

JOHN N. HUGHES

Attorney at Law

124 West Todd Street
Frankfort, Kentucky 40601

Telephone: (502) 227-7270

Email: jnhughes@johnnhughespsc.com

February 9, 2023

Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2023-00001

Dear Ms. Bridwell:

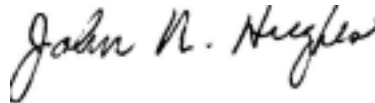
Atmos Energy Corporation submits its responses to DR-1. I certify that the electronic documents are true and correct copies of the original documents.

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

Submitted By:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica Street
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

ELECTRONIC APPLICATION OF ATMOS)	
ENERGY CORPORATION FOR AN ORDER)	Case No. 2023-00001
AUTHORIZING THE IMPLEMENTATION OF A)	
\$5,000,000,000 UNIVERSAL SHELF)	
REGISTRATION)	

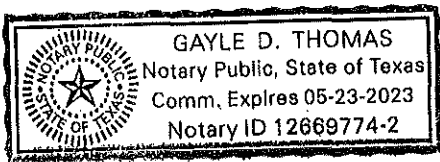
CERTIFICATE AND AFFIDAVIT

The Affiant, Daniel M. Meziere , being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

Daniel M. Meziere

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Daniel M. Meziere on this the 9th day of February, 2023.



Notary Public

My Commission Expires: 5/23/2023

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF THE APPLICATION)
OF ATMOS ENERGY CORPORATION)
FOR AN ORDER AUTHORIZING THE) CASE NO. 2023-0001
IMPLEMENTATION OF A \$5,000,000,000)
UNIVERSAL SHELF REGISTRATION)
)

ATMOS ENERGY RESPONSES TO DATA REQUEST 1

WITNESS FOR ALL RESPONSES: Daniel Meziere

1. Refer to the Application, page 2, paragraph 4, regarding the state purpose of the proceeds of this offering.

a. Identify any planned or needed acquisitions, construction or improvements that the offering will fund.

RESPONSE: There are no specific acquisitions, construction or improvements budgeted in the current fiscal year that would be funded by the proceeds of this “offering”. The Company is seeking approval from the Commission to implement a “shelf” filing with the Securities and Exchange Commission (SEC) authorizing the issuance, over a period of up to three years, of senior debt securities, and/or common stock, in such quantities and upon such terms, as may be warranted by ever-changing financial market conditions. This provides the Company with the flexibility to respond to different market conditions in a way that is most beneficial to the Company and its rate payers. Depending on the then current financial market conditions, the proceeds from the sale of securities may be used, from time to time, to refinance debt, make capital expenditures, fund operating expenses, etc. Although none of the proceeds from the sale of the securities under the shelf filing over the next three years are currently earmarked for any specific project or acquisition, all such proceeds may be used to fund future capital and operational needs of the Company during that period. The manner in which the proceeds are used will, of course, be subject to review by the Commission in future filings of the Company, including future rate case and PRP proceedings.

b. Provide a list of the types of expenditures constituting “general corporate purposes.”

RESPONSE: As explained in Company’s response to DR-1-1(a) above, the proceeds from the future issuances of securities by the Company under the shelf, the timing and terms of which are currently

unknown, will be used for a multitude of different corporate purposes including debt restructuring, financing capital expenditures, and general operating expenses. General corporate purpose includes all expenditures, including everything from wages to office expenses.

c. State what portion of the proceeds of this offering will be allocated to expenditures or debt related to the operation, maintenance, or improvement of Atmos's natural distribution in Kentucky. For expenditures serving multiple states, such as improvements to multi-state transmission lines, allocate a portion of the expenditures to Kentucky, state how this allocation was determined, and provide the allocated amount separately from expenditures related only to Kentucky operation, maintenance, or improvement of gas distribution systems.

RESPONSE: This Data Request also seeks specific information that is simply not available at this point in time. All proceeds from future issuances will be used for general corporate purposes, including debt refinancing, capital expenditures for an indeterminate number of future projects throughout the Company's operating divisions, payment of general operating expenses, etc. It is simply not feasible to calculate the allocations requested in this Data Request. However, in order to be as responsive as possible, based on the capital allocation between the Company's operating divisions, approximately 4% of the proceeds are likely to be allocated to the Kentucky operations.

2. Refer to the Application, page 1-2, paragraph 3, regarding debt-to-equity capitalization ratio.

a. State the debt-to-equity ratio for debt directly related to the operation, maintenance, or improvement of Atmos's natural gas distribution in Kentucky and equity for Kentucky plant-in-service. For debt or equity serving multiple states, such as multi-state transmission lines, allocate a portion of debt or equity to Kentucky and state how this allocation is determined.

RESPONSE: Atmos Energy is a single legal entity and there are no separate debt-to-equity ratios for the separate operating divisions. The debt-to-equity ratio for Kentucky is accordingly the same as that shown for Atmos Energy. Please see the response to 2b. below.

b. State what Atmos's estimated debt-to-equity ratio will be if Atmos's offering is fully utilized.

RESPONSE: The Company cannot currently state how the \$5,000,000,000 will be divided between senior debt securities and equity securities – that will be dictated by currently unknown future market conditions. The Company will strive to maintain its debt and equity capitalization ratios at levels that are in the best interest of customers and shareholders.

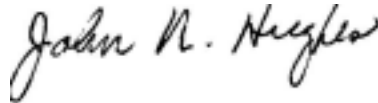
3. State how this offering will affect rates paid by Kentucky ratepayers.

RESPONSE: The rates charged to Kentucky ratepayers may only change as a result of a separate filing made to the KYPSC. A number of factors that are unknown at this time could potentially affect rates, thus any response would be purely speculative.

Submitted By:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica Street
Owensboro, KY 42301
(270) 926-5011
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 St.
Frankfort, KY 40601
(502) 227-7270
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation