otherwise specified pursuant to Section 301 for the Securities of such series) sufficient to pay the principal of (and premium, if any, on) and interest, if any, on Securities of such Series so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to or on each due date of the principal of (and premium, if any, on) and interest, if any, on any Securities of such series, deposit with the Paying Agent, a sum sufficient to pay the principal (and premium, if any, on) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) will promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent (other than the Trustee) for any series of Securities to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of the principal of (and premium, if any, on) and interest, if any, on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any payment of principal (and premium, if any, on) and interest, if any, on the Securities of such series; and
- (3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any, on) and interest, if any, on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any, on) or interest has become due and payable, shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease;

provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 1004. Statement as to Compliance.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, commencing with its fiscal year ending after the date hereof, a brief certificate from any two of its principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the compliance by the Company with all conditions and covenants under this Indenture. For purposes of this Section 1004, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 1005. Corporate Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its respective corporate existence, rights (charter and statutory) and franchises and the respective corporate existence, rights (charter and statutory) and franchises of its Subsidiaries; provided, however, that the Company shall not be required to preserve any such existence, right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of it and its Subsidiaries as a whole and not disadvantageous in any material respect to the Holders.

SECTION 1006. Limitations on Liens.

The Company covenants and agrees that it will not, and will not permit any Restricted Subsidiary to, create, incur, issue or assume any Indebtedness secured by any Lien on any Principal Property, or on shares of stock or Indebtedness of any Restricted Subsidiary ("Restricted Securities"), without making effective provision for the Outstanding Securities to be secured by the Lien equally and ratably with, or prior to, any and all Indebtedness or obligations secured or to be secured thereby for so long as such Indebtedness and obligations are so secured, except that the foregoing restriction shall not apply to:

(1) Any Lien existing on the date of the first issuance of Securities under this Indenture, including, but not limited to, Liens on property or after-acquired property of the Company or its Subsidiaries under the United Cities Indenture, or such other date as may be specified in any supplemental indenture for any subsequent issuance of Securities under this Indenture.

(2) Any Lien on any Principal Property or Restricted Securities of any Person existing at the time such Person is merged or consolidated with or into the Company or a Restricted Subsidiary, or becomes a Restricted Subsidiary, or arising thereafter otherwise than in connection with the borrowing of money arranged thereafter and pursuant to

contractual commitments entered into prior to and not in contemplation of such Person's becoming a Restricted Subsidiary.

(3) Any Lien on any Principal Property existing at the time of acquisition of such Principal Property by the Company or a Restricted Subsidiary, whether or not assumed by the Company or such Restricted Subsidiary, provided that no such Lien may extend to any other Principal Property of the Company or any Restricted Subsidiary.

(4) Any Lien on any Principal Property (including any improvements on an existing Principal Property) of the Company or any Restricted Subsidiary, or any proceeds thereof or additions thereto, and any Lien on the shares of stock of a Restricted Subsidiary that was formed or is held for the purpose of acquiring and holding such Principal Property, in each case to secure all or any part of the cost of acquisition, development, operation, construction, alteration, repair or improvement of all or any part of such Principal Property (or to secure Indebtedness incurred by the Company or a Restricted Subsidiary for the purpose of financing all or any part of such cost); provided that such Lien is created prior to, at the time of, or within 12 months after the latest of, the acquisition, completion of construction or improvement or commencement of commercial operation of such Principal Property and provided, further, that no such Lien may extend to any other Principal Property of the Company or any Restricted Subsidiary, other than any currently unimproved real property on which the Principal Property has been constructed or developed or the improvement is located.

(5) Any Lien on any Principal Property or Restricted Securities to secure Indebtedness owing to the Company or to a Restricted Subsidiary.

(6) Any Lien in favor of a governmental body to secure advances or other payments under any contract or statute or to secure Indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to such Lien.

(7) Any Lien created in connection with a project financed with, and created to secure, Non-Recourse Indebtedness.

(8) Any Lien required to be placed on any property of the Company or its Subsidiaries pursuant to the provisions of the United Cities Indenture.

(9) Any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (8), provided that the Indebtedness secured thereby may not exceed the principal amount of Indebtedness so secured at the time of such renewal or refunding, plus any premium, cost or expense in connection with such extensions, renewals, substitutions or replacements and that such renewal or refunding Lien must be limited to all or any part of the same property and improvements, shares of stock or Indebtedness that secured the Lien renewed or refunded.

(10) Any Lien not permitted above securing Indebtedness that, together with the aggregate outstanding principal amount of other secured Indebtedness that would otherwise be subject to the foregoing restrictions (excluding Indebtedness secured by

Liens permitted under the foregoing exceptions) and the Attributable Debt in respect of all Sale and Leaseback Transactions (not including Attributable Debt in respect of any such Sale and Leaseback Transactions described in clause (iii) and (iv) of Section 1007) would not then exceed 15% of Consolidated Net Tangible Assets.

SECTION 1007. Limitation on Sale and Leaseback Transactions.

The Company covenants and agrees that it will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless (i) the Company or a Restricted Subsidiary would be entitled, without securing the Outstanding Securities, to incur Indebtedness secured by a Lien on the Principal Property that is the subject of such Sale and Leaseback Transaction pursuant to the provisions of Section 1006; (ii) the Attributable Debt associated with the Sale and Leaseback Transaction would be in an amount permitted under Section 1006(10); (iii) the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction are used for the business and operations of the Company or any Subsidiary; or (iv) within 12 months after the sale or transfer, an amount equal to the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction is applied to the prepayment (other than mandatory prepayment pursuant to Section 1201) of any Outstanding Securities or Funded Indebtedness that is owed by the Company or a Restricted Subsidiary (other than Funded Indebtedness that is held by the Company or any Restricted Subsidiary or Funded Indebtedness of the Company that is subordinate in right of payment to any Outstanding Securities).

SECTION 1008. Additional Amounts.

If any Securities of a series provide for the payment of additional amounts to any Holder who is not a United States person in respect of any tax, assessment or governmental charge ("Additional Amounts"), the Company shall pay to the Holder of any Security of such series such Additional Amounts as may be specified pursuant to Section 301. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of (and premium, if any, on) or interest, if any, on, or in respect of, any Security of a series or the net proceeds received on the sale or exchange of any Security of a series, such mention shall be deemed to include mention of the payment of Additional Amounts provided for by the terms of such series established pursuant to Section 301 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to such terms, and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made. Except as otherwise specified pursuant to Section 301, if the Securities of a series provide for the payment of Additional Amounts, at least 10 days prior to the first Interest Payment Date, if any, with respect to Securities of such series (or if the Securities of such series do not bear interest or will not bear interest prior to Maturity, the first day on which a payment of principal and any premium is made), and at least 10 days prior to each date of payment of interest or principal and any premium if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company shall furnish the Trustee and the Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and the Paying Agent or Paying Agents whether such payment of principal of (and

premium, if any, on) or interest, if any, on the Securities of such series shall be made to Holders of Securities of such series who are not United States persons without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of the series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities of such series and the Company shall pay to the Trustee or the Paying Agent or Paying Agents the Additional Amounts required by the terms of such Securities. In the event that the Trustee or any Paying Agent, as the case may be, shall not so receive the above-mentioned certificate, then the Trustee or such Paying Agent shall be entitled (i) to assume that no such withholding or deduction is required with respect to any payment of principal, premium or interest with respect to any Securities of a series until it shall have received a certificate advising otherwise and (ii) to make all payments of principal, premium and interest with respect to the Securities of a series without withholding or deductions until otherwise advised. The Company hereby covenants and agrees to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability, cost or expense reasonably incurred without negligence or willful misconduct on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

SECTION 1009. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Section 803 or Sections 1005 to 1007, inclusive, if before or after the time for such compliance the Holders of at least a majority in principal amount of all Outstanding Securities of the series affected, by Act of such Holders, waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1102. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed and shall deliver to the

Trustee such documentation and records as shall enable the Trustee to select the Securities to be redeemed pursuant to Section 1103. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate and Opinion of Counsel evidencing compliance with such restriction.

SECTION 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Securities of such series; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than the minimum authorized denomination for Securities of such series established pursuant to Section 301.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 1104. Notice of Redemption.

Notice of redemption shall be given in the manner provided for in Section 106 not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed.

All notices of redemption shall identify the Securities (including CUSIP number, if any) to be redeemed and shall state:

- (1) the Redemption Date,
- (2) the Redemption Price and the amount of accrued interest to the Redemption Date payable as provided in Section 1106, if any,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,
- (4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,

(5) that on the Redemption Date, the Redemption Price and accrued interest, if any, to the Redemption Date payable as provided in Section 1106 will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(6) the Place or Places of Payment where such Securities maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price and accrued interest, if any, and

(7) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee, in the name and at the expense of the Company, upon delivery to the Trustee at least 40 days prior to the Redemption Date, or such shorter period as may be satisfactory to the Trustee, of written direction to give, and a complete copy of, such notice.

SECTION 1105. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and accrued interest, if any, on, all the Securities which are to be redeemed on that date.

SECTION 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein (together with accrued interest, if any, to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities shall, if the same were interest-bearing, cease to bear interest, and except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that installments of interest on Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 308.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part (pursuant to the provisions of this Article or of Article Twelve) shall be surrendered at a Place of Payment therefor (with, if the

Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE TWELVE

SINKING FUNDS

SECTION 1201. Applicability of Article.

Retirements of Securities of any series pursuant to any sinking fund shall be made in accordance with the terms of such Securities and in accordance with this Article.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

Subject to Section 1203, in lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (1) deliver to the Trustee Outstanding Securities of a series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company and/or (2) receive credit for the principal amount of Securities of such series which have been previously delivered to the Trustee by the Company or for Securities of such series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of the same series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided, however, that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the

amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering or crediting Securities of that series pursuant to Section 1202 (which Securities will, if not previously delivered, accompany such certificate) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series. Such certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. In the case of the failure of the Company to deliver such certificate, the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Securities subject to a mandatory sinking fund payment without the option to deliver or credit Securities as provided in Section 1202 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Not more than 60 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

Prior to any sinking fund payment date, the Company shall pay to the Trustee or a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) in cash a sum equal to any interest that will accrue to the date fixed for redemption of Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this Section 1203.

Notwithstanding the foregoing, with respect to a sinking fund for any series of Securities, if at any time the amount of cash to be paid into such sinking fund on the next succeeding sinking fund payment date, together with any unused balance of any preceding sinking fund payment or payments for such series, does not exceed in the aggregate \$100,000, the Trustee, unless requested by the Company, shall not give the next succeeding notice of the redemption of Securities of such series through the operation of the sinking fund. Any such unused balance of moneys deposited in such sinking fund shall be added to the sinking fund payment for such series to be made in cash on the next succeeding sinking fund payment date or, at the written request of the Company, shall be applied at any time or from time to time to the purchase of Securities of such series, by public or private purchase, in the open market or otherwise, at a purchase price for such Securities (excluding accrued interest and brokerage commissions, for which the Trustee or any Paying Agent will be promptly reimbursed by the Company) not in excess of the principal amount thereof.

ARTICLE THIRTEEN

REPAYMENT AT OPTION OF HOLDERS

SECTION 1301. Applicability of Article.

Repayment of Securities of any series before their Stated Maturity at the option of Holders thereof shall be made in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1302. Repayment of Securities.

Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest, if any, thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that on or before the Repayment Date it will deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the principal (or, if so provided by the terms of the Securities of any series, a percentage of the principal) of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest, if any, on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

SECTION 1303. Exercise of Option.

Securities of any series subject to repayment at the option of the Holders thereof will contain an "Option to Elect Repayment" form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the "Option to Elect Repayment" form on the reverse of such Security duly completed by the Holder (or by the Holder's attorney duly authorized in writing), must be received by the Company at the Place of Payment therefor specified in the terms of such Security (or at such other place or places of which the Company shall from time to time notify the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

SECTION 1304. When Securities Presented for Repayment Become Due and Payable.

If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the

payment of such Securities on such Repayment Date) such Securities shall, if the same were interest-bearing, cease to bear interest and except to the extent provided below, shall be void. Upon surrender of any such Security for repayment in accordance with such provisions, together with all coupons, if any, appertaining thereto maturing after the Repayment Date, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest, if any, to the Repayment Date; provided, however, that, in the case of Securities, installments of interest, if any, whose Stated Maturity is on or prior to the Repayment Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 308.

If the principal amount of any Security surrendered for repayment shall not be so repaid upon surrender thereof, such principal amount (together with interest, if any, thereon accrued to such Repayment Date) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 1305. Securities Repaid in Part.

Upon surrender of any Security which is to be repaid in part only, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

ARTICLE FOURTEEN

DEFEASANCE AND COVENANT DEFEASANCE

SECTION 1401. Company's Option to Effect Defeasance or Covenant Defeasance.

The provisions of this Article Fourteen shall apply to each series of Securities, and the Company may, at its option, effect defeasance of the Securities of or within a series under Section 1402, or covenant defeasance of the Securities of or within a series under Section 1403, in accordance with the terms of such Securities and in accordance with this Article.

SECTION 1402. Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section with respect to any series of Securities, the Company shall be deemed to have been discharged from its obligations with respect to such series of Outstanding Securities on the date the conditions set forth in Section 1404 are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance

means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such series of Outstanding Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 1405 and the other Sections of this Indenture referred to in (A) and (B) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of such Outstanding Securities to receive, solely from the trust fund described in Section 1404 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any) and interest, if any, on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 305, 306, 307, 1002 and 1003 and with respect to the payment of Additional Amounts, if any, on such Securities as contemplated by Section 1008, (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (D) this Article Fourteen. Subject to compliance with this Article Fourteen, the Company may exercise its option under this Section 1402 notwithstanding the prior exercise of its option under Section 1403 with respect to such Securities.

SECTION 1403. Covenant Defeasance.

Upon the Company's exercise under Section 1401 of the option applicable to this Section 1403 with respect to any Securities of or within a series, the Company shall be released from its obligations under Sections 1006 and 1007, and if specified pursuant to Section 301, its obligations under any other covenant, with respect to such Outstanding Securities on and after the date the conditions set forth in Section 1404 are satisfied (hereinafter, "covenant defeasance"), and such Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder (it being understood that such Securities shall not be deemed Outstanding for financial accounting purposes). For this purpose, such covenant defeasance means that, with respect to such Outstanding Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(4) or Section 501(8) or otherwise, as the case may be, but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby.

SECTION 1404. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 1402 or Section 1403 to any series of Outstanding Securities:

- (1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 608 who shall agree to comply with the provisions of this Article Fourteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as

security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) an amount of money or (B) Government Obligations applicable to such Securities which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of and premium, if any, and interest, if any, on such Securities, money in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, if any) and interest, if any, on such Outstanding Securities on the Stated Maturity (or Redemption Date, if applicable) of such principal (and premium, if any) or installment of interest, if any, and (ii) any mandatory sinking fund payments or analogous payments applicable to such Outstanding Securities on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such Government Obligations to said payments with respect to such Securities. Before such a deposit, the Company may give to the Trustee, in accordance with Section 1102 hereof, a notice of its election to redeem all or any portion of such Outstanding Securities at a future date in accordance with the terms of the Securities of such series and Article Eleven hereof, which notice shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing.

(2) No Default or Event of Default with respect to such Securities shall have occurred and be continuing on the date of such deposit or, insofar as paragraphs (6) and (7) of Section 501 are concerned, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).

(3) No event or condition shall exist that would prevent the Company from making payments of the principal of (and premium, if any) or interest on the Securities on the date of such deposit or at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).

(4) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company is a party or by which it is bound.

(5) In the case of an election under Section 1402, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of execution of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

(6) In the case of an election under Section 1403, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(7) In the case of an election under either Section 1402 or 1403, the Company shall represent to the Trustee that the deposit made by the Company pursuant to its election under Section 1402 or 1403 was not made by the Company with the intent of preferring the Holders of Securities of any series over other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others.

(8) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 1402 or the covenant defeasance under Section 1403 (as the case may be) have been complied with.

SECTION 1405. Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all money and Government Obligations (or other property as may be provided pursuant to Section 301) (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 1405, the "Trustee") pursuant to Section 1404 in respect of such Outstanding Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal (and premium, if any) and interest, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Section 1404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of such Outstanding Securities.

Anything in this Article Fourteen to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in Section 1404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance, as applicable, in accordance with this Article.

SECTION 1406. Reinstatement.

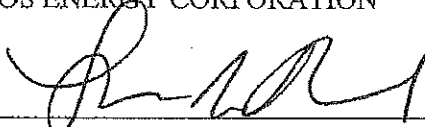
If the Trustee or any Paying Agent is unable to apply any money in accordance with Section 1405 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and such Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 1402 or 1403, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 1405; provided, however, that if the Company makes any payment of principal of (or premium, if any) or interest, if any, on any such Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

ATMOS ENERGY CORPORATION

By: _____


Name: Laurie M. Sherwood
Title: Vice President and Treasurer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be
duly executed all as of the day and year first above written.

ATMOS ENERGY CORPORATION

By: _____
Name: Laurie M. Sherwood
Title: Vice President and Treasurer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: Richard Prokosch
Name: Richard Prokosch
Title: Vice President

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ATMOS ENERGY CORPORATION

6.35% Senior Notes due 2017

No. 1

CUSIP NO. 049560 AH8

Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company", which term includes any successor entity under the Indenture, hereinafter defined), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000) on June 15, 2017 (the "Maturity Date"), at the office or agency of the Company referred to below, and to pay interest thereon from June 14, 2007, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 15 and December 15 in each year (each, an "Interest Payment Date"), commencing December 15, 2007 at 6.35% per annum until the principal hereof is paid or duly provided for.

Any payment of principal or interest required to be made on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Interest payable on each Interest Payment Date will include interest accrued from and including June 14, 2007, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding such Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person (the "Holder") in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the June 1 or December 1 (whether or not a Business Day) next preceding such Interest Payment Date (a "Regular Record Date"). Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on such Regular Record Date and either may be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (referred to herein), notice whereof shall be given to the Holder of this Security not less than ten days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

For purposes of this Security, "Business Day" means any day that, in the city of the principal Corporate Trust Office of the Trustee and in the City of New York, is neither a Saturday, Sunday, or legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York, or at such other office or agency of the Company as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. So long as this Security remains in book-entry form, all payments of principal and interest will be made by the Company in immediately available funds.

Unless the certificate of authentication hereon has been duly executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

This Security is one of a duly authorized issue of securities of the Company, designated as the 6.35% Senior Notes due 2017 (the "Securities"), issued under an Indenture dated as of June 14, 2007, as it may be supplemented from time to time (referred to herein as the "Indenture"), between the Company and U.S. Bank National Association, as trustee (referred to herein as the "Trustee", which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part). A reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered, except as otherwise provided herein.

The Securities are initially limited to \$250,000,000 aggregate principal amount. The Company may, at any time, without the consent of the Holders of the Securities, create and issue additional securities having the same ranking, interest rate, maturity and other terms as the Securities. Any such additional securities shall be consolidated and form the same series of the Securities having the same terms as to status, redemption and otherwise as the Securities under the Indenture.

Events of Default. If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

Optional Redemption. The Securities will be redeemable, in whole or in part, at the Company's option, at any time at a Redemption Price equal to the greater of:

- (a) 100% of the principal amount of the Securities to be redeemed, or
- (b) as determined by the Quotation Agent, the sum of the present values of the Remaining Scheduled Payments of principal and interest on the Securities to be redeemed discounted to the Redemption Date on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Adjusted Treasury Rate plus 20 basis points;

plus, in either case, accrued and unpaid interest on the principal amount of Securities being redeemed to the Redemption Date.

"Adjusted Treasury Rate" means, for any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

"Comparable Treasury Issue" means the United States treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Securities to be redeemed that would be used, at the time of a selection and in accordance with customary

financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities to be redeemed.

“Comparable Treasury Price” means, for any Redemption Date, the Reference Treasury Dealer Quotation for that Redemption Date.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company.

“Reference Treasury Dealer” means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors; provided, however, if Merrill Lynch, Pierce, Fenner & Smith Incorporated ceases to be a primary U.S. government securities dealer in New York City, the Company will replace Merrill Lynch, Pierce, Fenner & Smith Incorporated as Reference Treasury Dealer with an entity that is a primary U.S. government securities dealer in New York City.

“Reference Treasury Dealer Quotation” means, with respect to any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer by 5:00 p.m. on the third business day preceding the Redemption Date.

“Remaining Scheduled Payments” means, with respect to each Security to be redeemed, the remaining scheduled payments of the principal and interest on such Security that would be due after the related Redemption Date but for such redemption; provided, however, that if such Redemption Date is not an Interest Payment Date, the amount of the next succeeding scheduled interest payment on such Security will be reduced by the amount of interest accrued on such Security to such Redemption Date.

In the event that less than all of the Securities are to be redeemed at any time, selection of such Securities for redemption will be made by The Depository Trust Company (“DTC”) during any period the Securities are issued in the form of a global security registered in the name of DTC or a nominee thereof; *provided that* during any period the Securities are issued in certificated form, the selection of such Securities for redemption will be made by the Trustee by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate. In no event shall Securities of a principal amount of \$1,000 or less be redeemed in part. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the Redemption Date, to each Holder of Securities to be redeemed, at its address as shown in the Security Register. If the Securities are to be redeemed in part only, the notice of redemption that relates to such Securities shall state the portion of the principal amount thereof to be redeemed. A new Security in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon surrender for cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption unless the Company defaults in the payment of the Redemption Price.

Sinking Fund. This Security does not have the benefit of any sinking fund obligations.

Modification and Waivers; Obligations of the Company Absolute. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities. Certain limited amendments may be effected under the Indenture at any time by the Company and the Trustee without the consent of any Holders of the Securities. Certain other amendments affecting the Securities may only be effected under the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of not less than a majority in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all Outstanding Securities, to waive compliance by the Company with certain provisions of the Indenture affecting the Securities. Furthermore, provisions in the Indenture permit the Holders of not less than a majority in principal amount of the Outstanding Securities to waive on behalf of all of the Holders of all Outstanding Securities certain past defaults under the Indenture in respect of the Securities and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

Defeasance and Covenant Defeasance. The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company represented by this Security and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

Authorized Denominations. The Securities are issuable only in registered form, without coupons in denominations of \$1,000 and any integral multiple thereof.

Registration of Transfer or Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. At the date of the original issuance of this Security such office or agency of the Company is maintained by U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107.

As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges payable in connection with any registration of transfer or exchange.

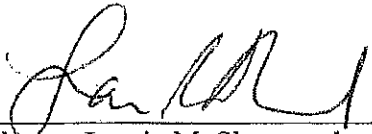
Prior to the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

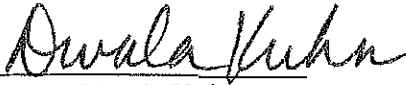
Defined Terms. All capitalized terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Governing Laws. This Security and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles that would apply any other law.

IN WITNESS WHEREOF, the Company has caused this instrument to be
duly executed.

ATMOS ENERGY CORPORATION

By: 
Name: Laurie M. Sherwood
Title: Vice President and Treasurer

Attest:
By: 
Name: Dwala Kuhn
Title: Corporate Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: June 14, 2007

U.S. Bank National Association,
as Trustee

By: _____
Authorized Officer

ASSIGNMENT FORM

To assign this Security, fill in the form below:
(I) or (we) assign and transfer this Security to

(Insert assignee's social security or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
agent to transfer this Security on the books of the Company. The agent may substitute another to
act for him.

Date: _____ Signature: _____
(sign exactly as name appears on the other side of this
Security)

Signature guaranteed by: _____

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-17
Page 1 of 1

REQUEST:

Please refer to Schedule J-3 F. Referring to the 6.75% Unsecured Debentures:

- a. Please provide all of the terms and conditions of this debt issue.
- b. Please explain why Atmos has not refinanced this note in order to obtain a lower interest rate. Please provide all documentation supporting your response.

RESPONSE:

- a) Please see Attachment 1, Attachment 2 and Attachment 3.
- b) Please see the Company's response to AG DR No. 2-15 subpart (b).

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-17_Att1 - 6.75% Debentures Prospectus.pdf, 31 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, AG_2-17_Att2 - 6.75% Debenture.pdf, 8 Pages.

ATTACHMENT 3 - Atmos Energy Corporation, AG_2-17_Att3 - 6.75% Debenture Note.pdf, 8 Pages.

Respondent: Greg Waller

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

-----BEGIN PRIVACY-ENHANCED MESSAGE-----

Proc-Type: 2001,MIC-CLEAR
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CONFORMED SUBMISSION TYPE: 424B2
PUBLIC DOCUMENT COUNT: 1
FILED AS OF DATE: 19980723
SROS: NYSE

FILER:

COMPANY DATA:
COMPANY CONFORMED NAME: ATMOS ENERGY CORP
CENTRAL INDEX KEY: 0000731802
STANDARD INDUSTRIAL CLASSIFICATION: NATURAL GAS DISTRIBUTION
[4924]
IRS NUMBER: 751743247
STATE OF INCORPORATION: TX
FISCAL YEAR END: 0930

FILING VALUES:
FORM TYPE: 424B2
SEC ACT:
SEC FILE NUMBER: 333-50477
FILM NUMBER: 98670025

BUSINESS ADDRESS:
STREET 1: 1800 THREE LINCOLN CTR
STREET 2: 5430 LBJ FREEWAY
CITY: DALLAS
STATE: TX
ZIP: 75240
BUSINESS PHONE: 2149349227

MAIL ADDRESS:
STREET 1: 1800 THREE LINCOLN CTR
STREET 2: 5430 LBJ FREEWAY
CITY: DALLAS
STATE: TX
ZIP: 75240

FORMER COMPANY:
FORMER CONFORMED NAME: ENERGAS CO
DATE OF NAME CHANGE: 19881024

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2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
Registration No. 333-50477

PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED JUNE 25, 1998)

\$150,000,000

ATMOS ENERGY CORPORATION [ATMOS ENERGY CORP LOGO]
6 3/4% DEBENTURES DUE 2028

Interest on the Debentures is payable semi-annually on January 15 and July 15 of each year, commencing January 15, 1999. The Debentures may be redeemed at any time at the option of Atmos Energy Corporation (the "Company"), in whole or in part, at a Redemption Price equal to the sum of (i) the principal amount of the Debentures being redeemed plus any accrued interest thereon to but not including the Redemption Date and (ii) the Make-whole Premium (as hereinafter defined), if any. See "Description of Debentures".

The Debentures initially will be represented by a single global security registered in the name of The Depository Trust Company ("DTC"), or its nominee. Except under the limited circumstances described herein, beneficial interests in the Debentures will be shown on, and transfers thereof will be effected only through, records maintained by DTC or its participants. Except as described herein, Debentures in definitive form will not be issued. See "Description of Debt Securities -- Book-Entry Debt Securities" in the accompanying Prospectus. The Debentures have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PROCEEDS TO COMPANY(1)(3)	PRICE TO PUBLIC(1)	UNDERWRITING DISCOUNT(2)
<S>			
<C>			
Per Debenture.....	98.240%	99.115%	.875%
Total.....	\$147,360,000	\$148,672,500	\$1,312,500

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

</TABLE>

- (1) Plus accrued interest, if any, from July 27, 1998.
- (2) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting".
- (3) Before deducting expenses payable by the Company estimated at \$240,000.

The Debentures are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by the Underwriters, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer, and to reject orders in whole or in part. It is expected that delivery of the Debentures will be made through the book-entry facilities of DTC on or about July 27, 1998.

MERRILL LYNCH & CO.

NATIONSBANC MONTGOMERY SECURITIES LLC

EDWARD D. JONES & CO., L.P.

The date of this Prospectus Supplement is July 22, 1998.

<PAGE> 2

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE DEBENTURES. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENT, STABILIZING AND THE PURCHASE OF THE DEBENTURES TO COVER SYNDICATE SHORT POSITIONS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

THE COMPANY

Atmos Energy Corporation (the "Company") distributes and sells natural gas and propane to approximately 1.02 million residential, commercial, industrial, agricultural and other customers. The Company distributes and sells natural gas through its five operating divisions to approximately 985,000 customers in 802 cities, towns and communities in service areas located in Colorado, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Missouri, South Carolina, Tennessee, Texas and Virginia. The Company also transports natural gas for others through parts of its distribution system. It also distributes propane to approximately 31,000 customers in Kentucky, North Carolina, Tennessee and Virginia. For the six months ended March 31, 1998, such utility business generated approximately 95% of the Company's operating revenues and approximately 94% of its net income.

The Company, through various wholly-owned subsidiaries, conducts operations that complement its natural gas and propane distribution business. One subsidiary, United Cities Gas Storage Company, owns natural gas storage fields in Kansas and Kentucky, which are used to supplement natural gas used by customers in those states. Another subsidiary, UCG Energy Corporation ("UCG Energy"), leases appliances, real estate, equipment and vehicles to the United Cities Gas Company division and others, and owns a small interest in a partnership engaged in exploration and production activities. UCG Energy also owns a 45% interest in Woodward Marketing, L.L.C. ("WMLLC"), which conducts a gas marketing business. WMLLC provides gas marketing services to industrial customers, municipalities and local distribution companies, including the United Cities Gas Company division.

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

UCG Energy also owns Atmos Propane, Inc. (the "Propane Division"), which is engaged in the retail distribution of propane ("LP") gas, the wholesale supply and transportation of LP gas, the transportation of certain petroleum products for other companies and the direct merchandising and repair of propane gas appliances. The Propane Division has LP storage facilities in 16 towns in which it operates, with a total storage capacity of approximately 2,209,000 gallons.

The Company's principal executive offices are located at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and its telephone number is (972) 934-9227.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges for the Company for the periods indicated:

<TABLE>
<CAPTION>

SIX

MONTHS

ENDED

YEAR ENDED SEPTEMBER 30,

MARCH 31,

	1993	1994	1995	1996	1997	1997
-----	-----	-----	-----	-----	-----	-----
1998						

<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
Ratio of Earnings to Fixed Charges.....	2.35x	2.30x	2.31x	2.82x	1.95x	
5.13x 5.09x						

</TABLE>

For purposes of computing the foregoing ratios, (i) "earnings" represent the Company's net income from continuing operations plus applicable income taxes and fixed charges and (ii) "fixed charges" represent interest expense, amortization of debt discount, premium and expense, capitalized interest and a portion of lease payments considered to represent an interest factor.

S-2

<PAGE> 3

USE OF PROCEEDS

The Company expects to use the net proceeds from the sale of the Debentures to repay outstanding short-term indebtedness under its revolving credit facility and uncommitted lines of credit. The revolving credit facility matures on August 7, 1998 and provides for a fluctuating interest rate per annum based upon LIBOR. The interest rate on such indebtedness was 5.855% on July 7, 1998. As of such date, the Company had drawn down \$100 million under the revolving credit facility. The interest rate on the uncommitted lines of credit fluctuates daily based on rates quoted by participating lenders and as of July 7, 1998 had a weighted average of 5.749%. As of such date, the Company had drawn down \$60.6 million under these uncommitted lines of credit. The short-term indebtedness incurred by the Company under the revolving credit facility and the uncommitted lines of credit (i) was incurred primarily in connection with the Company's customer service initiative, including the establishment of a new customer service center located in Amarillo, Texas, and (ii) represents transaction costs incurred in connection with the merger of United Cities Gas Company with and into the Company.

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as of March 31, 1998 and as adjusted to give effect to the sale by the Company of the Debentures offered hereby (as if such sale occurred on such date) and the application of the net proceeds thereof as described in "Use of Proceeds". This capitalization table should be read in conjunction with the Company's consolidated financial statements and notes thereto incorporated by reference in this Prospectus Supplement.

<TABLE>
<CAPTION>

	MARCH 31, 1998	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
	<C>	<C>
Short-term debt:		
Current portion of long-term debt.....	\$ 57,508	\$ 57,508
Other short-term debt.....	146,843	--
Total short-term debt.....	204,351	57,508
Long-term debt:		
Debentures offered hereby.....	--	150,000
Other long-term debt, less current portion.....	252,152	252,152
Total long-term debt.....	252,152	402,152
Total debt.....	\$456,503	\$459,660
Shareholders' equity:		
Common Stock, no par value; 75,000,000 shares authorized; 30,056,436 shares issued and outstanding at March 31, 1998.....	150	150
Additional paid-in capital.....	262,295	262,295
Retained earnings.....	117,630	117,630
Total shareholders' equity.....	380,075	380,075
Total capitalization(1).....	\$632,227	\$782,227

</TABLE>

(1) Excludes short-term debt.

SELECTED CONSOLIDATED FINANCIAL DATA

The selected historical consolidated financial data of the Company for each of the five years in the period ended September 30, 1997 has been derived from the audited consolidated financial statements of the Company included in the documents incorporated by reference in the accompanying Prospectus. The selected historical consolidated financial data for the six months ended March 31, 1997 and 1998 is unaudited; however, in the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the consolidated financial position and results of operations for these periods have been included. The following data should be read in conjunction with the

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
consolidated financial statements and related notes thereto included in its Annual Report on Form 10-K for the fiscal year ended September 30, 1997 and its Quarterly Reports on Form 10-Q for the quarters ended December 31, 1997 and March 31, 1998. Amounts for 1997 reflect the pooled operations of the Company and United Cities Gas Company. Prior year amounts have been restated for the pooling.

<TABLE>
<CAPTION>

SIX MONTHS ENDED			YEAR ENDED SEPTEMBER 30,			
MARCH 31,			1993	1994	1995	1996
1997	1997	1998	1993	1994	1995	1996
(IN THOUSANDS, EXCEPT PER						
SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Operating revenues.....			\$794,893	\$826,302	\$749,555	\$886,691
\$906,835	\$643,261	\$583,881				
Net income.....			29,694	26,772	28,808	41,151
23,838	48,781	57,520				
Net income per share.....			1.21	1.05	1.06	1.42
.81	1.66	1.94				
Cash dividends per share.....			.82	.91	.96	.98
1.01	.50	.53				
Total assets at end of year...			786,739	829,385	900,948	1,010,610
1,088,311	1,053,304	1,148,174				
Long-term debt at end of						
year.....			257,696	282,647	294,463	276,162
302,981	325,495	252,152				

</TABLE>

S-4

<PAGE> 5

DESCRIPTION OF DEBENTURES

The Debentures are to be issued under the Indenture dated as of July 15, 1998 (the "Indenture") between the Company and U.S. Bank Trust National Association, Trustee, which Indenture is more fully described in the Prospectus. The following description of the particular terms of the Debentures offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Debt Securities set forth in the Prospectus under the caption "Description of Debt Securities". Whenever particular defined terms of the Indenture are referred to, such defined terms are incorporated herein by reference.

The Debentures will be issued only in fully registered form, without coupons, in denominations of \$1,000 and integral multiples thereof. The Debentures will be represented by a single permanent global Debenture registered in the name of DTC or its nominee, and payment of principal of, and interest on, the Debentures will be made in immediately available funds to DTC or its nominee, as the case may be, as the registered holder thereof. See "Description of Debt Securities -- Book-Entry Debt Securities" in the Prospectus.

The Debentures will mature on July 15, 2028 and will be limited to an aggregate principal amount of \$150,000,000. Each Debenture will bear interest at

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
the rate per annum stated on the cover page hereof from July 27, 1998 or from the most recent interest payment date to which interest has been paid, payable on each January 15 and July 15, commencing January 15, 1999, to the person in whose name the Debenture (or any predecessor Debenture) is registered at the close of business on the next preceding January 1 and July 1, respectively. The Debentures will be unsecured and unsubordinated obligations of the Company.

The defeasance and covenant defeasance provisions of the Indenture described under "Description of Debt Securities -- Defeasance and Covenant Defeasance" in the Prospectus will apply to the Debentures.

REDEMPTION

The Debentures will be redeemable at the option of the Company, in whole or in part, in principal amounts of \$1,000 or any integral multiple thereof at any time at a Redemption Price equal to the sum of (i) an amount equal to 100% of the principal amount thereof and (ii) the Make-whole Premium, together with accrued and unpaid interest to the Redemption Date.

In the event that less than all of the Debentures are to be redeemed at any time, selection of such Debentures for redemption will be made by the Trustee on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate; provided, however, that no Debentures of a principal amount of \$1,000 or less shall be redeemed in part. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the Redemption Date, to each Holder of Debentures to be redeemed, at its address as shown in the Security Register. If any Debenture is to be redeemed in part only, the notice of redemption that relates to such Debenture shall state the portion of the principal amount thereof to be redeemed. A new Debenture in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon surrender for cancellation of the original Debenture. On and after the Redemption Date, interest will cease to accrue on Debentures or portions thereof called for redemption unless the Company defaults in the payment of the Redemption Price.

As used herein:

"Make-whole Premium" means, in connection with any optional redemption of any Debenture, the excess, if any, of (i) the aggregate present value as of the Redemption Date of each dollar of principal of such Debentures being redeemed and the amount of interest (exclusive of interest accrued to the Redemption Date) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semi-annual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the Redemption Date) plus .25% from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Debentures being redeemed.

S-5

<PAGE> 6

"Treasury Yield" means, in connection with the calculation of any Make-whole Premium on any Debenture, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar data)) equal to the then remaining maturity of such Debenture; provided that if no United States Treasury security is available with such a constant maturity and for which a closing yield is given, the Treasury Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the closing yields of United States

Page 7

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
Treasury securities for which such yields are given, except that if the remaining maturity of such Debenture is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Settlement for the Debentures will be made by the Underwriters in immediately available funds. So long as the Debentures are represented by a permanent global Debenture, all payments of principal and interest will be made by the Company in immediately available funds.

The Debentures have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

S-6

<PAGE> 7

UNDERWRITING

Subject to the terms and conditions set forth in a Purchase Agreement, dated the date hereof, the Company has agreed to sell to each of the Underwriters named below (the "Underwriters"), and each of the Underwriters has severally agreed to purchase, the respective principal amount of the Debentures set forth opposite its name below:

<TABLE>
<CAPTION>

----- UNDERWRITERS -----	PRINCIPAL AMOUNT OF DEBENTURES
<S>	<C>
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	\$ 50,000,000
NationsBanc Montgomery Securities LLC.....	50,000,000
Edward D. Jones & Co., L.P.....	50,000,000
Total.....	<u>\$150,000,000</u> =====

</TABLE>

In the Purchase Agreement, the Underwriters have agreed, subject to terms and conditions set forth therein, to purchase all of the Debentures offered hereby, if any Debentures are purchased. The Underwriters have advised the Company that they propose initially to offer the Debentures to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement and to certain securities dealers at such price less a concession not in excess of .50% of the principal amount of each Debenture. The Underwriters may allow, and such dealers may reallow, a concession not in excess of .25% of the principal amount of each Debenture to certain brokers and dealers. After the initial public offering, the public offering price, concession and discount may be changed.

In connection with the offering of the Debentures, the Underwriters may engage in overallotment, stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Securities Exchange Act of 1934, as amended. Overallotment involves sales in excess of the offering size, which creates a short position for the Underwriters. Stabilizing transactions involve bids to purchase the Debentures in the open market for the purpose of pegging, fixing or maintaining the price of the Debentures. Syndicate covering transactions involve purchases of the Debentures in the open market after the distribution has been completed in order to cover short positions. These activities may cause the price of the Debentures to be higher than it would otherwise be in the absence of such transactions. Such activities, if

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
commenced, may be discontinued at any time.

The Debentures are a new issue of securities with no established trading market. The Company has been advised by the Underwriters that the Underwriters intend to make a market in the Debentures but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Debentures.

The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments the Underwriters may be required to make in respect thereof.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and affiliates of NationsBanc Montgomery Securities LLC have provided from time to time, and expect to provide in the future, investment or commercial banking services to the Company and its affiliates for which they have received or will receive customary fees and commissions. Because more than 10% of the net proceeds of this offering will be paid to NationsBank, N.A., an affiliate of NationsBanc Montgomery Securities LLC, the offering will be conducted in accordance with National Association of Securities Dealers Conduct Rule 2710(c)(8).

S-7

<PAGE> 8

PROSPECTUS

ATMOS ENERGY CORPORATION

\$150,000,000

DEBT SECURITIES

Atmos Energy Corporation, a Texas and Virginia corporation (the "Company"), may offer from time to time, together or separately, its debt securities ("Debt Securities") on terms to be determined at the time of offering. Debt Securities with an aggregate issue price of up to \$150,000,000 may be issued, in one or more series, under this Prospectus. The Debt Securities will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

The prospectus supplement ("Prospectus Supplement") accompanying this Prospectus sets forth, with respect to the particular series or issue of Debt Securities for which this Prospectus and the Prospectus Supplement are being delivered ("Offered Securities"): the terms of the Debt Securities offered, including, where applicable, their title, aggregate principal amount, maturity, rate of any interest (or the manner of calculation and time of payment thereof), any redemption or repayment terms, any index, formula or other method pursuant to which principal, premium or interest may be determined and the form of such Debt Securities (which may be in registered or global form), any initial public offering price, the purchase price and net proceeds to the Company and the other specific terms of such offering.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

Offered Securities may be sold directly to purchasers or to or through underwriters, dealers or agents. If any underwriters, dealers or agents are involved in the offering of any Offered Securities, their names and any applicable fee, commission or discount arrangements will be set forth in the Prospectus Supplement. See "Plan of Distribution".

The date of this Prospectus is June 25, 1998.

<PAGE> 9

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"), which may be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the following regional offices of the Commission: New York Office (Seven World Trade Center, Suite 1300, New York, New York 10048) and Chicago Office (500 W. Madison St., Suite 1400, Chicago, Illinois 60621-2511). Copies of such materials also can be obtained upon request from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. In addition, such materials may also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which exchange one or more of the Company's securities are listed. Finally, copies of reports, proxy statements and other information filed with the Commission electronically by the Company may be inspected by accessing the Commission's Internet site at <http://www.sec.gov>.

The Company has filed with the Commission a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement. Such additional information may be obtained from the Commission's principal office in Washington, D.C. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document. A copy of the Registration Statement and the exhibits and schedules thereto may be examined without charge at the Commission's principal offices at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and copies of such materials can be obtained from the Public Reference Section of the Commission at prescribed rates.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have heretofore been filed by the Company with the Commission pursuant to the Exchange Act, are incorporated herein by reference and are deemed to be a part hereof:

- (a) Annual Report on Form 10-K for the fiscal year ended September 30, 1997;
- (b) Quarterly Reports on Form 10-Q for the quarters ended December 31, 1997 and March 31, 1998; and

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
(c) Current Report on Form 8-K dated November 13, 1997.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Debt Securities offered hereby also shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

The Company will provide without charge to each person to whom this Prospectus is delivered, upon the written or oral request of any such person, a copy of any or all of the foregoing documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Such requests should be directed to: Atmos Energy Corporation, 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, Attention: Investor Relations.

Any statement contained in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is

2

<PAGE> 10

deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified shall not be deemed to constitute a part of this Prospectus except as so modified, and any statement so superseded shall not be deemed to constitute part of this Prospectus.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Prospectus, including the documents that are incorporated by reference as set forth in "Incorporation of Certain Documents by Reference," that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's beliefs as well as assumptions made by and information currently available to management. Because such statements are based on expectations as to future economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include, but are not limited to, national, regional and local economic competitive conditions, regulatory and business trends and decisions, technological developments, Year 2000 issues, inflation rates, weather conditions, and other factors discussed in this and other filings by the Company with the Commission, all of which are difficult to predict and many of which are beyond the control of the Company. Accordingly, while the Company believes these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in the Company's documents or oral presentations, the words "anticipate," "estimate," "expect," "objective," "projection," "forecast," "goal" or similar words are intended to identify forward-looking statements.

THE COMPANY

The Company distributes and sells natural gas and propane to approximately 1.02 million residential, commercial, industrial, agricultural, and other customers. The Company distributes and sells natural gas through its five operating divisions to approximately 985,000 customers in 802 cities, towns, and communities in service areas located in Colorado, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Missouri, South Carolina, Tennessee, Texas and Virginia. The Company also transports gas for others through parts of its distribution system. It also distributes propane to approximately 31,000

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
customers in Kentucky, North Carolina, Tennessee and Virginia.

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The Company's principal executive offices are located at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and its telephone number is (972) 934-9227.

<PAGE> 11

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges for the Company for the periods indicated:

<TABLE>
<CAPTION>

SIX

MONTHS

ENDED

YEAR ENDED SEPTEMBER 30,

MARCH 31,

1998

1993 1994 1995 1996 1997 1997

<S>

<C> <C> <C> <C> <C> <C>

<C>

Ratio of Earnings to Fixed Charges..... 2.35 2.30 2.31 2.82 1.95 5.13

5.09

</TABLE>

For purposes of computing the foregoing ratios, (i) "earnings" represent the Company's net income from continuing operations plus applicable income taxes and fixed charges, and (ii) "fixed charges" represent interest expense, amortization of debt discount, premium and expense, capitalized interest, and a portion of lease payments considered to represent an interest factor.

USE OF PROCEEDS

Unless otherwise specified in the applicable Prospectus Supplement, the net

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proceeds received by the Company from the sale of the Debt Securities will be used for the repayment of short-term debt (i) incurred in connection with the establishment of a new customer service center located in Amarillo, Texas and (ii) representing transaction costs incurred in connection with the merger of United Cities Gas Company with and into the Company. If the Company elects at the time of an issuance of the Debt Securities to make a different or more specific use of proceeds other than that set forth herein, such use will be described in the Prospectus Supplement.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities will be issued under an Indenture ("Indenture") between the Company and U.S. Bank Trust National Association, Trustee ("Trustee"). The form of the Indenture has been filed as an exhibit to the Registration Statement. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended ("TIA"). The following summary of certain provisions of the Indenture does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Indenture, including the definitions of certain terms therein. Whenever particular sections or defined terms of the Indenture are referred to, such sections or defined terms are incorporated by reference herein as part of the statement made, and the statement is qualified in its entirety by such reference.

GENERAL

The Indenture provides that any Offered Securities may be issued in one or more series, in each case as authorized from time to time by the Company; the Indenture does not limit the aggregate principal amount of debt securities that may be issued thereunder. Reference is made to the Prospectus Supplement relating to the Offered Securities for the following:

(1) The title of such Debt Securities.

(2) The aggregate principal amount of such Debt Securities, the percentage of their principal amount at which such Debt Securities will be issued and the date or dates on which the principal of such Debt Securities will be payable or the method by which such date or dates will be determined or extended.

(3) The rate or rates (which may be fixed or variable) at which such Debt Securities will bear interest, if any, and, if variable, the method by which such rate or rates will be determined.

(4) The date or dates from which any interest will accrue or the method by which such date or dates will be determined, the date or dates on which any interest will be payable (including the Regular

4

<PAGE> 12

Record Dates for such Interest Payment Dates) and the basis on which any interest will be calculated if other than on the basis of a 360-day year of twelve 30-day months.

(5) The place or places, if any, other than or in addition to New York City, where the principal of (and premium, if any, on) and interest, if any, on such Debt Securities will be payable, where any Debt Securities may be surrendered for registration of transfer, where such Debt Securities may be surrendered for exchange and where notices or demands to or upon the Company in respect of such Debt Securities may be served.

(6) The period or periods within which, the price or prices at which and the other terms and conditions upon which, such Debt Securities may be

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
redeemed, in whole or in part, at the option of the Company, if the Company is to have that option.

