

Decision No. C23-0642

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-0020SG

IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ORDER AUTHORIZING THE IMPLEMENTATION OF A \$5,000,000,000 UNIVERSAL SHELF REGISTRATION.

COMMISSION DECISION GRANTING APPLICATION

Mailed Date: September 25, 2023

Adopted Date: February 1, 2023

I. BY THE COMMISSION

A. Statement

1. On January 3, 2023, Atmos Energy Corporation (Atmos or Company), a Texas and Virginia corporation, filed an application required under Rules 4002 and 4105 of the Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* (CCR) 723-4 (Application), seeking a Decision authorizing Atmos to implement a \$5,000,000,000 Universal Shelf Registration for senior debt securities and common stock to be utilized by Atmos for three years from the registration date. Included within the Application was a request that the Commission grant Atmos a waiver of the requirements of Rule 4002(b)(IX) regarding the submission of Colorado-specific audited financial statements of the type listed therein.

2. Notice of the Application (Notice) was issued by the Commission on January 3, 2023. The Commission's Notice allowed persons until January 13, 2023, to intervene or participate as a party in this proceeding and set this matter for hearing on

January 27, 2023.¹ In addition, Atmos caused a notice of the Application to be published in the legal notices section of *The Denver Post* on January 6, 2023. An Affidavit of Publication issued by The Denver Post, LLC was filed with the Commission on January 9, 2023. *The Denver Post* is a newspaper of general circulation as defined by Rule 1004(o) of the Rules of Practice and Procedure, 4 CCR 723-1.

3. Atmos has requested that the Commission determine this matter without a hearing as provided for in Rule 1403. No party sought intervention or opposed the granting of the Application. The Application is thus uncontested and may be determined without a formal hearing pursuant to § 40-6-109(5), C.R.S., and Rule 1403 of the Rules of Practice and Procedure, 4 CCR 723-1.

B. Findings of Fact

4. Atmos is a Texas and Virginia corporation qualified to do business within the State of Colorado. Its Articles of Incorporation, as amended and restated, have been filed with the Commission and it is in good standing with the Colorado Secretary of State. Atmos provides gas utility service to various areas in the State of Colorado. The Application has been filed in accordance with § 40-1-104, C.R.S., which requires a public utility to obtain Commission approval before it issues securities such as common stock or assumes debt.

5. Based on Atmos' representation, as of January 3, 2023, the Company had 200,000,000 shares of common stock authorized and 140,896,598 shares of common stock outstanding.

¹ This hearing was vacated by Decision No. C23-0056-I mailed January 25, 2023.

6. The purpose of the Application is to obtain Commission approval authorizing Atmos to file a registration statement with the Securities and Exchange Commission (SEC) for a five billion dollar (\$5,000,000,000) shelf for senior debt securities and/or common stock. Such a registration statement is currently in effect for a period of three years. Atmos states that it does not anticipate that issuances of securities pursuant to the Shelf will significantly change its financial status. Atmos represents that the Shelf will allow the Company the flexibility to expeditiously respond to favorable market conditions and to act quickly and decisively in financing capital each time a favorable market opportunity arises. Atmos cannot currently state how the \$5,000,000,000 amount of the Shelf will be divided between senior debt and equity securities. Atmos represents that the net proceeds may be used for one or more of the following purposes: for the refunding of debt as market conditions permit; for the purchase, acquisition and/or construction of additional properties and facilities, as well as improvements to Atmos' existing utility plant; and for general corporate purposes. Pursuant to Rule 4105(b)(VII), a copy of the registration statement filed with the SEC will be filed herein as a late filed Attachment 8.

7. Atmos' Board of Directors, by resolution dated November 8, 2023, authorized its proper officers to execute and file the Application or to cause the Application to be filed.

8. The Application contains all the information required under Rules 4002 and 4105 and is therefore deemed complete.

9. Atmos, and the issuance of common stock as described in the Application are subject to the jurisdiction of the Commission in accordance with § 40-1-104, C.R.S.

10. Atmos' proposed issuance of common stock is not contrary to the public interest.

11. Atmos states in its application that its goal is to continue to maintain its debt to capitalization ratio within the range approved by the Commission. The Commission, in Decision No. C18-0311 issued on May 3, 2018, in Proceeding No. 17AL-0429G, approved the capital structure for the calculation of the Company's rate of return for the purpose of setting rates. It did not fix the capital structure going forward for future capital needs. Atmos is expected to manage its capital structure to meet the Company's capital needs while minimizing the cost to ratepayers.

12. Based on the information contained in the Application, we find good cause to grant the Application and authorize Atmos the authority to implement a \$5,000,000,000 universal shelf registration as detailed in this filing; and terminating the remaining universal shelf authority granted unto Applicant in Proceeding No. 21A-0173SG upon filing of the registration statement for the Shelf. We also find good cause to waive Rule 4002(b)(IX).

II. ORDER

A. The Commission Orders That:

1. The Application filed by Atmos Energy Corporation (Atmos or Applicant) on January 3, 2023, to implement a \$5,000,000,000 Universal Shelf Registration for senior debt securities and common stock is deemed complete and granted.

2. Atmos is authorized to implement a \$5,000,000,000 Universal Shelf Registration for senior debt securities and common stock as more particularly described in paragraph 16 of the Application.

3. The remaining universal shelf authority granted unto Applicant by the Commission in Decision No. C21-0316, adopted on May 26, 2021, in Proceeding No.

21A-0173SG, shall continue until it is superseded by the Universal Shelf Registration that is the subject of this proceeding.

4. Atmos' request for a waiver of Rule 4002(b)(IX) of the Commission's Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* 723-4, regarding the submission of Colorado-specific audited financial statements of the type listed therein is granted.

5. Nothing contained herein shall be construed to imply any recommendation or guaranty of any obligation with regard to any common stock issued by Atmos on the part of the State of Colorado.

6. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

7. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 1, 2023.**

(SEAL)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners