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October 20, 2016

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Public Service
Commission

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

RE: Atmos Energy Corporation

Case No. 2015-00384

Dear Mr. Cline:

Pursuant to the Order of the Kentucky Public Service Commission entered into on January 21, 2016, which requires the Company to prepare a report for the Commission within thirty days from the date of closing of the term loan, enclosed is the report of action for Atmos Energy Corporation. The report, in accordance with the above referenced case, relates to the terms of the \$200,000,000 term loan along with all fees and expenses.

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 blue ink that reads "Jane A. South".

Jane A. South
Assistant Treasurer

**COMMONWEALTH OF KENTUCKY
CASE NO. 2015-00384**

**REPORT OF ACTION
Prepared October 20, 2016**

Reference is made to the order entered into on January 21, 2016, which requires the Company to make a report to the Commission outlining the terms of the \$200,000,000 term loan including fees and expenses.

Atmos hereby reports:

1. On September 22, 2016, Atmos Energy Corporation (the "Company") entered into a \$200 million Term Loan Agreement (the "Term Loan") with Branch Banking and Trust Company as Administrative Agent ("BB&T"), and a syndicate of three lenders identified therein. The Term Loan will be used to refinance existing indebtedness and for working capital, capital expenditures and other general corporate purposes. Borrowings under the Term Loan will bear interest at a rate dependent upon the Company's credit ratings at the time of such borrowing and based, at the Company's election, on a base rate or LIBOR for the applicable interest period (one, two, three or six months). In the case of borrowings based either on the base rate or on LIBOR, an applicable margin ranging from 0.000% to 1.150% per annum would be added, based on the Company's then current credit ratings. The base rate is defined as the highest of (i) the per annum rate of interest established by BB&T as its prime lending rate at the time of such borrowing, (ii) the Federal Funds Rate, as in effect at the time of borrowing, plus one-half of one percent (0.50%) per annum, or (iii) the one-month LIBOR plus one percent (1.00%). The Company must also pay commitment fees quarterly in arrears on the average daily unused portion of the Term Loan at rates ranging from 0.060% to 0.175% per annum, dependent upon the Company's credit ratings. The Term Loan will expire on September 22, 2019, at which time all outstanding amounts under the Term Loan will be due and payable.
2. A list of fees and expenses related to the term loan is shown on the attachment labeled Exhibit A.

Atmos Energy Corporation



Jane South
Assistant Treasurer

Atmos Energy Corporation
Term Loan Agreement - September 22, 2016
Exhibit A

Closing Fees and Expenses

Upfront Fees	\$150,000.00
BB&T Arranger Fee	\$125,000.00
BB&T Annual Servicing Fee	\$10,000.00
Legal Fees	\$42,000.00
Total	\$327,000.00