(7) The obligation, if any, of the Company to redeem, purchase or repay such Debt Securities, in whole or in part, pursuant to any sinking fund or analogous provision or at the option of a holder thereof, and the period or periods within which, the price or prices at which and the other terms and conditions upon which, such Debt Securities will be so redeemed, purchased or repaid.

(8) Whether the amount of payments of principal of (and premium, if any, on) and interest, if any, on such Debt Securities may be determined with reference to an index, formula or other method (which index, formula or method may, without limitation, be based on one or more commodities, equity indices or other indices) and the manner in which such amounts will be determined.

(9) Any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to such Debt Securities (which Events of Default or covenants may not be consistent with the Events of Default or covenants set forth in the general provisions of the Indenture).

(10) If other than the entire principal amount thereof, the portion of the principal amount of such Debt Securities that will be payable upon declaration of acceleration of the maturity thereof or the method by which such portion will be determined.

(11) Any provisions in modification of, in addition to or in lieu of any of the provisions concerning defeasance and covenant defeasance contained in the Indenture that will be applicable to such Debt Securities.

(12) Any provisions granting special rights to the holders of such Debt Securities upon the occurrence of such events as may be specified.

(13) If other than the Trustee, the designation of any Paying Agent or Security Registrar for such Debt Securities, and the designation of any transfer or other agents or depositories for such Debt Securities.

(14) Whether such Debt Securities will be issuable initially in temporary global form, whether any such Debt Security is to be issuable in permanent global form (a "Global Security") and, if so, whether beneficial owners of interests in any Global Security may exchange such interests for Debt Securities of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in the Indenture, and, if such Debt Securities are to be issuable as a Global Security, the identity of the depository for such Debt Securities.

(15) The person to whom any interest on any Debt Security will be payable, if other than the person in whose name such Debt Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, or the manner in which any interest payable on a temporary Debt Security issued in global form will be paid (if other than as described in "Book-Entry Debt Securities" below).

(16) The denomination or denominations in which such Debt Securities will be issuable, if other than \$1,000 or any integral multiple thereof.

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Additional Amounts, as contemplated by Section 1008 of the Indenture, on such Debt Securities to any holder who is not a United States person (including any modification of the definition of such term as contained in the Indenture) in respect of any tax, assessment or governmental charge and, if so, whether the Company will have the option to redeem such Debt Securities rather than pay such Additional Amounts (and the terms of any such option).

(18) Any other, terms, conditions, rights and preferences (or limitations on such rights and preferences) of such Debt Securities not inconsistent with the provisions of the Indenture (Section 301).

If the terms of any series of Debt Securities provide that the Company may be required to pay Additional Amounts in respect thereof, for purposes of this Prospectus, any reference to the payment of the principal of (and premium, if any, on) or interest, if any, on such Debt Securities will be deemed to include mention of the payment of the Additional Amounts provided for by the terms of such Debt Securities.

The Debt Securities referred to on the cover page of this Prospectus, and any additional debt securities issued under the Indenture, are herein collectively referred to, while a single Trustee is acting with respect to all debt securities issued thereunder, as the "Indenture Securities". The Indenture provides that there may be more than one Trustee thereunder, each with respect to one or more series of Indenture Securities. At a time when two or more Trustees are acting under the Indenture, each with respect to only certain series, the term "Indenture Securities" as used herein will mean the series with respect to which each respective Trustee is acting. In the event that there is more than one Trustee under the Indenture, the powers and trust obligations of each Trustee as described herein will extend only to the series of Indenture Securities for which it is the Trustee. If two or more Trustees are acting under the Indenture, then the Indenture Securities for which each Trustee is acting would in effect be treated as if issued under separate indentures.

The Debt Securities may provide for less than the entire principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof. A discussion of the federal income tax and other considerations applicable to Original Issue Discount Securities will be set forth in the Prospectus Supplement relating thereto.

The Debt Securities will be unsecured obligations of the Company and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company.

The general provisions of the Indenture do not limit the ability of the Company to incur indebtedness and do not afford holders of Debt Securities protection in the event of highly leveraged or similar transactions involving the Company. However, the general provisions of the Indenture do provide that neither the Company nor any Restricted Subsidiary will subject certain of its properties or assets to any mortgage or other encumbrance unless the Indenture Securities outstanding thereunder are secured equally and ratably with or prior to such other indebtedness thereby secured. See "Limitations on Liens" and "Limitation on Sale and Leaseback Transactions" under the heading "Certain Covenants". Reference is made to the Prospectus Supplement for information with respect to any deletions from, modifications of or additions to the Events of Default or covenants of the Company that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

Under the Indenture, the Company has the ability to issue Indenture Securities with terms different from those of Indenture Securities previously issued thereunder and, without the consent of the holders, to reopen a previous issue of a series of Indenture Securities and issue additional Indenture

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Securities of such series (unless such reopening was restricted when such series was created) in an aggregate principal amount determined by the Company (Section 301).

There is no requirement that future issues of debt securities of the Company be issued under the Indenture, and the Company will be free to employ other indentures or documentation, possibly containing provisions different from those included in the Indenture or applicable to one or more issues of Indenture Securities, in connection with such future issues.

6

<PAGE> 14

CERTAIN COVENANTS

Limitations on Liens

The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, create, incur, issue or assume any Indebtedness secured by any Lien on any Principal Property, or on shares of stock or Indebtedness of any Restricted Subsidiary ("Restricted Securities"), without making effective provision for the Outstanding Indenture Securities (other than any Outstanding Indenture Securities not entitled to this covenant) to be secured by the Lien equally and ratably with (or prior to) any and all Indebtedness and obligations secured or to be secured thereby for so long as such Indebtedness is so secured, except that the foregoing restriction will not apply to:

(1) Any Lien existing on the date of the first issuance of Indenture Securities under the Indenture, including, but not limited to, the Liens on property or after-acquired property of the Company or its Subsidiaries under the Greeley Indenture or the United Cities Indenture.

(2) Any Lien on any Principal Property or Restricted Securities of any Person existing at the time such Person is merged or consolidated with or into the Company or a Restricted Subsidiary, or such Person becomes a Restricted Subsidiary.

(3) Any Lien on any Principal Property existing at the time of acquisition of such Principal Property by the Company or a Restricted Subsidiary, whether or not assumed by the Company or such Restricted Subsidiary, provided that no such Lien may extend to any other Principal Property of the Company or any Restricted Subsidiary.

(4) Any Lien on any Principal Property (including any improvements on an existing Principal Property) of the Company or any Restricted Subsidiary, and any Lien on the shares of stock of a Restricted Subsidiary that was formed or is held for the purpose of acquiring and holding such Principal Property, in each case to secure all or any part of the cost of acquisition, development, operation, construction, alteration, repair or improvement of all or any part of such Principal Property (or to secure Indebtedness incurred by the Company or a Restricted Subsidiary for the purpose of financing all or any part of such cost); provided that such Lien is created prior to, at the time of, or within 12 months after the latest of, the acquisition, completion of construction or improvement or commencement of commercial operation of such Principal Property and provided, further, that no such Lien may extend to any other Principal Property of the Company or any Restricted Subsidiary, other than any theretofore unimproved real property on which the Principal Property is so constructed or developed or the improvement is located.

(5) Any Lien on any Principal Property or Restricted Securities to secure Indebtedness owing to the Company or to another Restricted

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Subsidiary.

(6) Any Lien in favor of governmental bodies to secure advances or other payments pursuant to any contract or statute or to secure Indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to such Lien.

(7) Any Lien created in connection with a project financed with, and created to secure, Non-Recourse Indebtedness.

(8) Any Lien required to be placed on any property of the Company or its Subsidiaries pursuant to the provisions of the Greeley Indenture, the United Cities Indenture, the Note Purchase Agreements or the Loan Agreement.

(9) Any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (8), provided that the Indebtedness secured thereby may not exceed the principal amount of Indebtedness so secured at the time of such renewal or refunding, and that such renewal or refunding Lien must be limited to all or any part of the same property and improvements thereon, shares of stock or Indebtedness that secured the Lien renewed or refunded.

7

<PAGE> 15

(10) Any Lien not permitted above securing Indebtedness that, together with the aggregate outstanding principal amount of other secured Indebtedness that would otherwise be subject to the foregoing restrictions (excluding Indebtedness secured by Liens permitted under the foregoing exceptions) and the Attributable Debt in respect of all Sale and Leaseback Transactions (not including Attributable Debt in respect of any such Sale and Leaseback Transactions described in clause (iii) or (iv) of the next succeeding paragraph) would not then exceed 10% of Consolidated Net Tangible Assets (Section 1006).

Limitation on Sale and Leaseback Transactions

The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless (i) the Company or a Restricted Subsidiary would be entitled, without securing the Outstanding Indenture Securities, to incur Indebtedness secured by a Lien on the Principal Property that is the subject of such Sale and Leaseback Transaction; (ii) the Attributable Debt associated therewith would be in an amount permitted under clause (10) of the preceding paragraph; (iii) the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction are used for the business and operations of the Company or any Subsidiary; or (iv) within 12 months after the sale or transfer, an amount equal to the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction is applied to the prepayment (other than mandatory prepayment) of any Outstanding Indenture Securities or Funded Indebtedness of the Company or a Restricted Subsidiary (other than Funded Indebtedness that is held by the Company or any Restricted Subsidiary or Funded Indebtedness of the Company that is subordinate in right of payment to any Outstanding Indenture Securities) (Section 1007).

Certain Definitions

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person

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under such lease during the remaining term thereof (excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents), discounted from the respective due dates thereof at the weighted average of the rates of interest (or Yield to Maturity, in the case of Original Issue Discount Securities) borne by the Indenture Securities then outstanding under the Indenture, compounded annually.

"Capital Stock" means, with respect to any corporation, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests (however designated) in stock issued by that corporation.

"Consolidated Net Tangible Assets" means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities (excluding any portion thereof constituting Funded Indebtedness) and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company contained in the latest annual report to shareholders of the Company and computed in accordance with generally accepted accounting principles.

"Funded Indebtedness" as applied to any Person, means all Indebtedness of such Person maturing after, or renewable or extendable at the option of such Person beyond, 12 months from the date of determination.

"Greeley Indenture" means that certain Indenture of Mortgage and Deed of Trust, dated as of March 1, 1957, from Greeley Gas Company to U.S. Bank National Association (formerly The Central Bank and Trust Company), as Trustee, as amended and supplemented through December 1, 1993 (the Indenture of Mortgage and Deed of Trust through the Tenth Supplemental Indenture by the Company to U.S. Bank National Association (formerly The Central Bank and Trust Company), as Trustee).

"Indebtedness" means obligations for money borrowed, evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

8

<PAGE> 16

"Lien" means any lien, mortgage, pledge, encumbrance, charge or security interest securing Indebtedness; provided, however, that the following types of transactions will not be considered for purposes of this definition to result in a Lien: (i) any acquisition by the Company or any Restricted Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas or any other mineral in place or the proceeds thereof, (ii) any conveyance or assignment whereby the Company or any Restricted Subsidiary conveys or assigns to any Person or Persons an interest in oil, gas or any other mineral in place or the proceeds thereof, (iii) any Lien upon any property or assets either owned or leased by the Company or any Restricted Subsidiary or in which the Company or any Restricted Subsidiary owns an interest that secures for the benefit of the Person or Persons paying the expenses of developing or conducting operations for the recovery, storage, transportation or sale of the mineral resources of the such property or assets (or property or assets with which it is unitized) the payment to such Person or Persons of the Company's or the Restricted Subsidiary's proportionate part of such development or operating expenses, (iv) any hedging arrangements entered into in the ordinary course of business, including any obligation to deliver any mineral, commodity or asset in connection therewith or (v) any guarantees by the Company of the repayment of Indebtedness of any Subsidiary or guarantees by any Subsidiary of the repayment of Indebtedness of any entity, including, but not limited to, Indebtedness of Woodward Marketing,

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L.L.C.

"Loan Agreement" means that certain Loan Agreement by and between the Company and NationsBank of Texas, N.A., dated as of November 26, 1996.

"Note Purchase Agreements" collectively refers to the following Note Purchase Agreements, as amended, which were executed by and between the Company and the following parties on the dates indicated: (i) John Hancock Mutual Life Insurance Company, dated December 21, 1987; (ii) Mellon Bank, N.A., Trustee under Master Trust Agreement of AT&T Corporation, dated January 1, 1984, for Employee Pension Plans -- AT&T -- John Hancock -- Private Placement, dated December 21, 1987 (Agreement is identical to Hancock Agreement listed above except as to the parties thereto and the amounts thereof); (iii) John Hancock Mutual Life Insurance Company, dated October 11, 1989; (iv) The Variable Annuity Life Insurance Company, dated August 29, 1991; (v) The Variable Annuity Life Insurance Company, dated August 31, 1992; and (vi) New York Life Insurance Company, New York Life Insurance and Annuity Corporation, The Variable Annuity Life Insurance Company, American General Life Insurance Company and Merit Life Insurance Company, dated November 14, 1994.

"Non-Recourse Indebtedness" means, at any time, Indebtedness incurred after the date of the Indenture by the Company or a Restricted Subsidiary in connection with the acquisition of property or assets by the Company or a Restricted Subsidiary or the financing of the construction of or improvements on property, whenever acquired, provided that, under the terms of such Indebtedness and pursuant to applicable law, the recourse at such time and thereafter of the lenders with respect to such Indebtedness is limited to the property or assets so acquired, or such construction or improvements, including Indebtedness as to which a performance or completion guarantee or similar undertaking was initially applicable to such Indebtedness or the related property or assets if such guarantee or similar undertaking has been satisfied and is no longer in effect.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Principal Property" means any natural gas distribution property or propane property located in the United States, except any such property that in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its consolidated Subsidiaries.

"Restricted Subsidiary" means any Subsidiary that owns or leases a Principal Property.

"Sale and Leaseback Transaction" means any arrangement with any Person pursuant to which the Company or any Restricted Subsidiary leases any Principal Property that has been or is to be sold or transferred by the Company or the Restricted Subsidiary to such Person, other than (i) a lease for a term,

9

<PAGE> 17

including renewals at the option of the lessee, of not more than three years or classified as an operating lease under generally accepted accounting principles, (ii) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries and (iii) leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation, of the Principal Property.

"Subsidiary" of the Company means (i) a corporation, a majority of which Capital Stock with voting power, under ordinary circumstances, to elect

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directors is owned, directly or indirectly, at the date of determination, by the Company, by one or more Subsidiaries or by the Company and one or more Subsidiaries or (ii) any other Person (other than a corporation) in which at the date of determination the Company, one or more Subsidiaries or the Company and one or more Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"United Cities Indenture" means that certain Indenture of Mortgage, dated as of July 15, 1959, from United Cities Gas Company to U.S. Bank Trust National Association (formerly First Trust of Illinois, National Association), and M.J. Kruger, as Trustees, as amended and supplemented through July 29, 1997 (the Indenture of Mortgage through the Twenty-Second Supplemental Indenture by the Company to U.S. Bank Trust National Association (formerly First Trust National Association), and Russell C. Bergman, as Trustees) (Section 101).

DENOMINATIONS

Unless otherwise provided in the applicable Prospectus Supplement, Debt Securities are issuable only in fully registered form in denominations of \$1,000 and integral multiples of \$1,000. The Indenture also provides that Debt Securities of a series may be issuable in global form. See "Book-Entry Debt Securities" below (Sections 201, 301 and 302).

