

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)	
FOR AN ORDER AUTHORIZING THE ISSUANCE)	
OF UP TO 2,000,000 SHARES OF COMMON STOCK)	CASE NO.
THROUGH THE ATMOS ENERGY CORPORATION)	2009-00536
RETIREMENT SAVINGS PLAN)	

O R D E R

On December 22, 2009, Atmos Energy Corporation (“Atmos”), through its Kentucky division, submitted its application seeking Commission approval to issue up to 2,000,000 additional shares of common stock. While it is subject to the jurisdiction of the Commission, the Kentucky division of Atmos does not have a separate capital structure, and the securities to be issued by Atmos are subject to the approval of this Commission.¹

Atmos proposes to issue up to 2,000,000 shares of additional stock through and pursuant to its Retirement Savings Plan and Trust (“RSP”) in order to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986. Under the terms of the RSP, Atmos matches every dollar invested by an employee in the RSP up to 4 percent of the employee’s salary. Atmos’s contributions to an

¹ Atmos provides gas distribution, transmission, and transportation service to retail customers in Colorado, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Missouri, South Carolina, Tennessee, Texas, and Virginia.

employee's account are always invested in Atmos stock.² Atmos states that the RSP provides employees with a means to increase retirement security and an opportunity to become stockholders. The Commission has previously authorized the issuance of shares pursuant to the RSP, most recently in Case No. 2008-00222.³

On January 15, 2010, Commission Staff issued a data request with specific inquiries regarding the existing RSP. In Atmos's response dated January 29, 2010, it states that the issuance of the shares is necessary for the routine operation of the RSP and will provide additional sources of capital. Atmos states that it plans to use the proceeds to fund its capital expenditures, reduce debt, improve its capitalization ratios, and preserve its credit ratings. Atmos further states that the proceeds will strengthen its position as a financially sound public utility. Atmos explains that it is seeking to reduce the frequency of its filings for authorization to issue stock for this purpose and is requesting 2,000,000 shares as opposed to the previous requests to issue 1,000,000 shares. The amount of funds to be raised by the stock issuance will be dependent upon the sales price of the common stock at issuance and the level of investor participation in the RSP.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the approval of the issuance of up to 2,000,000 shares of common stock through Atmos's RSP is for lawful objects within its corporate purposes,

² Although Atmos's contributions to an employee's account are invested in Atmos stock, the employee may diversify all or part of the Atmos stock investment.

³ Case No. 2008-00222, Application of Atmos Energy Corporation for an Order Authorizing the Issuance of Up to 1,000,000 Shares of Common Stock Through the Atmos Energy Corporation Retirement Savings Plan (Ky. PSC Aug. 26, 2008).

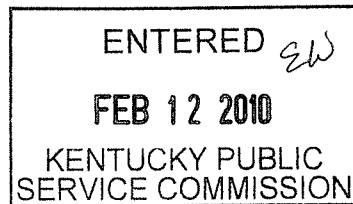
is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonable, necessary, and appropriate for such purposes. Therefore, the common stock issuance as proposed by Atmos should be approved.

IT IS THEREFORE ORDERED that:

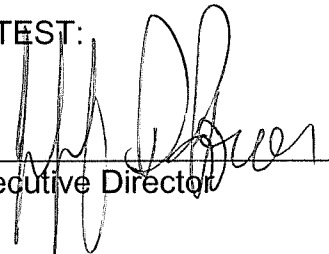
1. Atmos is authorized to issue up to 2,000,000 shares of common stock through its RSP, subject to the provisions and terms contained within its application.
2. The proceeds from the transaction authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

By the Commission



ATTEST:


Executive Director

Mark R Hutchinson
Wilson, Hutchinson & Poteat
611 Frederica Street
Owensboro, KY 42301

Mark Martin
VP Rates & Regulatory Affairs
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303