

**COMMONWEALTH OF KENTUCKY**  
**CASE NO: 2023-00001**

**REPORT OF ACTION**  
**Prepared August 13, 2024**

Reference is made to the order entered into on March 9, 2023, 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 common stock and/or debt securities under the \$5,000,000,000 universal shelf registration.

Atmos Energy Corporation hereby reports:

**Atmos Energy Corporation At-The-Market (ATM) Equity Distribution Agreement**

On May 8, 2024, Atmos Energy Corporation (“Atmos Energy”) entered into an equity distribution agreement (the “Equity Distribution Agreement”) with the Managers (the “Managers”) and Forward Purchasers (the “Forward Purchasers”) named in Schedule A thereto and with respect to the offering and sale from time to time through the Managers, as Atmos Energy’s sales agents, of shares of Atmos Energy’s common stock, no par value, having an aggregate offering price of up to \$1,000,000,000 (including shares of common stock that may be sold pursuant to the forward sale agreements described below, the “Shares”). The entry into the Equity Distribution Agreement follows the completion of sales under its prior \$1,000,000,000 at-the-market program and equity distribution agreement, dated March 31, 2023. Sales of the Shares, if any, will be made by means of ordinary brokers’ transactions through the facilities of the New York Stock Exchange at market prices, in block transactions or as otherwise agreed between Atmos Energy and the Managers. Under the terms of the Agreement, Atmos Energy may also sell Shares from time to time to a Manager as principal for its own account at a price to be agreed upon at the time of sale. The Agreement provides that each Manager, when it is acting as Atmos Energy’s sales agent, will be entitled to a commission of 1.00% of the gross offering proceeds of the Shares sold through such Manager. Atmos Energy has no obligation to offer or sell any Shares under the Agreement, and may at any time suspend offers and sales under the Agreement.

The Equity Distribution Agreement provides that, in addition to the issuance and sale of shares by Atmos Energy to or through the Managers, Atmos Energy may enter into forward sale agreements under the master forward sale confirmations (the “Master Forward Sale Confirmations”) dated May 8, 2024, between Atmos Energy and each Forward Purchaser and the related supplemental confirmations to be entered into between Atmos Energy and the relevant Forward Purchaser. In connection with each such forward sale agreement, the relevant Forward Purchaser will, at Atmos Energy’s request, borrow from third parties and, through the relevant Manager, sell a number of Shares equal to the number of Shares underlying the particular forward sale agreement to hedge the forward sale agreement (each such Manager, when acting as agent for a Forward Purchaser, a “Forward Seller”).

Atmos Energy will not initially receive any proceeds from the sale of borrowed shares of Atmos Energy’s common stock by a Forward Seller. Atmos Energy expects to receive proceeds from the sale of Shares by a Forward Seller upon future physical settlement of the relevant forward sale agreement with the relevant Forward Purchaser on dates specified by Atmos Energy on or prior to the maturity date of the relevant forward sale agreement. If Atmos Energy elects to cash settle or net share settle a forward sale agreement, Atmos Energy may not (in the case of cash settlement) or will not (in the case of net share settlement) receive any proceeds, and Atmos Energy may owe cash (in the case of cash settlement) or shares of common stock (in the case

of net share settlement) to the relevant Forward Purchaser. In connection with each forward sale agreement, the relevant Forward Seller will receive, in the form of a reduced initial forward sale price payable by the relevant Forward Purchaser under its forward sale agreement, a commission of 1.00% of the volume weighted average of the sales prices of all borrowed shares of common stock sold during the applicable period by it as a Forward Seller.

During the nine months ended June 30, 2024, we executed forward sales under our ATM equity sales program with various forward sellers who borrowed and sold 7,224,450 shares of our common stock at an aggregate price of \$833.2 million. During the nine months ended June 30, 2024, we also settled forward sale agreements with respect to 6,401,469 shares that had been borrowed and sold by various forward sellers under the ATM program for net proceeds of \$750.0 million. As of June 30, 2024, \$845.7 million of equity was available for issuance under our existing ATM program. Additionally, we had \$550.7 million in available proceeds from outstanding forward sale agreements, as detailed below.

<b>Maturity</b>	<b>Shares Available</b>	<b>Net Proceeds Available (In thousands)</b>	<b>Forward Price</b>
June 30, 2025	3,931,418	\$ 450,884	\$ 114.69
September 30, 2025	815,655	95,523	\$ 117.11
December 31, 2025	36,933	4,328	\$ 117.18
<b>Total</b>	<b>4,784,006</b>	<b>\$ 550,735</b>	<b>\$ 115.12</b>

Atmos Energy intends to use the net proceeds received upon the issuance and sale of shares of Common Stock to fund capital spending primarily to enhance the safety and reliability of our system and for general corporate purposes.