PAYMENT, TRANSFER AND EXCHANGE

The Company will be required to maintain an office or agency in each Place of Payment for such series, and may from time to time designate additional offices or agencies, at which the principal of (and premium, if any, on) and interest, if any, on such series will be payable (Sections 301 and 1002). If so provided in the Prospectus Supplement, the Place of Payment will be New York City, and the Company will initially designate the office of the agent of the Trustee in New York City as an office where such principal, premium and interest will be payable. Notwithstanding the foregoing, at the option of the Company, interest, if any, may be paid on Debt Securities (i) by check mailed to the person entitled thereto at such person's address appearing in the Security Register or (ii) by wire transfer to an account located inside the United States maintained by the person entitled thereto as specified in the Security Register (Sections 308 and 1002). Unless otherwise provided in the Prospectus Supplement, payment of any installment of interest on Debt Securities will be made to the person in whose name such Debt Security is registered at the close of business on the Regular Record Date for such interest (Section 308).

The Company may from time to time designate additional offices or agencies, approve a change in the location of any office or agency and, except as provided above, rescind the designation of any office or agency.

All moneys paid by the Company to the Trustee or a Paying Agent for the payment of principal of (or premium, if any, on) or interest, if any, on any Debt Security that remains unclaimed for two years after such principal, premium or interest becomes due and payable will be repaid to the Company, and the holder of such Debt Security will (subject to applicable abandoned property or similar laws) thereafter, as an unsecured general creditor, look only to the Company for payment thereof (Section 1003).

Subject to the terms of the Indenture and the limitations applicable to Global Securities, Debt Securities of any series will be exchangeable for other Debt Securities of the same series of any authorized denominations and of a like aggregate principal amount (Section 306).

Subject to the terms of the Indenture and the limitations applicable to Global Securities, Debt Securities of a series may be presented for registration of transfer and for exchange (i) at each office or agency required to be maintained by the Company for payment of such series, as described above, and

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
(ii) at each other office

10

<PAGE> 18

or agency that the Company may designate from time to time for such purposes. Registration of transfers and exchanges will be effected if the transfer agent is satisfied with the evidence of ownership and identity of the person making the request and if the transfer form thereon is duly executed. No service charge will be made for any registration of transfer or exchange of Debt Securities, but the Company may require payment of any tax or other governmental charge payable in connection therewith (Section 306).

In the event of any redemption in part, the Company will not be required (i) to register the transfer of or exchange Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of Debt Securities of that series to be redeemed and ending at the close of business on the date the relevant notice of redemption is mailed, (ii) to register the transfer of or exchange any Debt Security or portion thereof called for redemption, except the unredeemed portion, if any, of a Debt Security being redeemed in part or (iii) to register the transfer of or exchange any Debt Security that has been surrendered for repayment at the option of the holder, except the portion, if any, of such Debt Security not to be so repaid (Section 306).

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company may not consolidate with or merge into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, any Person, unless each of the following conditions is satisfied:

(1) Immediately after giving effect to such transaction, no Event of Default (or event that with notice or lapse of time, or both, would be such) with respect to the Indenture Securities will have happened and be continuing.

(2) The corporation or other entity formed by such consolidation or into which the Company is merged, or the Person to which such properties and assets will have been conveyed, transferred or leased, assumes the Company's obligation as to the due and punctual payment of the principal of (and premium, if any, on) and interest, if any, on the Indenture Securities and the performance and observance of every covenant to be performed by the Company under the Indenture, and will be organized under the laws of the United States, one of the States thereof or the District of Columbia.

(3) The Company has delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that the transaction complies with these conditions (Section 801).

In the event that any transaction described in and complying with the conditions listed in the immediately preceding paragraph occurs, the Company would be discharged from all obligations and covenants under the Indenture and all obligations under the Indenture Securities, with the successor corporation or Person succeeding to such obligations and covenants of the Company (Section 802).

In the event of any such transaction, the Indenture provides that, if any Principal Property or Restricted Securities would thereupon become subject to any Lien, the Indenture Securities (other than any Indenture Securities not entitled to the benefit of the "Limitation of Liens" covenant) will be secured, as to such Principal Property or Restricted Securities, equally and ratably with (or prior to) the Indebtedness that upon the occurrence of such transaction would become secured by such Lien, unless such Lien could be created under the Indenture without equally and ratably securing such Indenture Securities

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
(Section 803).

MODIFICATION AND WAIVER

The Indenture permits the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of Outstanding Indenture Securities affected thereby, to execute supplemental indentures adding any provisions to or changing or eliminating any provisions of the Indenture or modifying the rights of such holders, except that no such supplemental indenture may, without the consent of the holder of each Outstanding Indenture Security affected thereby:

(1) Change the stated Maturity of the principal of (or premium, if any, on) or any installment of interest on any Indenture Security, or reduce the principal amount thereof (or any premium, if any, thereon) or the rate of interest, if any, thereon, or change any obligation of the Company to pay

11

<PAGE> 19

Additional Amounts on any Indenture Security as contemplated by Section 1008 of the Indenture, or reduce the amount of the principal of an Indexed Security or an Original Issue Discount Security that would be due and payable upon an acceleration of maturity thereof or the amount thereof provable in bankruptcy, or adversely affect the right of repayment, if any, at the option of the holder, or change any Place of Payment where any Indenture Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or on or after any Redemption Date or Repayment Date), or adversely affect any right to convert or exchange any Indenture Security.

(2) Reduce the aforesaid percentage in principal amount of Outstanding Indenture Securities, the consent of the holders of which is required for any such supplemental indenture.

(3) Reduce the percentage in principal amount of outstanding Indenture Securities, the consent of the holders of which is necessary to modify or waive any default under the Indenture (Section 902).

The holders of a majority in aggregate principal amount of Outstanding Indenture Securities have the right to waive compliance by the Company with certain covenants contained in the Indenture (Section 1009).

Modification and amendment of the Indenture may be made by the Company and the Trustee without the consent of any holder, for any of the following purposes: (i) to evidence the succession of another Person to the Company as obligor under the Indenture; (ii) to add to the covenants of the Company for the benefit of the holders of any series of Indenture Securities; (iii) to add Events of Default for the benefit of the holders of any such series; (iv) to change or eliminate any provisions of the Indenture, provided that any such change or elimination will become effective only when there is no Indenture Security outstanding thereunder of any series that is entitled to the benefit of such provisions; (v) to secure the Indenture Securities outstanding under the Indenture pursuant to the requirements of Section 803 or 1006 of the Indenture, or otherwise; (vi) to establish the form or terms of Indenture Securities of any series, as permitted by Sections 201 and 301 of the Indenture; (vii) to provide for the acceptance of appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one Trustee; (viii) to close the Indenture with respect to the authentication and delivery of additional series of Indenture Securities; (ix) to cure any ambiguity or inconsistency in the Indenture, provided such action does not adversely affect in any material respect the interests of holders of Indenture Securities of any

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
series thereunder; (x) to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of Indenture Securities, provided that such action does not adversely affect in any material respect the interests of the holders of the Indenture Securities; or (xi) to make any other change that does not affect the rights of any holder (Section 901).

The Indenture provides that in determining whether the holders of the requisite principal amount of Indenture Securities of a series then outstanding have given any request, demand, authorization, direction, notice, consent or waiver thereunder or whether a quorum is present at a meeting of holders of such Indenture Securities, (i) the principal amount of an Original Issue Discount Security that will be deemed to be outstanding will be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the maturity thereof and (ii) the principal amount of an Indexed Security that may be counted in making such determination or calculation and that will be deemed outstanding for such purpose will be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Indenture Security pursuant to Section 301 (Section 101).

EVENTS OF DEFAULT

The following are Events of Default with respect to any series of Indenture Securities: (i) default in the payment of any installment of interest upon any Indenture Security of such series when it becomes due and payable, continued for 30 days; (ii) default in the payment of the principal of (or premium, if any, on) any Indenture security of such series at its Maturity; (iii) failure on the part of the Company to observe or perform any other covenant or agreement contained in the Indenture (other than a covenant or agreement included in the Indenture solely for the benefit of less than all series of Indenture Securities or a covenant the

12

<PAGE> 20

default in the performance of which would be covered by clause (vi) below) for 60 days after written notice of such failure, requiring the Company to remedy the same, has been given to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of Outstanding Indenture Securities of such series; (iv) default under any indenture or instrument under which the Company or any Restricted Subsidiary has at the time outstanding indebtedness for borrowed money or guarantees thereof in any individual instance in excess of \$15,000,000 and, if not already matured in accordance with its terms, such indebtedness has been accelerated and such acceleration is not rescinded or annulled within 15 days after notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of Outstanding Indenture Securities of such series; provided that, if, prior to the entry of judgment in favor of the Trustee for payment of the Indenture Securities of such series, the default under such indenture or instrument has been remedied or cured by the Company or such Restricted Subsidiary, or waived by the holders of such indebtedness, then the Event of Default under the Indenture will be deemed likewise to have been remedied, cured or waived; (v) certain events of bankruptcy, insolvency or reorganization affecting the Company; and (vi) any other Event of Default included in the Indenture for the benefit of Indenture Securities of such series (Section 501).

If an Event of Default with respect to Indenture Securities of any series at the time outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Securities of that series (or, if the Indenture Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
principal amount as may be specified in the terms of that series) by notice as provided in the Indenture may declare the principal amount of all the Indenture Securities of that series and the accrued interest thereon to be due and payable immediately. At any time after a declaration of acceleration with respect to Indenture Securities of any series has been made, but before a judgment or decree for payment of money has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the Outstanding Securities of that series may, under certain circumstances, rescind and annul such acceleration (Section 502).

The holders of a majority in aggregate principal amount of Outstanding Indenture Securities of any series have the right to waive certain past defaults under the Indenture (Section 513).

The Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless such holders shall have offered to the Trustee reasonable indemnity (Section 602). Subject to such provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the Outstanding Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Indenture Securities of that series unless the Trustee shall determine that the action specified would be in conflict with any rule or law (Section 512).

The Company will be required to furnish the Trustee annually a certificate stating whether or not the Company is in default under the Indenture and, if so, specifying all such defaults and the nature thereof (Section 1004).

DEFEASANCE AND COVENANT DEFEASANCE

The Indenture provides that the Company may elect either (i) to defease and be discharged from any and all obligations with respect to all or a portion of the Indenture Securities of any series (except for the obligations (a) to pay Additional Amounts, if any; (b) to register the transfer of or exchange such Indenture Securities; (c) to replace temporary or mutilated, destroyed, lost or stolen Indenture Securities of such series; (d) to maintain an office or agency in respect of such Indenture Securities; and (e) to hold moneys for payment in trust) ("defeasance"); or (ii) to be released from its obligations with respect to such outstanding Indenture Securities under Sections 1006 and 1007 of the Indenture (being the restrictions described above under "Liens" and "Sale and Leaseback Transactions", respectively, under the heading "Certain Covenants") or, if so provided pursuant to the Indenture, its obligations with respect to any other covenant, and any

13

<PAGE> 21

omission to comply with such obligations will not constitute a default or an Event of Default with respect to such Indenture Securities ("covenant defeasance"), in either case upon the irrevocable deposit by the Company with the Trustee (or other qualifying trustee), in trust, of (i) an amount in cash; (ii) Government Obligations (as defined below) that, through the payment of principal and interest in accordance with their terms, will provide money in an amount; or (iii) a combination thereof in an amount, sufficient to pay the principal of (and premium, if any, on) and interest, if any, to Stated Maturity (or redemption) on such Indenture Securities and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor (Article 14).

Such a trust may only be established if, among other things, the Company has delivered to the Trustee an opinion of Counsel to the effect that the

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
holders of such Indenture Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such opinion, in the case of defeasance under clause (i) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture (Section 1404).

In the event the Company effects covenant defeasance with respect to any Indenture Securities and such Indenture Securities are declared due and payable because of the occurrence of any Event of Default other than (a) an Event of Default described in clause (iii) under "Events of Default" with respect to Sections 1006 and 1007 of the Indenture (which Sections would no longer be applicable to such Indenture Securities) or (b) an Event of Default described in clause (iii) or (vi) under "Events of Default" with respect to any other covenant as to which there has been defeasance, the realizable value of the money and Government obligations on deposit with the Trustee may not be sufficient to pay amounts due on such Debt Securities at the time of the acceleration resulting from such Event of Default, in that the required deposit with the Trustee is based upon scheduled cash flows rather than market value, which will vary depending upon interest rates and other factors. However, the Company would remain liable to make payment of such shortfall amounts due at the time of acceleration.

The Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the Indenture Securities of or within a particular series.

BOOK-ENTRY DEBT SECURITIES

Debt Securities of a series may be issued in whole or in part in the form of one or more Global Securities that will be deposited with, or on behalf of, a depository identified in the Prospectus Supplement relating to such series. Global Securities will be issued in registered form and in either temporary or permanent form. Unless otherwise provided in the Prospectus Supplement, Debt Securities of a series that are represented by a Global Security may be issued in any denomination, and will be issued in registered form only, without coupons. Payments of principal of (and premium, if any, on) and interest, if any, on Debt Securities of such series represented by a Global Security will be made by the Company or the Trustee to the depository (Sections 304 and 305).

The Company anticipates that any Global Securities will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), New York, New York, that such Global Securities will be registered in the name of DTC's nominee, and that the following provisions will apply to the depository arrangements with respect to any such Global Securities. Additional or differing terms of the depository arrangement will be described in the Prospectus Supplement relating to Offered Securities issued in the form of Global Securities.

So long as DTC or its nominee is the registered owner of a Global Security, DTC or its nominee, as the case may be, will be considered the sole holder of the Debt Securities represented by such Global Security for all purposes under the Indenture. Except as described below, owners of beneficial interests in a Global Security will not be entitled to have Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities in certificated form and

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
Indenture. The laws of some states require that certain purchasers of securities take physical delivery of such securities in certificated form; accordingly, such laws may limit the transferability of beneficial interests in a Global Security.

Debt Securities will be issued in fully registered, certificated form ("Definitive Securities") to holders or their nominees, rather than to DTC or its nominee only if (i) DTC notifies the Trustee in writing that DTC is no longer willing or able to continue as depository and a qualified successor depository is not appointed by the Company within 90 days following such notice; (ii) the Company, at any time and in its sole discretion, determines not to have any Debt Securities of one or more series represented by Global Securities; or (iii) after the occurrence of an Event of Default with respect to such Debt Securities, a holder of Debt Securities notifies the Trustee in writing that it wishes to receive a Definitive Security. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery of Definitive Securities equal in principal amount to such beneficial interest and registered in its name.

The following is based on information furnished by DTC:

DTC will act as securities depository for the Debt Securities. The Debt Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's nominee). One fully registered Debt Security certificate will be issued with respect to each \$200 million of principal amount of the Debt Securities of a series, and an additional certificate will be issued with respect to any remaining principal amount of such series.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC.

DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of Debt Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Debt Securities on DTC's records. The ownership interest of each actual purchaser of each Debt Security ("Beneficial Owner") is in turn to be recorded on the Participants' records. A Beneficial Owner will not receive written confirmation from DTC of its purchase, but such Beneficial Owner is expected to receive a written confirmation providing details of the transaction, as well as periodic statements of its holdings, from the Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Debt Securities are to be accomplished by entries made on the books of Participants acting on behalf

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Debt Securities, except in the event that use of the book-entry system for the Debt Securities is discontinued.

To facilitate subsequent transfers, the Debt Securities will be registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Debt Securities with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC will have no knowledge of the actual Beneficial Owners of the Debt Securities; DTC records will reflect only the identity of the Direct Participants to whose accounts Debt Securities are credited, which may or may not be the

15

<PAGE> 23

Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Debt Securities. Under its usual procedures, DTC mails a proxy (an "Omnibus Proxy") to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Debt Securities are credited on the record date (identified on a list attached to the Omnibus Proxy).

Principal, premium and interest payments on the Debt Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payment date in accordance with their respective holdings as shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Company or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Debt Securities at any time by giving reasonable notice to the Company or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not appointed, Debt Security certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Debt Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof.

Unless stated otherwise in the applicable Prospectus Supplement, the

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
underwriters or agents with respect to Offered Debt Securities issued as Global Securities will be Direct Participants in DTC.

