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PUBLIC SERVICE
COMMISSION

October 21, 2014

Mr. Jeff Cline
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RE: Atmos Energy Corporation

Docket No. 2012-00533

Dear Mr. Cline:

Pursuant to the Order of the Kentucky Public Service Commission entered into on January 09, 2013, which requires the Company to prepare a report for the Commission within ten days after issuance of securities, enclosed is the report of action for Atmos Energy Corporation. The report, in accordance with the above referenced docket, relates to the issuance of securities pursuant to the \$1,750,000,000 universal shelf registration and the Prospectus Supplement which details the terms and conditions of the offering.

If you have any questions or need further assistance, please contact me at 972-855-3725. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Jane A. South".

Jane A. South
Assistant Treasurer

**COMMONWEALTH OF KENTUCKY
CASE NO: 2012-00533**

**REPORT OF ACTION
Prepared October 21, 2014**

Reference is made to the order entered into on January 9, 2013, which requires the Company to make a report to the Commission concerning the issuance of securities under the \$1,750,000,000 universal shelf registration.

Atmos hereby reports:

1. On October 6, 2014, Atmos Energy Corporation ("Atmos Energy") entered into an underwriting agreement (the "Underwriting Agreement") with Credit Agricole Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as representatives of the several underwriters named on page S-20 of the prospectus supplement thereto, with respect to the offering and sale in an underwritten public offering (the "Offering") by Atmos Energy of \$500 million aggregate principal amount of its 4.125% Senior Notes due 2044 (the "Notes"), with a yield to maturity of 4.136% and an effective yield to maturity of 4.086%, after giving effect to the settlement of related interest rate swaps. 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. 333-187606) of Atmos Energy (the "Registration Statement") and the prospectus supplement dated October 6, 2014, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on October 7, 2014.
2. On October 15, 2014, Atmos Energy Corporation ("Atmos Energy") completed a public offering of \$500,000,000 aggregate principal amount of its 4.125% Senior Notes due 2044 (the "Notes"). 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. 333-187606) of Atmos Energy (the "Registration Statement"), and the prospectus supplement dated October 6, 2014, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on October 7, 2014. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses, of approximately \$494 million.
3. A list of estimated and actual fees and expenses related to the debt offering is shown on the attachment labeled Exhibit A. We will submit a final list of fees and expenses once all invoices have been received.
4. A listing of investors that participated in the offering is provided in the attachment labeled "ATO Transaction Overview." Also included in the overview is a narrative as to how the interest rate alternative chosen represents the most reasonable interest rate available at the time of issuance.
5. The Prospectus Supplement is also provided.

Atmos Energy Corporation



Jane South
Assistant Treasurer

**Atmos Energy Corporation
October 2014 Debt Offering
Exhibit A**

	<u>Debt Offering Fees - Estimates</u>	<u>Actuals YTD as of 10/23/14</u>
Chatham Financial		82,170.00
Accounting fees and expenses	100,000.00	92,500.00
Rating agency fees	580,000.00	797,500.00
Trustee fees and expenses	5,000.00	10,500.00
State filing fees	-	
Legal fees and expenses	115,000.00	26,936.50
Bowne printing costs	30,000.00	
SEC registration fee	70,000.00	57,991.00
Shelf registration costs	100,000.00	
Miscellaneous	-	614.86
		<hr/>
Total other fees	1,000,000.00	1,068,212.36
Underwriting discounts		4,375,000
Total fees as of October 23, 2014		5,443,212.36

Atmos Energy

Transaction Overview

October 6, 2014



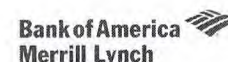
Bank of America
Merrill Lynch



ATMOS
energy

Notice to Recipient

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We do not provide legal, compliance, tax or accounting advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by us to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or, except to the extent relating to such tax structure or tax treatment, any nonpublic commercial or financial information) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply. Copyright 2014 Bank of America Corporation.



Atmos Energy Transaction Overview

\$500mm Senior Unsecured 30-year Notes



October 6, 2014

\$500,000,000

ATMOS
energy

A2/ A- / A-
Stable / Stable / Positive

\$500,000,000 of 4.125% Senior Notes due 2044

	30-Year
Size	\$500mm
Maturity	10/15/2044
IPTS	T+115 bps
Guidance	T+105 (+/- 2)
Final Spread	T+103 bps
Yield	4.136%
Coupon	4.125%
Price	99.812%
Final Orders	\$1,187mm
Oversubscription	2.4x

Joint Active Bookrunner

Bank of America
Merrill Lynch

Transaction Overview

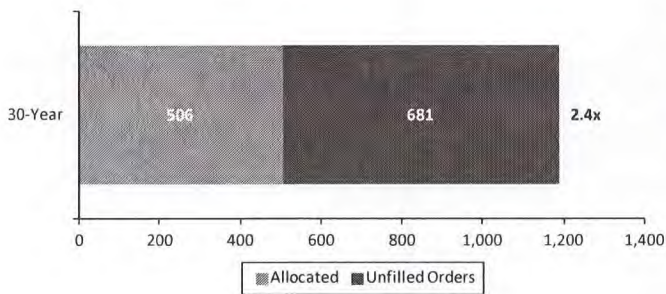
- On October 6, 2014 Bank of America Merrill Lynch announced a \$500mm senior unsecured offering for Atmos Energy (A2/A-/A-) ("ATO")
 - This was ATO's first entry into the bond market since January 2013 when they issued \$500mm of a 4.150% 30-year due 2043 at a spread of T+110 bps
- Use of proceeds on ATO's offering were, together with cash on hand, to repay their \$500,000,000 4.95% senior unsecured notes at maturity on October 15, 2014
- ATO was entering an IG market that had widened 5-10 bps over the past week, yet both natural gas and electric utilities' spreads remained stable
- The offering was announced with initial price thoughts of T+115 bps, a 15 bps concession above their outstanding 2043 notes trading at T+100 bps
 - ATO was trading at the tight end of its direct comps (PNY, OGS and SWX), which were trading in the T+103-108 bps area
- With 7 other deals in the market on a Monday, the orderbook build was slow to begin the morning, but orders from typical 30-year and utility buyers continued to build the book
 - Large orders were placed by Teachers Advisors, John Hancock, Prudential and NISA
- A high-quality orderbook with true-to-size indications allowed ATO to release Guidance at T+105 (+/- 2 bps)
 - The market responded positively to these levels, seeing only ~\$250mm of drops
 - The large, high-quality names at the top of the orderbook remained in the deal, ensuring pricing at the tight end of guidance
- The offering priced at T+103 bps with a 4.125% coupon—the lowest spread and coupon in ATO's history
 - New issue concession on the offering was just 3 bps, well inside of recent offerings with NICs of 5-10 bps on most tranches
 - The final orderbook stood at 2.4x oversubscribed. ATO's orderbook, like those from many other utility offerings, consisted of more true-to-size orders than the typical IG offering
- One other utility deal was in the market—Wisconsin Power & Light (A1/A), pricing at T+98 bps (4.100% coupon)
 - With orderbooks consisting of many of the same investors, the market felt the 5 bps differential in spread levels was the proper value adjustment for a one-notch difference in ratings from both Moody's and S&P

