



November 18, 2021

Ms. Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RE: Atmos Energy Corporation

Case No. 2021-00193

Dear Ms. Bridwell:

Pursuant to the Order of the Kentucky Public Service Commission entered into on May 26, 2021, enclosed is the report of action for Atmos Energy Corporation. The report, in accordance with the above referenced case, relates to the issuance of securities pursuant to the \$5,000,000,000 universal shelf registration and the Prospectus Supplement which details the terms and conditions of the offering.

Also being filed is a confidential petition for Exhibit B, which provides details of the terms and conditions of the issuance.

If you have any questions or need further assistance, please contact me at 972-855-4031. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jason Schneider".

Jason Schneider
Assistant Treasurer

COMMONWEALTH OF KENTUCKY
CASE NO: 2021-00193

REPORT OF ACTION
Prepared November 16, 2021

Reference is made to the order entered into on May 26, 2021, which requires the Company to make a report to the Commission within ten days after filing its 10Q or 10K filing with the SEC regarding the issuance of securities under the \$5,000,000,000 universal shelf registration.

Atmos Energy Corporation hereby reports:

On September 21, 2021 Atmos Energy Corporation (“Atmos Energy”) entered into an underwriting agreement (the “Underwriting Agreement”) with BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc., CIBC World Markets Corp., and U.S. Bancorp Investments, Inc., as representatives of the several underwriters, with respect to the offering and sale in an underwritten public offering (the “Offering”) by Atmos Energy of \$600 million aggregate principal amount of its 2.850% Senior Notes due 2052 (the “Notes”), with a yield to maturity of 2.882%. On October 1, 2021, Atmos Energy Corporation (“Atmos Energy”) completed a public offering of \$600,000,000 aggregate principal amount of its 2.850% Senior Notes due 2052 (the “Notes”). The offering has been registered under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to a registration statement on Form S-3 (Registration No. 333-257504) of Atmos Energy and the Prospectus Supplement dated September 21, 2021, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on September 23, 2021. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses payable by it, of approximately \$589.6 million.

The Notes were issued pursuant to an indenture dated as of March 26, 2009 (the “Base Indenture”) between Atmos Energy and U.S. Bank National Association, as trustee (the “Trustee”), and an officers’ certificate delivered to the Trustee pursuant to Section 301 of the Base Indenture (the “Officers’ Certificate,” and the Base Indenture, as modified by the Officers’ Certificate, is referred to herein as the “Indenture”). The Notes are represented by two global securities executed by Atmos Energy on October 1, 2021 (each, a “Global Security”) and are unsecured senior obligations that rank equally in right of payment with all of Atmos Energy’s other existing and future unsubordinated debt. The Notes bear interest at an annual rate of 2.850%, payable by Atmos Energy on February 15 and August 15 of each year, beginning on February 15, 2022, and mature on February 15, 2052.

Atmos had a good execution completing the \$600 million, 30-year Senior Unsecured debt offering. Nine issuers were in the market. Following a tough previous day and things settling overnight, the DJIA rose greater than 325 points in the opening minutes of the session. However, the market flipped to down 40 points by 10:00am CT which is the peak time for the book building process. The order book built slowly, peaking at approximately \$1.2 billion. With guidance and pricing, the order book settled at \$900 million. The final orderbook included Blackrock, NISA, Loomis, Fort Washington and Alliance Bernstein. Final pricing tightened 17 bps (T+103 bps). The Company priced the lowest cost 30-year bond ever by Atmos.

Copies of the interest rate management agreements along with a list of estimated fees and expenses related to the debt offering are shown in the attachments labeled Exhibit A and Exhibit

B. We will submit a final list of actual fees and expenses once all invoices have been received. Please refer to the SEC website for confirmed copies of the registration statement and prospectus supplement to complete our filing requirements.

Atmos Energy Corporation



Jason Schneider
Assistant Treasurer

Atmos Energy Corporation
October 2021 Debt Offering Summary - Estimate
As of November 15, 2021

Offering in October 2021:

\$600,000,000 Senior Notes, 2.850%; due 2052; offered at 99.357%	\$ 600,000,000	
Less: Original Issue Discount	3,858,000	
Less: Underwriting discount at 0.875%	<u>5,250,000</u>	
Net Proceeds before legal, accounting and other offering costs		\$ 590,892,000

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

Attorneys Fees	102,956	⓪
Accounting Fees	50,000	⓪
SEC Filing Fee	65,460	⓪
Printing & Postage Expenses (Donnelley)	38,000	⓪
Trustee fees	12,000	⓪
Rating agency fees	879,000	⓪
Misc	<u>20,000</u>	⓪

Net Proceeds \$ 589,724,584

Shelf Registration Costs (related to offering) -

Net Proceeds Less Shelf Registration Costs \$ 589,724,584

Σ ⓪ =	1,167,416	Total Expenses
	5,250,000	Underwriting Discount
	<u><u>6,417,416</u></u>	Total fees and underwriting discount

Underwriter

	<u>Principal Amount</u>
BNP Paribas Securities Corp.	\$ 96,000,000
Credit Agricole Securities (USA) Inc.	\$ 96,000,000
CIBC World Markets Corp.	\$ 96,000,000
U.S. Bancorp Investments, Inc.	\$ 96,000,000
BofA Securities, Inc.	\$ 52,500,000
Truist Securities, Inc.	\$ 52,500,000
Wells Fargo Securities, LLC	\$ 52,500,000
Regions Securities LLC	\$ 34,500,000
Academy Securities, Inc.	\$ 12,000,000
Fifth Third Securities, Inc.	\$ 12,000,000
Total	<u><u>\$ 600,000,000</u></u>