None of the Company, any underwriter or agent, the Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a Global Security, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

CONCERNING THE TRUSTEE

U.S. Bank Trust National Association is the Trustee under the Indenture. The Trustee serves as trustee under (i) the Twenty-First Supplemental Indenture, dated as of February 5, 1997, and the Twenty-Second Supplemental Indenture, dated as of July 29, 1997, supplementing an Indenture of Mortgage, dated as of July 15, 1959, relating to the Company's First Mortgage Bonds aggregating \$111 million, and (ii) the Company's Medium Term Notes, Series A aggregating \$22 million.

16

<PAGE> 24

PLAN OF DISTRIBUTION

The Company may sell the Offered Securities to one or more underwriters for public offering and sale by them or may sell the Offered Securities to investors directly or through agents. Any such underwriter or agent involved in the offer and sale of the Offered Securities will be named in the related Prospectus Supplement. The Company has reserved the right to sell the Offered Securities directly to investors on its own behalf in those jurisdictions where it is authorized to do so.

Underwriters may offer and sell the Offered Securities at a fixed price or prices that may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Company also may, from time to time, authorize dealers, acting as the Company's agents, to offer and sell the Offered Securities upon such terms and conditions as set forth in the related Prospectus Supplement. In connection with the sale of the Offered Securities, underwriters may receive compensation from the Company in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the Offered Securities for whom they may act as agent. Underwriters may sell the Offered Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions (which may be changed from time to time) from the purchaser for whom they may act as agents.

Any underwriting compensation paid by the Company to underwriters or agents in connection with the offering of the Offered Securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the related Prospectus Supplement. Dealers and agents participating in the distribution of the Offered Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the Offered Securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled, under agreements entered into with the Company, to indemnification against and contribution towards certain civil liabilities, including any liabilities under the Securities Act.

Until the distribution of the Offered Securities is completed, rules of the Commission may limit the ability of underwriters to bid for and purchase the Offered Securities. As an exception to these rules, underwriters are permitted to engaged in certain transactions that stabilize the price of the Offered

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt
Securities. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Offered Securities. If underwriters create a short position in the Offered Securities in connection with the offering, i.e., if they sell more Offered Securities than are set forth on the cover page of the applicable Prospectus Supplement, underwriters may reduce that short position by purchasing Offered Securities in the open market. In general, purchase of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. Such activities, if commenced, may be discontinued at any time.

If so indicated in the related Prospectus Supplement, the Company will authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase such Offered Securities from the Company pursuant to delayed delivery contracts providing for payment and delivery at a future date. Such contracts will be subject only to those conditions set forth in the related Prospectus Supplement, and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Any Offered securities issued hereunder will be new issues of securities with no established trading market. Any underwriters or agents to or through whom such Offered Securities are sold by the Company for public offering and sale may make a market in such Offered Securities, but such underwriters or agents will not be obligated to do so and may discontinue any market at any time without notice. No assurance can be given as to the liquidity of the trading market for any such Offered Securities.

Certain of the underwriters, dealers or agents and their associates may engage in transactions with, and perform services for, the Company and certain of its affiliates in the ordinary course of business.

17

<PAGE> 25

LEGAL MATTERS

Certain legal matters relating to the Debt Securities will be passed upon for the Company by Locke Purnell Rain Harrell (A Professional Corporation), Dallas, Texas. Dan Busbee, a director of the Company, is a shareholder in such law firm. The validity of the Offered Securities will be passed upon for any underwriters, dealers or agents by Shearman & Sterling, New York, New York.

EXPERTS

The consolidated financial statements of the Company at September 30, 1997 appearing in the Company's Annual Report on Form 10-K have been audited by Ernst & Young LLP, independent auditors, as set forth in its report included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of United Cities Gas Company at December 31, 1996 appearing in the Company's Annual Report on Form 10-K have been audited by Arthur Andersen LLP, independent auditors, as set forth in its report included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

18

<PAGE> 26

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITERS. NEITHER THIS PROSPECTUS SUPPLEMENT NOR THE ACCOMPANYING PROSPECTUS CONSTITUTES AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE DEBENTURES IN ANY JURISDICTION WHERE, OR TO ANY PERSONS TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

TABLE OF CONTENTS

<TABLE> <CAPTION>	PAGE ----
<S>	<C>
PROSPECTUS SUPPLEMENT	
The Company.....	S-2
Ratio of Earnings to Fixed Charges....	S-2
Use of Proceeds.....	S-3
Capitalization.....	S-3
Selected Consolidated Financial Data.....	S-4
Description of Debentures.....	S-5
Underwriting.....	S-7
PROSPECTUS	
Available Information.....	2
Incorporation of Certain Documents by Reference.....	2
Disclosure Regarding Forward-Looking Statements.....	3
The Company.....	3
Ratio of Earnings to Fixed Charges....	4
Use of Proceeds.....	4
Description of Debt Securities.....	4
Plan of Distribution.....	17
Legal Matters.....	18
Experts.....	18
</TABLE>	

\$150,000,000

[ATMOS ENERGY CORP LOGO]

ATMOS ENERGY CORPORATION

6 3/4% DEBENTURES DUE 2028

2015-00343_AG DR Set 2_17a_6.75% Debentures Prospectus.txt

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

NATIONSBANC MONTGOMERY
SECURITIES LLC

EDWARD D. JONES & CO., L.P.

JULY 22, 1998

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-----END PRIVACY-ENHANCED MESSAGE-----

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

ATMOS ENERGY CORPORATION

6¾ % Debentures due 2028

No. 1

COPY

CUSIP NO. 049560AA3

Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000) on July 15, 2028, at the office or agency of the Company referred to below, and to pay interest thereon on January 15, 1999 and semiannually thereafter, on January 15 and July 15 in each year, from July 27, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of 6¾ % per annum, until the principal hereof is paid or duly provided for, and (to the extent lawful) to pay on demand interest on any overdue interest at the rate borne by the Securities from the date of the Interest Payment Date on which such overdue interest becomes payable to the date payment of such interest has been made or duly provided for. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 1 or July 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for, and interest on such defaulted interest at the interest rate borne by the Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent

with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, or at such other office or agency of the Company as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

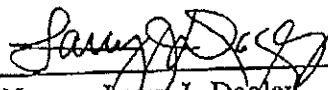
Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

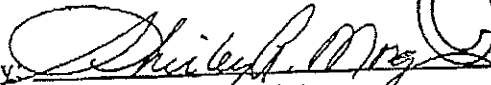
COPY

IN WITNESS WHEREOF, the Company has caused this instrument to be duly
executed.

ATMOS ENERGY CORPORATION

By: 
Name: Larry J. Dagley
Title: Executive Vice President
and Chief Financial Officer

Attest:

By: 
Name: Shirley A. Morgan
Title: Assistant Corporate Secretary

COPY

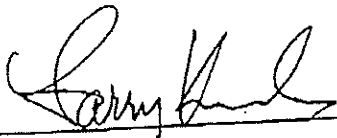
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: July 27, 1998

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee

COPY

By: 
Authorized Signatory

REVERSE OF SECURITY

This Security is one of a duly authorized issue of securities of the Company designated as its 6¾ % Debentures due 2028 (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to \$150,000,000, which may be issued in one or more series under an indenture (herein called the "Indenture"), dated as of July 15, 1998, between the Company and U.S. Bank Trust National Association, as trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Securities shall be subject to redemption at the option of the Company, in whole or in part, in principal amounts of \$1,000 or any integral multiple thereof at any time at a Redemption Price equal to the sum of (i) an amount equal to 100% of the principal amount thereof and (ii) the Make-Whole Premium, together with accrued and unpaid interest to the Redemption Date. In the event that less than all of the Securities are to be redeemed at any time, selection of such Securities for redemption will be made by the Trustee on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided, however,* that no Securities of a principal amount of \$1,000 or less shall be redeemed in part. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the Redemption Date, to each Holder of Securities to be redeemed, at its address as shown in the Security Register. If the Securities are to be redeemed in part only, the notice of redemption that relates to such Securities shall state the portion of the principal amount thereof to be redeemed. A new Security in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon surrender for cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption unless the Company defaults in the payment of the Redemption Price. As used herein, "Make-Whole Premium" means, in connection with any optional redemption of any Security, the excess, if any, of (i) the aggregate present value as of the Redemption Date of each dollar of principal of such Securities being redeemed and the amount of interest (exclusive of interest accrued to the Redemption Date) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semi-annual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the Redemption Date) plus 0.25% from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Securities being redeemed. As used herein,

"Treasury Yield" means, in connection with the calculation of any Make-Whole Premium on the Securities, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar data)) equal to the then remaining maturity of the Securities; *provided* that if no United States Treasury security is available with such a constant maturity and for which a closing yield is given, the Treasury Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the closing yields of United States Treasury securities for which such yields are given, except that if the remaining maturity of the Securities is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company on this Security and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

This Security does not have the benefit of any sinking fund obligations.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of each series affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities of such series at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and

unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. At the date of the original issuance of this Security such office or agency of the Company is maintained by U.S. Bank Trust National Association at One Illinois Center, 111 East Wacker Drive, Suite 3000, Chicago, Illinois 60601.

The Securities are issuable only in registered form, without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges payable in connection with any registration of transfer or exchange.

Prior to the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principals.

The following abbreviations, when used in the inscription on the face of this Security, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust.) (Minor)
under Uniform Gifts to Minors
Act
(State)

Additional abbreviations may also be used though not in the above list.

COPY

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

ATMOS ENERGY CORPORATION

6¾ % Debentures due 2028

No. 1

COPY

CUSIP NO. 049560AA3

Atmos Energy Corporation, a Texas and Virginia corporation (herein called the "Company", which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000) on July 15, 2028, at the office or agency of the Company referred to below, and to pay interest thereon on January 15, 1999 and semiannually thereafter, on January 15 and July 15 in each year, from July 27, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of 6¾ % per annum, until the principal hereof is paid or duly provided for, and (to the extent lawful) to pay on demand interest on any overdue interest at the rate borne by the Securities from the date of the Interest Payment Date on which such overdue interest becomes payable to the date payment of such interest has been made or duly provided for. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 1 or July 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for, and interest on such defaulted interest at the interest rate borne by the Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent

with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, or at such other office or agency of the Company as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

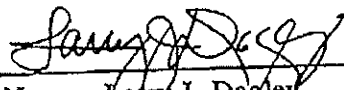
Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

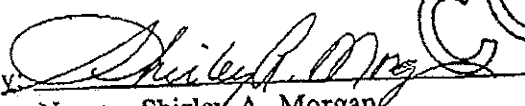
COPY

IN WITNESS WHEREOF, the Company has caused this instrument to be duly
executed.

ATMOS ENERGY CORPORATION

By: 
Name: ~~Larry J. Dagley~~
Title: Executive Vice President
and Chief Financial Officer

Attest:

By: 
Name: Shirley A. Morgan
Title: Assistant Corporate Secretary

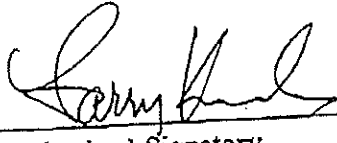
COPY

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: July 27, 1998

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee

COPY By: 
Authorized Signatory

REVERSE OF SECURITY

This Security is one of a duly authorized issue of securities of the Company designated as its 6¾ % Debentures due 2028 (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to \$150,000,000, which may be issued in one or more series under an indenture (herein called the "Indenture"), dated as of July 15, 1998, between the Company and U.S. Bank Trust National Association, as trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Securities shall be subject to redemption at the option of the Company, in whole or in part, in principal amounts of \$1,000 or any integral multiple thereof at any time at a Redemption Price equal to the sum of (i) an amount equal to 100% of the principal amount thereof and (ii) the Make-Whole Premium, together with accrued and unpaid interest to the Redemption Date. In the event that less than all of the Securities are to be redeemed at any time, selection of such Securities for redemption will be made by the Trustee on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided, however,* that no Securities of a principal amount of \$1,000 or less shall be redeemed in part. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the Redemption Date, to each Holder of Securities to be redeemed, at its address as shown in the Security Register. If the Securities are to be redeemed in part only, the notice of redemption that relates to such Securities shall state the portion of the principal amount thereof to be redeemed. A new Security in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon surrender for cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption unless the Company defaults in the payment of the Redemption Price. As used herein, "Make-Whole Premium" means, in connection with any optional redemption of any Security, the excess, if any, of (i) the aggregate present value as of the Redemption Date of each dollar of principal of such Securities being redeemed and the amount of interest (exclusive of interest accrued to the Redemption Date) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semi-annual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the Redemption Date) plus 0.25% from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Securities being redeemed. As used herein,

"Treasury Yield" means, in connection with the calculation of any Make-Whole Premium on the Securities, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar data)) equal to the then remaining maturity of the Securities; *provided* that if no United States Treasury security is available with such a constant maturity and for which a closing yield is given, the Treasury Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the closing yields of United States Treasury securities for which such yields are given, except that if the remaining maturity of the Securities is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company on this Security and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

This Security does not have the benefit of any sinking fund obligations.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of each series affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities of such series at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and

unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. At the date of the original issuance of this Security such office or agency of the Company is maintained by U.S. Bank Trust National Association at One Illinois Center, 111 East Wacker Drive, Suite 3000, Chicago, Illinois 60601.

The Securities are issuable only in registered form, without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges payable in connection with any registration of transfer or exchange.

Prior to the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principals.

The following abbreviations, when used in the inscription on the face of this Security, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entirety

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust.) (Minor)
under Uniform Gifts to Minors
Act
(State)

Additional abbreviations may also be used though not in the above list.

COPY

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-18
Page 1 of 1

REQUEST:

Please refer to Schedule J-3 F. Referring to the 6.67% MTN A1:

- a. Please provide all of the terms and conditions of this debt issue.
- b. Please explain why Atmos has not refinanced this note in order to obtain a lower interest rate. Please provide all documentation supporting your response.

RESPONSE:

- a) Please see Attachment 1.
- b) The Offered Notes cannot be redeemed by the Company prior to maturity. Please see the response to subpart (a).

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-18_Att1 - 6.67% MTN Series A 1995-1 Prospectus.pdf, 3 Pages.

Respondent: Greg Waller

2015-00343_AG DR Set 2_18a_6.67% MTN Series A 1995-1 Prospectus.txt

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CONFORMED SUBMISSION TYPE: 424B2
PUBLIC DOCUMENT COUNT: 1
FILED AS OF DATE: 19951214
SROS: NASD

FILER:

COMPANY DATA:
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CENTRAL INDEX KEY: 0000101105
STANDARD INDUSTRIAL CLASSIFICATION: NATURAL GAS DISTRIBUTION
[4924]
IRS NUMBER: 361801540
STATE OF INCORPORATION: IL
FISCAL YEAR END: 1231

FILING VALUES:
FORM TYPE: 424B2
SEC ACT: 1933 Act
SEC FILE NUMBER: 033-56983
FILM NUMBER: 95601507

BUSINESS ADDRESS:
STREET 1: 5300 MARYLAND WAY
CITY: BRENTWOOD
STATE: TN
ZIP: 37027
BUSINESS PHONE: 6153730104

MAIL ADDRESS:
STREET 1: 5300 MARYLAND WAY
CITY: BRENTWOOD
STATE: TN
ZIP: 37027

FORMER COMPANY:
FORMER CONFORMED NAME: SOUTHEASTERN ILLINOIS GAS CO
DATE OF NAME CHANGE: 19670829

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Filed Pursuant to Rule 424(b)(2)
Registration No. 33-56983

2015-00343_AG DR Set 2_18a_6.67% MTN Series A 1995-1 Prospectus.txt
PRICING SUPPLEMENT NO. 1
DATED: DECEMBER 12, 1995
(TO PROSPECTUS SUPPLEMENT DATED NOVEMBER 22, 1995
AND PROSPECTUS DATED NOVEMBER 22, 1995)

UNITED CITIES GAS COMPANY
MEDIUM-TERM NOTES, SERIES A

PRINCIPAL AMOUNT:	INTEREST PAYMENT DATES:
\$10,000,000	June 15 and December 15, commencing June 15, 1996
ORIGINAL ISSUE DATE:	ISSUE PRICE:
December 15, 1995	\$10,000,000 (100%)
MATURITY DATE:	AGENTS' COMMISSION:
December 15, 2025	\$62,500 (0.625%)
INTEREST RATE (PER ANNUM):	NET PROCEEDS TO COMPANY:
6.67%	\$9,937,500 (99.375%)

REDEMPTION PROVISIONS:

- The Offered Notes cannot be redeemed by the Company prior to maturity.
 The Offered Notes may, at the option of the Company, be redeemed prior to maturity.