Atmos Energy Transaction Overview

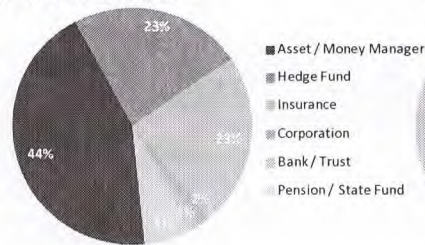
Orderbook Analysis



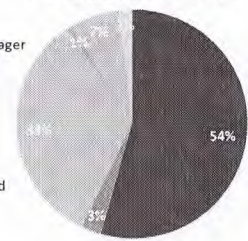
Final Oversubscription Levels



Investor Count

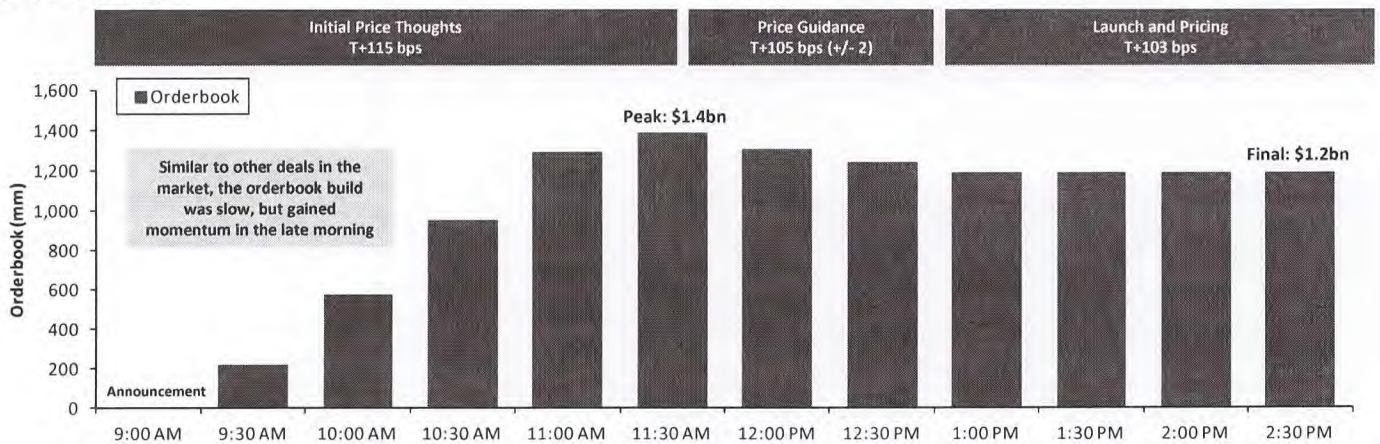


Allocation Value



81 initial orders were placed by investors with a peak orderbook of nearly \$1.4bn. 64 investors received final allocations, with top-tick of \$45mm

Book Building



Atmos Energy Transaction Overview

Final Indications & Allocations



Rank	Investor	Investor Type	Region	Indications	Allocations	% of Book
1	Teachers Advisors Inc	Asset / Money Manager	Northeast	75.3	45.3	9.0%
2	John Hancock Life Insurance Company	Insurance	Northeast	100.0	45.0	8.9%
3	NISA Investment Advisors LLC	Asset / Money Manager	Midwest	75.0	45.0	8.9%
4	Norges Bank	Bank / Trust	Non-US	70.0	35.0	6.9%
5	J. P. Morgan Investment Mgmt	Asset / Money Manager	Northeast	41.0	35.0	6.9%
6	Pacific Investment Management Co LLC	Asset / Money Manager	West	35.0	35.0	6.9%
7	Prudential Investment Management	Insurance	Northeast	100.0	30.0	5.9%
8	Wellington Management Company, LLP	Asset / Money Manager	Northeast	21.1	21.1	4.2%
9	American Equity Inv. Life Insurance	Insurance	Midwest	25.0	20.0	4.0%
10	Federated Investment Management Co	Asset / Money Manager	Northeast	45.0	18.0	3.6%
11	Alliance Bernstein, L.P.	Asset / Money Manager	Northeast	18.0	18.0	3.6%
12	JP Morgan Investment Management (Columbus)	Asset / Money Manager	Northeast	20.0	10.0	2.0%
13	Manulife Financial Corporation	Insurance	Non-US	20.0	10.0	2.0%
14	Principal Life Insurance Company	Insurance	Midwest	20.0	10.0	2.0%
15	State Insurance Fund	Insurance	Northeast	20.0	10.0	2.0%
16	Genworth Financial	Insurance	South	15.0	10.0	2.0%
17	Aflac Inc	Insurance	South	10.0	10.0	2.0%
18	USAA Fund Management	Insurance	South	10.0	10.0	2.0%
19	BlackRock Financial Management	Asset / Money Manager	Northeast	6.7	6.7	1.3%
20	State Street Global Advisors Inc	Asset / Money Manager	Northeast	8.0	6.0	1.2%
21	ING Investment Management LLC	Asset / Money Manager	Northeast	15.0	5.0	1.0%
22	Colorado Public Employees' Retirement	Pension / State Fund	West	10.0	5.0	1.0%
23	Thrivent Financial for Lutherans	Asset / Money Manager	Midwest	10.0	5.0	1.0%
24	ING Asset Management	Asset / Money Manager	Northeast	5.0	5.0	1.0%
25	New York Life Investment Management	Insurance	Northeast	5.0	5.0	1.0%
26	Vanguard Index	Asset / Money Manager	Northeast	5.0	5.0	1.0%
27	Vanguard Total Return	Asset / Money Manager	Northeast	5.0	5.0	1.0%
28	Exxon Corporation	Corporation	South	8.0	3.0	0.6%
29	Standish, Ayer & Wood	Hedge Fund	Northeast	2.5	2.5	0.5%
30	Citadel Investment Group	Hedge Fund	Midwest	15.0	2.0	0.4%

