

October 31, 2024

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: In the Matter of: The Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$8,000,000,000 Universal Shelf Registration
- Case No. 2024-00313

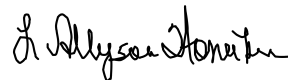
Dear Ms. Bridwell:

Please find attached Atmos Energy Corporation's Responses to Commission Staff's Request for Information in the above-styled case.

This is to certify that the foregoing electronic filing was transmitted to the Commission on October 31, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing will be made.

If you have any questions, please let me know.

Very truly yours,



L. Allyson Honaker

Enclosure

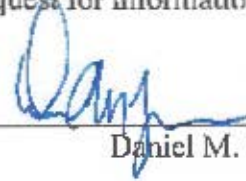
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC APPLICATION OF ATMOS)
ENERGY CORPORATION FOR AN ORDER)
AUTHORIZING THE IMPLEMENTATION OF A)
\$8,000,000,000 UNIVERSAL SHELF)
REGISTRATION)

Case No. 2024-00313

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 31st day of October, 2024.



Notary Public

My Commission Expires: July 23rd 2028

Case No. 2024-00313
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Refer to Application, page 1, paragraph 3. Explain whether the term “senior debt” means Atmos will issue long-term debt as opposed to short-term debt.

RESPONSE:

Senior debt refers to a type of debt that takes precedence over other types of debt and equity and doesn't necessarily relate to the distinction between long term debt versus short term debt. The debt issued pursuant to a Universal Shelf registration is typically considered long-term debt (greater than 1 year). When the Company issues short-term debt it is typically through the commercial paper market and is not subject to the shelf.

Respondent: Daniel Meziere

Case No. 2024-00313
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

Refer to Application, page 2, paragraph 5. Explain how much, if any, of the shelf authority granted in Case No. 2021-00193² remains. Include in the response whether any amounts remaining under the current shelf authority could be exercised by another Atmos Division and, if so, could it be exercised outside of Kentucky.

RESPONSE:

There is no authority remaining under the Universal Shelf registration that was made pursuant to authority granted in Case No. 2021-001932.

Respondent: Daniel Meziere

² Case No. 2021-00193, Electronic Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$5,000,000,000 Universal Shelf Registration (Ky PSC May 26, 2021), Order.

Case No. 2024-00313
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

Refer to Application, page 4, paragraph 13. Explain, in greater detail, how the “at the market” (ATM) works and why the practice is more advantageous than issuing larger blocks of stock. Include an actual example of how the practice resulted in lower costs of capital to the benefit of Atmos’s customers.

RESPONSE:

An “at-the market” offering (ATM) provides publicly traded companies with an efficient means of raising capital. The issuance of large blocks of stock through a traditional offering are typically made at a discounted price per share and incur greater fees from the banks, resulting in less capital raised for the Company. The commissions payable in an ATM program are approximately 1% while fees and discounts for a traditional offering can run 6-9%. The proceeds from an ATM offering are higher per share resulting in fewer shares being issued to raise the same amount of capital. Atmos has not entered into a non-ATM equity deal since 2018.

Respondent: Daniel Meziere

Case No. 2024-00313
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-04
Page 1 of 1

REQUEST:

Refer to Application, page 2, paragraph 5, and page 4, prayer for relief. Paragraph 5, on page 2, requests the termination of the shelf authority granted in Case No. 2021-00193. Atmos, in its prayer for relief on page 4, also requests the termination of the shelf authority granted in Case No. 2023-00001.³

- a. Explain how much, if any, of the shelf authority granted in Case No. 2023-00001 remains. Include in the response whether any amounts remaining under the current shelf authority could be exercised by another Atmos Division and, if so, could it be exercised outside of Kentucky.
- b. Identify and explain the shelf authority amounts granted in Case Nos. 2021-00193 and 2023-00001, include the projects or purposes upon which the amounts were spent by Atmos.
- c. Explain whether all of Atmos's statements made in regard to the termination of Case No. 2021-00193 will also apply to the termination of the shelf authority granted in Case No. 2023-00001.

RESPONSE:

- a. There is approximately \$1.1 billion of shelf authority remaining under the shelf registered pursuant to authority granted in Case No. 2023-00001. Recently, Atmos Energy has loaded the ATM program with \$1 billion at time. Under its current remaining authority, once the ATM program is reloaded, the \$100 million remaining will not be sufficient to cover the Company's next planned debt issuance nor provide an adequate cushion in the event that the Company needs to make an unscheduled debt issuance. Atmos Energy Corporation is a single legal entity with consolidated finances. The operating divisions are not independent legal entities with separate financing. Shelf authority is exercised on behalf of the corporation as a whole.
- b. Atmos Energy sought \$5 billion of shelf authority in both Case No. 2021-00193 and 2023-00001. The net proceeds were used to primarily to support the Company's capital spending program and the safety and reliability of its systems, and for general corporate purposes.
- c. Atmos Energy would terminate any universal shelf authority granted in Case No. 2023-00001 upon registration of the new universal shelf pursuant to authority granted in this case.

Respondent: Daniel Meziere

³ Case No. 2023-00001, Electronic Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$5,000,000,000 Universal Shelf Registration (Ky PSC Mar. 9, 2023), Order.