REPAYMENT BY THE COMPANY AT THE OPTION OF THE HOLDER:

A holder of the Offered Notes shall have the option to require repayment of the Offered Notes held by it in whole or in part (as provided below), on December 15, 2005 (the "Redemption Date"), at a price equal to 94.625% of the principal amount thereof, upon election to tender given to the Company at the principal office of the Trustee not less than 30 nor more than 60 days prior to the Redemption Date. This option may be exercised by a holder of Offered Notes for less than the entire principal amount held by it, provided the principal amount which is to be repaid to such holder is equal to \$1,000 or an integral multiple of \$1,000. Such election by a holder to tender Offered Notes for repayment will be irrevocable.

Book Entry Bonds. So long as the Offered Notes are held under the book-entry system referred to in the Prospectus Supplement under "SUPPLEMENTAL DESCRIPTION OF OFFERED NOTES--Book-Entry Only System", DTC or its nominee, Cede & Co., as registered holder of the Offered Notes, will be entitled to tender the Offered Notes on December 15, 2005 for repayment and any such tenders will be effected by means of DTC's Repayment Option Procedures. During the period from and including October 15, 2005 to and including November 15, 2005 or, if such November 15, 2005 is not a business day, the next succeeding business day, DTC will receive instructions from its Participants (acting on behalf of owners of beneficial interests in the Offered Notes) to tender the Offered Notes for repayment under
<PAGE> 2

DTC's Repayment Option Procedures. Such tenders for repayment will be made by DTC by means of a book-entry credit of the Notes to the account of the Trustee, provided that DTC receives instructions from tendering Participants by no later than Noon (Eastern Time). Promptly after the recording of any such book-entry credit, DTC will provide the Trustee an Agent Put Daily Activity Report in accordance with its Repayment Option Procedures, identifying the Offered Notes and the aggregate principal amount thereof as to which such tenders for repayment have been made. OWNERS OF BENEFICIAL INTERESTS IN NOTES WHO WISH TO EFFECTUATE THE TENDER AND REPAYMENT OF SUCH OFFERED NOTES MUST INSTRUCT THEIR RESPECTIVE DTC PARTICIPANT OR PARTICIPANTS A REASONABLE PERIOD OF TIME IN ADVANCE OF NOVEMBER 15, 2005.

2015-00343_AG DR Set 2_18a_6.67% MTN Series A 1995-1 Prospectus.txt

Certificated Bonds. If at any time the use of a book-entry system through DTC (or any successor securities depository) is discontinued with respect to the Offered Notes, tenders for repayment of such Offered Notes on December 15, 2005 shall be made according to the following procedures. The Company must receive at the principal office of the Trustee during the period from and including October 15, 2005 to and including November 15, 2005 or, if such November 15, 2005 is not a business day, the next succeeding business day, (i) the Offered Note with a duly executed demand setting forth the name of the registered holder of the Offered Note, the principal amount of the Offered Note, the amount of the Offered Note to be repaid, and a statement that the option to elect repayment is being exercised thereby, or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or trust company in the United States of America, setting forth the name of the registered holder of the Offered Note, the principal amount of the Offered Note, the amount of the Offered Note to be repaid, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Offered Note to be repaid with the duly executed demand described in clause (i) will be received by the Company at the principal office of the Trustee not later than five business days after the date of such telegram, telex, facsimile transmission or letter and such Offered Note and form duly completed are received by the Company at the principal office of the Trustee by such fifth business day. Any such notice so received by the Company at the principal office of the Trustee during the period from and including October 15, 2005 to and including November 15, 2005 shall be irrevocable. All questions as to the validity, eligibility (including time of receipt) and the acceptance of any Offered Note for repayment will be determined by the Company, whose determination will be final and binding.

TRUSTEE

The previous Trustee, Bank of America Illinois, has transferred its trust business to First Trust of Illinois, National Association, who has succeeded as Trustee under the Indenture and whose principal place of business is 400 N. Michigan Avenue, 2-South, Chicago, Illinois, ATTENTION: CORPORATE TRUST DEPT.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRICING SUPPLEMENT, THE ACCOMPANYING PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PAINWEBBER INCORPORATED

</TEXT>
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-----END PRIVACY-ENHANCED MESSAGE-----

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-19
Page 1 of 1

REQUEST:

Please provide all studies performed by or on behalf of Atmos within the last five years that address the economics of refinancing high cost debt in order to reduce interest expense and achieve a lower cost of capital.

RESPONSE:

The Company has not conducted any such studies.

Respondent: Greg Waller

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-20
Page 1 of 1

REQUEST:

Please refer to Atmos' response to AG-1-46(e). Please explain and reconcile the T-3 rates and total revenues shown in AG-1-46 Attachment 2, with the amount referenced in AG-1-46(e) (charges for transported volumes to special contract customer).

RESPONSE:

Please note that Footnote 1 on Attachment 2 to the Company's response to AG DR No. 1-46 was incorrect. Please see Attachment 1 to this response for the corrected footnote referencing Confidential Attachment 55 to the Company's response to Staff DR No. 1-59. The comparison of T-3 rate revenues versus current and adjusted special contract rate revenues is found by comparing these two schedules (AG DR No. 1-46 Attachment 2 and Staff DR No. 1-59 Confidential Attachment 55), with the respective rates multiplied by the billing determinants for each special contract customer.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-20_Att1 - AG 1-46 Att2 Revenue Comparison (Corrected Footnote).xlsx, 1 Page.

Respondent: Gary Smith

Atmos Energy Corporation, Kentucky
Revenue Comparison

Customer (1)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total	T-3 Rates	Total \$ (2)	
C	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000				
	> 15,000 Mcf	5,915	8,516	7,682	6,585	8,510	5,830	6,697	7,396	7,785	5,691	6,132	6,911			
D	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000				
	> 15,000 Mcf	42,236	53,097	60,364	65,482	73,253	60,433	64,458	57,767	51,440	47,361	43,276	47,224			
E	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000				
	> 15,000 Mcf	260,059	251,226	262,050	252,872	233,473	250,310	255,200	225,224	248,844	249,103	257,029	247,799			
F	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000				
	> 15,000 Mcf	265,544	224,697	248,177	231,015	293,116	261,996	286,482	268,070	234,717	237,280	263,821	278,168			
G	First 15,000 Mcf	11,555	11,314	13,968	13,839	14,718	13,756	12,028	12,592	8,813	8,543	9,870	10,476			
	> 15,000 Mcf	-	-	-	-	-	-	-	-	-	-	-	-			
H	First 15,000 Mcf	13,032	14,190	13,782	14,547	14,872	13,230	14,896	14,581	11,235	11,681	11,222	13,813			
	> 15,000 Mcf	-	-	-	-	-	-	-	-	-	-	-	-			
I	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	69,933	90,453	105,043	127,317	127,920	116,640	110,560	90,757	91,394	36,623	83,991	87,039			
J	First 15,000 Mcf	9,682	9,780	12,394	11,178	15,000	15,000	13,039	10,983	9,996	10,296	10,032	8,856			
	> 15,000 Mcf	-	-	-	-	2,296	3,459	-	-	-	-	-	-			
K	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	43,987	87,671	81,699	93,371	111,265	110,627	107,781	104,337	102,127	95,720	90,887	86,119			
L	First 15,000 Mcf	13,367	15,000	15,000	15,000	15,000	15,000	15,000	15,000	12,732	14,319	12,310	13,535			
	> 15,000 Mcf	-	2,085	3,142	3,763	3,628	6,674	4,336	1,511	-	-	-	-			
M	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	14,782	17,758	13,171	11,321	18,417	18,654	13,452	17,128	16,025	15,118	13,067	16,378			
N	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	126,213	144,056	138,297	164,736	169,052	157,775	133,946	129,234	121,639	122,093	118,409	122,315			
O	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	12,360	17,355	20,506	18,273	19,785	20,611	22,097	16,139	13,107	7,813	11,136	8,801			
P	First 15,000 Mcf	11,672	10,733	15,000	12,425	15,000	15,000	14,114	12,048	12,023	10,693	10,549	10,583			
	> 15,000 Mcf	-	-	208	-	1,735	3,594	-	-	-	-	-	-			
Q	First 15,000 Mcf	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
	> 15,000 Mcf	50,380	53,783	52,717	52,856	58,611	53,676	55,559	52,113	56,642	56,840	54,176	56,503			
Totals	First 15,000 Mcf	209,308	211,017	220,144	216,989	224,590	221,986	219,077	215,204	204,799	205,532	203,983	207,263	2,559,892	0.79	\$ 2,022,315
Totals	> 15,000 Mcf	891,409	950,697	993,056	1,027,591	1,121,061	1,070,279	1,060,568	969,676	943,720	873,642	941,924	957,257	11,800,880	0.53	\$ 6,254,466
																\$ 8,276,781

Note: 1 - Customer designation cross-references to Staff_1-59_Att55 - Ky Rate Case Special Contract Revenue Adjustment (Confidential)

2 - Excludes revenues associated with tariff monthly customer charges and transportation administration fees. These additional charges apply to each customer.

Case No. 2015-00343
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-21
Page 1 of 1

REQUEST:

For each of the last three years, please provide the total footage and total installed cost (or cost per foot) of distribution mains, by size and type of pipe, installed in Kentucky.

RESPONSE:

Please see Attachment 1 for installation costs. Please see Attachment 2 for the Company's annual DOT reports for the previous three years indicating total miles of pipe by distribution size.

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, AG_2-21_Att1 - KY mains.xlsx, 5 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, AG_2-21_Att2 - KY DOT Report, 2 Pages.

Respondents: Greg Waller and Jason Schneider

Company	Business Segment	Utility Account	Retirement Unit	Month Number	Fiscal year	Activity Cost
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201210	FY2013	[1,740.32]
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201210	FY2013	[362.60]
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201210	FY2013	1,784.00
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201210	FY2013	11,643.23
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201210	FY2013	12,879.55
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201210	FY2013	683,926.89
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201210	FY2013	8,662,630.58
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201211	FY2013	[3,804.21]
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201211	FY2013	258.13
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201211	FY2013	672.83
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201211	FY2013	2,102.77
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201211	FY2013	41,080.80
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201211	FY2013	218,099.07
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201212	FY2013	(440,119.76)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201212	FY2013	9,595.86
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201212	FY2013	21,893.10
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201212	FY2013	40,775.25
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201212	FY2013	48,787.42
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201212	FY2013	86,563.67
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201212	FY2013	262,621.85
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201212	FY2013	556,514.13
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201301	FY2013	(8,484,634.57)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201301	FY2013	128.10
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201301	FY2013	142.92
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201301	FY2013	7,411.64
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201301	FY2013	7,661.66
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201301	FY2013	19,814.82
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201301	FY2013	121,513.81
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201301	FY2013	252,985.89
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201301	FY2013	8,680,249.34
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201302	FY2013	(217,301.65)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201302	FY2013	(719.23)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201302	FY2013	(168.83)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201302	FY2013	(1.64)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201302	FY2013	9,722.79
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201302	FY2013	10,593.14
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201302	FY2013	22,352.92
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201302	FY2013	25,229.09
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201302	FY2013	38,398.23
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201302	FY2013	445,687.13
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201303	FY2013	(295,703.26)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201303	FY2013	(246,848.61)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201303	FY2013	(4,109.59)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201303	FY2013	16.44
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201303	FY2013	306.81
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201303	FY2013	1,402.01
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201303	FY2013	29,227.92
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201303	FY2013	86,782.26
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201303	FY2013	113,568.07
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201303	FY2013	200,320.54
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201303	FY2013	354,916.99
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201304	FY2013	(1,359.13)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201304	FY2013	(115.02)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201304	FY2013	27,647.99
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201304	FY2013	37,043.40
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201304	FY2013	263,906.56
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201304	FY2013	353,664.75
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201305	FY2013	(132,927.63)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201305	FY2013	(1,967.94)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201305	FY2013	(150.80)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201305	FY2013	(49.03)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201305	FY2013	(0.55)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201305	FY2013	25,465.21
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201305	FY2013	36,274.61
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201305	FY2013	93,683.43
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201306	FY2013	(320,447.47)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201306	FY2013	(241,444.96)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201306	FY2013	0.31
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201306	FY2013	117.50
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201306	FY2013	2,011.49
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201306	FY2013	7,802.02
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 3 in.	201306	FY2013	12,302.07
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201306	FY2013	67,664.95
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201306	FY2013	133,007.48
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201306	FY2013	209,730.12
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201306	FY2013	325,111.17
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201306	FY2013	804,850.36
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201307	FY2013	(1,959,567.77)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, X<=1in.	201307	FY2013	1,909.09
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201307	FY2013	7,025.45
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201307	FY2013	25,147.88
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201307	FY2013	57,890.36
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201307	FY2013	74,474.92
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201307	FY2013	357,698.10
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201307	FY2013	526,534.20
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201307	FY2013	1,284,921.44
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Utilized Retirement Unit	201308	FY2013	(2,060,639.83)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Utilized Retirement Unit	201308	FY2013	(10,737.87)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201308	FY2013	37,446.87
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201308	FY2013	67,389.00
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201308	FY2013	75,096.95
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201308	FY2013	167,406.29
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201308	FY2013	2,032,641.15

Company	Business Segment	Utility Account	Retirement Unit	Month Number	Fiscal year	Activity Cost
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201309	FY2013	(2,970,491.61)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201309	FY2013	(801,539.34)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201309	FY2013	129,227.82
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201309	FY2013	163,935.14
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201309	FY2013	332,253.39
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201309	FY2013	440,687.50
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201309	FY2013	706,901.82
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201309	FY2013	1,349,234.98
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201309	FY2013	1,754,127.07
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201309	FY2013	1,909,549.92
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201310	FY2014	(1,150,751.21)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201310	FY2014	(53,070.15)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201310	FY2014	(1,376.89)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201310	FY2014	6,937.11
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201310	FY2014	7,092.55
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201310	FY2014	136,068.08
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201310	FY2014	382,958.81
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201310	FY2014	979,314.89
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201311	FY2014	(330.57)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201311	FY2014	(213.07)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201311	FY2014	69,736.22
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201311	FY2014	122,429.41
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201311	FY2014	336,528.72
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201311	FY2014	506,496.01
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201312	FY2014	(251,236.98)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201312	FY2014	(56,039.43)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201312	FY2014	(2,934.85)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201312	FY2014	460.94
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201312	FY2014	10,636.85
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201312	FY2014	57,294.26
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201312	FY2014	113,151.75
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201312	FY2014	117,147.81
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201312	FY2014	285,942.74
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201401	FY2014	26,306.52
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201401	FY2014	92,569.22
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201401	FY2014	152,168.60
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201401	FY2014	480,682.01
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201401	FY2014	5,188,243.00
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201402	FY2014	(99,846.97)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201402	FY2014	(2,521.38)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201402	FY2014	10,988.79
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201402	FY2014	20,127.66
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201402	FY2014	71,505.63
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201402	FY2014	115,198.93
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201402	FY2014	163,559.14
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201403	FY2014	(5,203,027.55)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201403	FY2014	(129,434.43)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201403	FY2014	2,872.81
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201403	FY2014	5,745.61
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201403	FY2014	21,366.46
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201403	FY2014	36,184.74
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201403	FY2014	67,300.47
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201403	FY2014	152,805.70
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201403	FY2014	350,530.59
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201403	FY2014	367,996.46
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201403	FY2014	2,474,632.32
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201403	FY2014	5,089,511.35
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201404	FY2014	14,224.86
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201404	FY2014	20,748.26
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201404	FY2014	27,536.49
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201404	FY2014	37,683.63
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201404	FY2014	107,147.02
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201404	FY2014	397,739.05
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201404	FY2014	782,220.70
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201404	FY2014	893,057.61
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201405	FY2014	217.77
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201405	FY2014	1,076.35
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201405	FY2014	4,589.74
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201405	FY2014	48,862.85
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201405	FY2014	69,837.38
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201405	FY2014	89,146.85
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201406	FY2014	(25,927.05)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201406	FY2014	(19,317.24)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201406	FY2014	(16,410.71)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201406	FY2014	(335.22)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201406	FY2014	4,851.27
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201406	FY2014	116,092.12
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201407	FY2014	1,570.75
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201407	FY2014	6,421.39
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201407	FY2014	41,980.32
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201407	FY2014	238,633.18
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201407	FY2014	863,006.91
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201408	FY2014	(1,294,018.44)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201408	FY2014	(12,510.09)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201408	FY2014	98.76
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201408	FY2014	197.52
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201408	FY2014	1,236.49
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201408	FY2014	1,612.69
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201408	FY2014	97,543.75
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201408	FY2014	280,740.92
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201408	FY2014	916,551.08
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201408	FY2014	1,091,398.03