Atmos Energy Transaction Overview

Final Indications & Allocations



Rank	Investor	Investor Type	Region	Indications	Allocations	% of Book
31	Farm Bureau Mutual Insurance Co	Insurance	Midwest	10.0	2.0	0.4%
32	Americo Life Inc	Insurance	Midwest	8.0	2.0	0.4%
33	Honeywell Capital Management LLC	Pension / State Fund	Northeast	5.0	2.0	0.4%
34	Northern Trust Investment, NA	Asset / Money Manager	Midwest	4.0	2.0	0.4%
35	Great-West Life and Annuity	Insurance	West	2.0	2.0	0.4%
36	State of North Carolina	Pension / State Fund	South	2.0	2.0	0.4%
37	United Farm Family Life Insurance Co	Insurance	Midwest	2.0	2.0	0.4%
38	Element Capital Management	Hedge Fund	Northeast	75.0	1.0	0.2%
39	Millennium Partners LP	Hedge Fund	Northeast	30.0	1.0	0.2%
40	RBC Capital Markets	Asset / Money Manager	Non-US	30.0	1.0	0.2%
41	Matlin Patterson Global Advisors	Hedge Fund	Midwest	25.0	1.0	0.2%
42	Millennium Partners LP (Green Arrow Fund)	Hedge Fund	Northeast	25.0	1.0	0.2%
43	Bluefin Investment Management, LLC	Hedge Fund	Northeast	8.0	1.0	0.2%
44	Atom Capital Management Pte Ltd	Hedge Fund	Non-US	5.0	1.0	0.2%
45	Mid Atlantic Capital Management LLC	Asset / Money Manager	Northeast	5.0	1.0	0.2%
46	Oppenheimer Funds Inc.	Asset / Money Manager	Northeast	5.0	1.0	0.2%
47	Weaver C Barksdale & Associates, Inc	Asset / Money Manager	South	5.0	1.0	0.2%
48	Sagicor Life Insurance	Insurance	Non-US	2.0	1.0	0.2%
49	Charles Schwab Investment Management	Asset / Money Manager	West	1.0	1.0	0.2%
50	Legal & General Investment Management	Asset / Money Manager	Midwest	0.8	0.8	0.2%
51	Wells Fargo- Retail	Asset / Money Manager	West	5.0	0.7	0.1%
52	Coherence Capital Partners LLC	Asset / Money Manager	Northeast	15.0	0.5	0.1%
53	HGK Asset Management Inc	Hedge Fund	Northeast	15.0	0.5	0.1%
54	MC Asset Management	Hedge Fund	Northeast	15.0	0.5	0.1%
55	Jane Street Capital LLC	Hedge Fund	Northeast	10.0	0.5	0.1%
56	CKC Capital LLC	Hedge Fund	Northeast	5.0	0.5	0.1%
57	Hanover Investment Group LLC	Asset / Money Manager	Northeast	5.0	0.5	0.1%
58	ICC Capital Management Inc	Hedge Fund	South	5.0	0.5	0.1%
59	PRP Performa Ltd	Hedge Fund	Non-US	5.0	0.5	0.1%
60	Credit Strategy Advisors	Hedge Fund	Northeast	3.0	0.5	0.1%

Atmos Energy Transaction Overview

Final Indications & Allocations



Rank	Investor	Investor Type	Region	Indications	Allocations	% of Book
61	RMR Asset Management	Asset / Money Manager	West	3.0	0.5	0.1%
62	General Motors Investment Management	Pension / State Fund	Northeast	0.5	0.5	0.1%
63	Linfield Capital Corporation	Asset / Money Manager	Northeast	2.0	0.3	0.0%
64	Galliard Capital Management Inc	Asset / Money Manager	West	0.3	0.3	0.0%
65	Sumitomo Mitsui Banking Corporation	Bank / Trust	Non-US	10.0	0.0	0.0%
66	Guarantee Reinsurance Ltd	Insurance	Non-US	7.0	0.0	0.0%
67	Columbus LLC	Hedge Fund	Northeast	5.0	0.0	0.0%
68	Pioneer Investment Management Inc	Asset / Money Manager	Northeast	5.0	0.0	0.0%
69	Blue Label Total Return	Asset / Money Manager	West	3.0	0.0	0.0%
70	Salient Wealth Management Inc	Asset / Money Manager	West	3.0	0.0	0.0%
71	40/86 Advisors Inc	Asset / Money Manager	Midwest	0.0	0.0	0.0%
72	Aesir Capital Management	Hedge Fund	Northeast	0.0	0.0	0.0%
73	APG Investments US, Inc	Asset / Money Manager	Northeast	0.0	0.0	0.0%
74	Babson Capital Management	Asset / Money Manager	Northeast	0.0	0.0	0.0%
75	Blair Franklin Management Inc	Asset / Money Manager	Non-US	0.0	0.0	0.0%
76	Loomis Sayles (MA)	Asset / Money Manager	Northeast	0.0	0.0	0.0%
77	Mason Street Advisors	Hedge Fund	Midwest	0.0	0.0	0.0%
78	Pugh Capital Mgmt Inc	Asset / Money Manager	West	0.0	0.0	0.0%
79	RBC Global Asset Management	Asset / Money Manager	Non-US	0.0	0.0	0.0%
80	TCW Americas Development Association, L.P.	Asset / Money Manager	West	0.0	0.0	0.0%
81	Wells Capital Management	Asset / Money Manager	West	0.0	0.0	0.0%

	Indications	Allocations
Totals	1,187	506
Syndicate Short	-	-6
Deal Size		500