

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS	)	
ENERGY CORPORATION FOR AN ORDER	)	CASE NO.
AUTHORIZING THE ISSUANCE OF UP TO	)	2024-00392
2,000,000 SHARES OF COMMON STOCK	)	
THROUGH ITS LONG-TERM INCENTIVE PLAN	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation (Atmos), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on February 14, 2025. The Commission directs Atmos to the Commission's July 22, 2021, Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Atmos shall make timely amendment to any prior response if Atmos obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Atmos fails or refuses to furnish all or part of the requested information, Atmos shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Atmos shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide a copy of Atmos's current Long-Term Incentive Plan (LTIP).
2. Identify, by job title or category, all directors, executives, employees, or other persons eligible to receive compensation or benefits through the LTIP, and similarly identify all directors, executives, and employees by job title or category that are not eligible.

3. Identify those portions of Atmos's LTIP that identify the circumstances under which directors, executives, and employees are eligible to receive compensation or benefits through the LTIP and the criteria considered to determine whether such compensation or benefits are offered.

4. State whether there are circumstances or criteria considered to determine whether a director, executive, or employee may receive compensation or benefits through the LTIP that are not identified in the written LTIP, and if so, describe all such circumstances or criteria.

5. Explain how the LTIP was developed and whether the LTIP has been reviewed by any third-party incentive compensation specialist. If the LTIP has been reviewed by any third-party incentive compensation specialist, provide a copy of any report or similar document providing the results or recommendations arising from the most recent review.

6. State whether Atmos anticipates realizing any capital from the issuance of up to 2,000,000 shares under the LTIP, and if so, state the amount Atmos expects to realize and describe how the proceeds from the sales will be used.

7. Provide a detailed explanation of how Atmos accounts for the cost of shares issued pursuant to the LTIP and provided to employees without charge or at a discount, including a discussion of the expense and capital effects and the debits and credits Atmos would expect to record and the accounts in which they would be recorded.

8. State whether Atmos uses shares issued pursuant to a universal shelf registration, such as that authorized in Case No. 2024-00313,<sup>2</sup> to compensate or offer benefits to employees pursuant to the LTIP or a similar plan, and if so, explain how the treatment of the shares for which approval is requested herein would differ from the treatment of shares authorized pursuant to Case No. 2024-00313.

9. Provide the expected effect, if any, of the issuance of all of the stock for which approval is requested herein on Atmos's capital structure and explain each basis for Atmos's response.

10. Identify the number of shares of stock Atmos expects to issue in each of the next five years pursuant to the authorization requested herein, and state whether there are any limits on the number of shares Atmos will issue in a given year.

11. Refer to Case No. 2015-00379<sup>3</sup> in which Atmos was authorized to issue 2,500,000 shares of common stock through its LTIP.

a. State how many shares Atmos issued as a result of that authorization, and if any shares have not been issued, explain whether Atmos expects to issue them.

b. Provide a breakdown of the number of shares issued by year and by type of award (e.g. the provision or provisions of the LTIP under which employees received or exercised an option to purchase the stock).

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<sup>2</sup> Case No. 2024-00313, *Electronic Application of Atmos Energy Corporation for an Order Authorizing the Implementation of a \$8,000,000,000 Universal Shelf Registration* (Ky. PSC Nov. 26, 2024), Order.

<sup>3</sup> Case No. 2015-00379, *Application of Atmos Energy Corporation for an Order Authorizing the Issuance of Up to 2,500,000 Shares of Common Stock Through Its Long-Term Incentive Plan* (Ky. PSC Jan. 12, 2016), Order at 2.

c. Explain the effect of the issuance of common stock authorized in Case No. 2015-00379 on Atmos's capital structure.

d. Provide a comparison of Atmos's current capital structure as compared to what Atmos's capital structure would have been if the common stock authorized in Case No. 2015-00379 had not been issued.

e. Explain whether the issuance of the common stock pursuant to the LTIP resulted in expenses that were passed on to ratepayers.

 *Linda C. Bridwell* *RP*

Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED JAN 31 2025

cc: Parties of Record

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