### **Atmos Energy Corporation 5.900% Senior Notes due 2033**

On June 18, 2024 Atmos Energy Corporation (“Atmos Energy”) entered into an underwriting agreement (the “Underwriting Agreement”) with BNP Paribas Securities Corp., J.P. Morgan Securities LLC, and Wells Fargo Securities, LLC, as representatives of the several underwriters listed below, with respect to the offering and sale in an underwritten public offering (the “Offering”) by Atmos Energy of \$325 million aggregate principal amount of its 5.900% Senior Notes due 2033 (the “Notes”), with a re-offer yield of 5.178%. 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. 333-271038) of Atmos Energy (the “Registration Statement”) and the prospectus supplement dated June 18, 2024, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on June 20, 2024.

On June 21, 2024, Atmos Energy Corporation (“Atmos Energy”) completed a public offering of \$325 million aggregate principal amount of its 5.900% Senior Notes due 2033 (the “Notes”). The net proceeds from the offering, after the underwriting discount and offering expenses as of June 30, 2024, of \$339.7 million were used for general corporate purposes.

The Notes were an additional issuance of the existing \$400,000,000 5.900% Senior Notes due 2033 and were issued pursuant to an indenture dated as of March 26, 2009 (the “Base Indenture”) between Atmos Energy and U.S. Bank Trust Company, National Association, as successor in interest to 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 a global security executed by Atmos Energy on June 21, 2024 (the “Global Security”). The Notes 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 5.900%, payable by Atmos Energy on May 15 and November 15 of each year, beginning on November 15, 2024, and mature on November 15, 2033. The interest payment on November 15, 2024 will include interest from and including May 15, 2024.

Underwriter	Principal Amount of the New Notes
BNP Paribas Securities Corp.	\$ 81,250,000
J.P. Morgan Securities LLC	\$ 81,250,000
Wells Fargo Securities, LLC	\$ 81,250,000
MUFG Securities Americas Inc.	\$ 42,250,000
BOK Financial Securities, Inc.	\$ 13,000,000
Comerica Securities, Inc.	\$ 13,000,000
Huntington Securities, Inc.	\$ 13,000,000
Total	\$ 325,000,000

The offer was originally planned for Monday (June 17) however, we stood down primarily due to a crowded market of 13, mostly corporate issuers (six of whom were other Utilities), raising \$21 billion in the debt capital markets. Early indications on equities and interest rates were relatively flat, presenting a relatively attractive market opportunity. Our bankers recommended moving forward with the offering due to the favorable market conditions, a shortened week (due to the mid-week holiday) and fewer market participants than the prior day. Ultimately, 10 issuers were in the market including one other utility that was issuing a first mortgage, green bond.

We were fully subscribed within two hours of entering the market at 7:30am and peaking at \$800 million (2.5x oversubscribed) by 11:30am. At the peak of the bookbuild there were 2 orders of \$100 million or larger including Wellington Management (\$150 million) and Loomis, Sayles & Co (\$127 million). We launched at T+95, tightening 20 basis points from our IPT of T+115. With the tightening, the orderbook declined to \$408 million (1.3x oversubscribed) and final pricing resulted in a yield of 5.178%.

### **Atmos Energy Corporation Forward Starting Interest Rate Swaps**

We manage interest rate risk by periodically entering into financial instruments to effectively fix the Treasury yield component of the interest cost associated with anticipated financings. The following table summarizes our existing forward starting interest rate swaps as of June 30, 2024. These swaps were designated as cash flow hedges at the time the agreements were executed.

Planned Debt Issuance Date	Amount Hedged (In thousands)	Effective Interest Rate
Fiscal 2025	\$ 600,000	1.75%
Fiscal 2026	300,000	2.16%
	<u>\$ 900,000</u>	

## **\$5B Shelf Registration**

On March 31, 2023, we filed a shelf registration statement with the Securities and Exchange Commission (SEC) that allows us to issue up to \$5.0 billion in common stock and/or debt securities, which expires March 31, 2026. This shelf registration statement replaced our previous shelf registration statement which was filed on June 29, 2021. At June 30, 2024, \$1.8 billion of securities were available for issuance under this shelf registration statement. Please refer to the SEC website for confirmed copies of the registration statement and prospectus supplements to complete our filing requirements.

Atmos Energy Corporation



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Rebecca Reneau  
Manager Treasury Services

Managers

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BofA Securities, Inc.  
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CIBC World Markets Corp.  
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TD Securities (USA) LLC  
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New York, NY 10017

Wells Fargo Securities, LLC  
500 West 33rd Street, 14th Floor  
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Forward Purchasers

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Canadian Imperial Bank of Commerce  
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