Company	Business Segment	Utility Account	Retirement Unit	Month Number	Fiscal year	Activity Cost
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201409	FY2014	(279,612.94)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201409	FY2014	(158,679.23)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201409	FY2014	(15,132.21)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201409	FY2014	(127.25)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201409	FY2014	(10.10)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201409	FY2014	33,234.27
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201409	FY2014	54,230.19
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201409	FY2014	209,556.20
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201409	FY2014	498,563.44
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201409	FY2014	1,667,751.81
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201409	FY2014	2,275,002.16
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201410	FY2015	1.07
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201410	FY2015	845.60
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201410	FY2015	1,867.26
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201410	FY2015	6,324.03
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201410	FY2015	40,810.98
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201410	FY2015	65,179.78
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201410	FY2015	174,719.64
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201411	FY2015	(90,588.24)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201411	FY2015	18.19
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201411	FY2015	459.80
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201411	FY2015	1,392.41
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201411	FY2015	4,425.43
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201411	FY2015	12,179.53
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201411	FY2015	45,012.13
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201411	FY2015	120,583.30
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201411	FY2015	426,442.69
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201411	FY2015	4,930,140.34
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201411	FY2015	5,599,036.25
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201412	FY2015	(809,224.16)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201412	FY2015	(120,479.79)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201412	FY2015	(292,786.70)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201412	FY2015	(71,825.10)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201412	FY2015	95.26
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201412	FY2015	3,826.21
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201412	FY2015	187,424.49
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201412	FY2015	448,644.08
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201412	FY2015	502,747.27
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201412	FY2015	538,847.54
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201412	FY2015	1,161,635.48
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201501	FY2015	20.83
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201501	FY2015	12,171.99
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201501	FY2015	52,828.78
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201501	FY2015	69,194.16
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201501	FY2015	150,798.12
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201501	FY2015	337,723.72
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201501	FY2015	393,392.14
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201501	FY2015	468,443.74
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201501	FY2015	1,205,175.18
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201502	FY2015	(101.81)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201502	FY2015	28.35
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 24 in.	201502	FY2015	7,849.19
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201502	FY2015	19,561.45
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201502	FY2015	22,994.97
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201502	FY2015	24,943.82
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201502	FY2015	25,970.74
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201502	FY2015	26,942.66
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201502	FY2015	33,812.71
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201502	FY2015	52,113.43
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201502	FY2015	164,580.42
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201503	FY2015	(515,806.24)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201503	FY2015	(213,310.53)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 24 in.	201503	FY2015	(498.15)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201503	FY2015	25.15
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201503	FY2015	39.61
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201503	FY2015	781.93
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201503	FY2015	1,104.20
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201503	FY2015	20,936.86
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201503	FY2015	28,845.34
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201503	FY2015	528,007.76
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201503	FY2015	839,142.71
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201504	FY2015	(64,665.20)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201504	FY2015	(5,412.14)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201504	FY2015	(3,972.63)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201504	FY2015	(2,521.73)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 24 in.	201504	FY2015	(181.69)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201504	FY2015	(56.84)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201504	FY2015	(15.01)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201504	FY2015	(14.14)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201504	FY2015	(14.04)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201504	FY2015	323,953.75
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201504	FY2015	800,847.75
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201504	FY2015	934,294.32
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201505	FY2015	(487.67)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201505	FY2015	(64.95)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201505	FY2015	(4.59)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201505	FY2015	(0.34)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201505	FY2015	(0.29)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201505	FY2015	10,122.42
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201505	FY2015	55,672.08
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201505	FY2015	94,228.55
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201505	FY2015	106,991.29

Company	Business Segment	Utility Account	Retirement Unit	Month Number	Fiscal year	Activity Cost
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201505	FY2015	257,608.04
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201506	FY2015	(17,278.72)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201506	FY2015	0.95
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201506	FY2015	1.01
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201506	FY2015	315.59
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201506	FY2015	2,319.95
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201506	FY2015	11,802.87
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201506	FY2015	18,000.82
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201506	FY2015	61,311.51
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201506	FY2015	399,021.46
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201506	FY2015	422,292.00
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201507	FY2015	0.66
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201507	FY2015	175.84
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201507	FY2015	1,536.72
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201507	FY2015	2,374.43
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201507	FY2015	41,304.19
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201507	FY2015	52,114.52
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201507	FY2015	137,383.48
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201507	FY2015	393,728.39
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201507	FY2015	855,442.73
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201507	FY2015	961,079.62
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201507	FY2015	4,768,446.23
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201508	FY2015	(4,745,253.91)
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201508	FY2015	(1,339,752.20)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201508	FY2015	0.40
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201508	FY2015	17.42
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201508	FY2015	22,679.61
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201508	FY2015	28,701.05
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201508	FY2015	212,361.14
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201508	FY2015	759,906.57
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201508	FY2015	825,244.66
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201508	FY2015	1,295,078.26
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201508	FY2015	4,483,732.18
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 6 in.	201509	FY2015	(12,610.38)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 12 in.	201509	FY2015	(2,672.43)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.	201509	FY2015	(0.15)
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Clamp - Small <= 2 in	201509	FY2015	46,053.86
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 2 in.	201509	FY2015	56,871.83
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	Non Unitized Retirement Unit	201509	FY2015	77,708.67
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 4 in.	201509	FY2015	107,446.32
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	Non Unitized Retirement Unit	201509	FY2015	133,745.17
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 6 in.	201509	FY2015	314,186.93
050 Mid-States Division	009 - WKG Division	37601-Mains - Steel	DIS-37601-Main, Steel, 8 in.	201509	FY2015	422,782.74
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 4 in.	201509	FY2015	586,820.65
050 Mid-States Division	009 - WKG Division	37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	201509	FY2015	1,322,461.55

Company	050 Mid-States Division
Business Segment	009 - WKG Division

Sum of Activity Cost Utility Account	Retirement Unit	Fiscal year			Grand Total
		FY2013	FY2014	FY2015	
37601-Mains - Steel	DIS-37601-Main, Steel, 10 in.		2,961.47	615.90	3,577.37
	DIS-37601-Main, Steel, 12 in.	8,651,021.64	5,171,922.89	5,904,046.17	19,726,990.70
	DIS-37601-Main, Steel, 2 in.	306,951.51	160,327.85	343,467.40	810,746.76
	DIS-37601-Main, Steel, 3 in.	12,302.07			12,302.07
	DIS-37601-Main, Steel, 4 in.	568,139.67	366,496.17	(111,481.45)	823,154.39
	DIS-37601-Main, Steel, 6 in.	3,501,498.27	33,817.22	4,523,039.05	8,058,354.54
	DIS-37601-Main, Steel, 8 in.	1,868,473.41	568,960.74	7,131,789.24	9,569,223.39
	DIS-37601-Main, Steel, X<=1in.	1,909.09			1,909.09
	Non Unitized Retirement Unit	(5,120,606.49)	(329,972.66)	68,309.82	(5,382,269.33)
37601-Mains - Steel Total		9,789,689.17	5,974,513.68	17,859,786.13	33,623,988.98
37602-Mains - Plastic	DIS-37602-Main, PE, 2 in.	5,416,403.85	9,039,763.75	8,329,456.33	22,785,623.93
	DIS-37602-Main, PE, 24 in.			7,169.35	7,169.35
	DIS-37602-Main, PE, 4 in.	1,695,240.13	3,923,798.75	4,297,272.99	9,916,311.87
	DIS-37602-Main, PE, 6 in.	1,125,206.84	1,599,177.22	1,873,413.01	4,597,797.07
		Non Unitized Retirement Unit	(1,780,068.31)	(699,170.84)	(754,498.54)
37602-Mains - Plastic Total		6,456,782.51	13,863,568.88	13,752,813.14	34,073,164.53
Grand Total		16,246,471.68	19,838,082.56	31,612,599.27	67,697,153.51

Sum of Miles		Year			
Material Type	Size	CY 2012	CY 2013	CY 2014	CY 2015
Other	2" or Less	0	1	0	0
	Over 12"	0	0	0	0
	Over 2" thru 4"	0	0	0	0
	Over 4" thru 8"	0	0	0	0
	Over 8" thru 12"	0	0	0	0
	Unknown	0	14	12	12
Other Total		0	15	13	12
Plastic Other	2" or Less	0	41	25	26
	Over 12"	0	0	0	0
	Over 2" thru 4"	0	0	0	0
	Over 4" thru 8"	0	0	0	0
	Over 8" thru 12"	0	0	0	0
	Unknown	0	0	0	0
Plastic Other Total		0	41	25	26
Plastic PE	2" or Less	1086	1154	1186	1217
	Over 12"	0	0	0	0
	Over 2" thru 4"	172	205	211	224
	Over 4" thru 8"	6	14	15	20
	Over 8" thru 12"	0	0	0	0
	Unknown	0	0	0	0
Plastic PE Total		1264	1373	1412	1461
Steel	2" or Less	1315	1328	1307	1302
	Over 12"	0	0	0	0
	Over 2" thru 4"	837	787	778	742
	Over 4" thru 8"	302	341	350	360
	Over 8" thru 12"	36	40	46	47
	Unknown	0	0	4	0
Steel Total		2490	2496	2485	2452
Grand Total		3754	3925	3934	3950

Size	Material Type	Year	Miles
Unknown	Steel	CY 2015	-
2" or Less	Steel	CY 2015	1,302.3
Over 2" thru 4"	Steel	CY 2015	742.2
Over 4" thru 8"	Steel	CY 2015	360.4
Over 8" thru 12"	Steel	CY 2015	47.4
Over 12"	Steel	CY 2015	-
Unknown	Plastic PE	CY 2015	-
2" or Less	Plastic PE	CY 2015	1,216.7
Over 2" thru 4"	Plastic PE	CY 2015	224.3
Over 4" thru 8"	Plastic PE	CY 2015	19.8
Over 8" thru 12"	Plastic PE	CY 2015	-
Over 12"	Plastic PE	CY 2015	-
Unknown	Plastic Other	CY 2015	-
2" or Less	Plastic Other	CY 2015	25.5
Over 2" thru 4"	Plastic Other	CY 2015	-
Over 4" thru 8"	Plastic Other	CY 2015	-
Over 8" thru 12"	Plastic Other	CY 2015	-
Over 12"	Plastic Other	CY 2015	-
Unknown	Other	CY 2015	11.5
2" or Less	Other	CY 2015	0.2
Over 2" thru 4"	Other	CY 2015	-
Over 4" thru 8"	Other	CY 2015	-
Over 8" thru 12"	Other	CY 2015	-
Over 12"	Other	CY 2015	-
Unknown	Steel	CY 2014	3.5
2" or Less	Steel	CY 2014	1,307.1
Over 2" thru 4"	Steel	CY 2014	778.4
Over 4" thru 8"	Steel	CY 2014	350.0
Over 8" thru 12"	Steel	CY 2014	45.5
Over 12"	Steel	CY 2014	-
Unknown	Plastic PE	CY 2014	-
2" or Less	Plastic PE	CY 2014	1,185.7
Over 2" thru 4"	Plastic PE	CY 2014	211.1
Over 4" thru 8"	Plastic PE	CY 2014	14.9
Over 8" thru 12"	Plastic PE	CY 2014	-
Over 12"	Plastic PE	CY 2014	-
Unknown	Plastic Other	CY 2014	-
2" or Less	Plastic Other	CY 2014	25.3
Over 2" thru 4"	Plastic Other	CY 2014	-
Over 4" thru 8"	Plastic Other	CY 2014	-
Over 8" thru 12"	Plastic Other	CY 2014	-
Over 12"	Plastic Other	CY 2014	-
Unknown	Other	CY 2014	12.3
2" or Less	Other	CY 2014	0.2
Over 2" thru 4"	Other	CY 2014	-
Over 4" thru 8"	Other	CY 2014	-
Over 8" thru 12"	Other	CY 2014	-
Over 12"	Other	CY 2014	-
Unknown	Steel	CY 2013	-
2" or Less	Steel	CY 2013	1,328.0
Over 2" thru 4"	Steel	CY 2013	787.0
Over 4" thru 8"	Steel	CY 2013	341.0
Over 8" thru 12"	Steel	CY 2013	40.0
Over 12"	Steel	CY 2013	-
Unknown	Plastic PE	CY 2013	-
2" or Less	Plastic PE	CY 2013	1,154.0
Over 2" thru 4"	Plastic PE	CY 2013	205.0
Over 4" thru 8"	Plastic PE	CY 2013	14.0
Over 8" thru 12"	Plastic PE	CY 2013	-
Over 12"	Plastic PE	CY 2013	-
Unknown	Plastic Other	CY 2013	-
2" or Less	Plastic Other	CY 2013	41.0
Over 2" thru 4"	Plastic Other	CY 2013	-
Over 4" thru 8"	Plastic Other	CY 2013	-
Over 8" thru 12"	Plastic Other	CY 2013	-
Over 12"	Plastic Other	CY 2013	-
Unknown	Other	CY 2013	14.0
2" or Less	Other	CY 2013	1.0
Over 2" thru 4"	Other	CY 2013	-
Over 4" thru 8"	Other	CY 2013	-
Over 8" thru 12"	Other	CY 2013	-
Over 12"	Other	CY 2013	-
Unknown	Steel	CY 2012	-
2" or Less	Steel	CY 2012	1,315.0
Over 2" thru 4"	Steel	CY 2012	837.0
Over 4" thru 8"	Steel	CY 2012	302.0
Over 8" thru 12"	Steel	CY 2012	36.0
Over 12"	Steel	CY 2012	-
Unknown	Plastic PE	CY 2012	-
2" or Less	Plastic PE	CY 2012	1,086.0
Over 2" thru 4"	Plastic PE	CY 2012	172.0
Over 4" thru 8"	Plastic PE	CY 2012	6.0
Over 8" thru 12"	Plastic PE	CY 2012	-
Over 12"	Plastic PE	CY 2012	-
Unknown	Plastic Other	CY 2012	-
2" or Less	Plastic Other	CY 2012	-
Over 2" thru 4"	Plastic Other	CY 2012	-
Over 4" thru 8"	Plastic Other	CY 2012	-
Over 8" thru 12"	Plastic Other	CY 2012	-
Over 12"	Plastic Other	CY 2012	-
Unknown	Other	CY 2012	-
2" or Less	Other	CY 2012	-
Over 2" thru 4"	Other	CY 2012	-
Over 4" thru 8"	Other	CY 2012	-
Over 8" thru 12"	Other	CY 2012	-
Over 12"	Other	CY 2012	-