

Decision No. C25-0016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0548SG

IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ORDER AUTHORIZING THE ISSUANCE OF UP TO 2,000,000 SHARES OF COMMON STOCK THROUGH AND PURSUANT TO ITS LONG-TERM INCENTIVE PLAN.

**COMMISSION DECISION DEEMING APPLICATION
COMPELTE AND GRANTING APPLICATION**

Issued Date: January 9, 2025

Adopted Date: January 8, 2025

I. BY THE COMMISSION

A. Statement

1. On December 16, 2024, Atmos Energy Corporation (“Atmos Energy” or the “Company”), a Texas and Virginia corporation, filed a verified application (“Application”) along with exhibits required under Rules 4002 and 4105 of the Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* (“CCR”) 723-4 seeking a Decision authorizing it to issue up to 2,000,000 shares of common stock to fund Atmos Energy’s 1998 Long-Term Incentive Plan (“LTIP”). Atmos further requested a waiver of Rule 4002(b)(IX) regarding the submission of Colorado-specific audited financial statements of the type listed therein. to issue up to 2,000,000 shares of Atmos Energy common stock to fund Atmos Energy’s 1998 Long-Term Incentive Plan (“LTIP”).

2. Notice of the Application (“Notice”) was issued by the Commission on December 18, 2024. The Commission’s Notice allowed persons until December 30, 2024, to

intervene or participate as a party in this proceeding and set this matter for hearing on January 10, 2025. In addition, Atmos caused a notice of the Application to be published in the legal notices section of *The Denver Post* on December 19, 2024. An Affidavit of Publication issued by The Denver Post, LLC was filed with the Commission on December 20, 2024. *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 June 30, 2024, the Company had 200,000,000 shares of common stock authorized and 155,258,845 shares of common stock outstanding.

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

authority to issue additional shares of Atmos Energy no par value common stock in an amount of up to 2,000,000 shares (the “Shares”) through and pursuant to Atmos Energy’s 1998 Long-Term Incentive Plan (the “LTIP”). Atmos states that it does not anticipate that issuances of securities pursuant to the LTIP will significantly change its financial status. The Shares are to be issued pursuant to the LTIP, which was adopted by Atmos Energy’s Board of Directors on August 12, 1998. The purpose of the LTIP is to attract and retain the services of able persons as employees and non-employee directors, to provide such persons with a proprietary interest in Atmos Energy through the granting of securities, and to motivate employees and non-employee directors using performance related incentives linked to longer-range performance goals and the interest of Atmos Energy’s shareholders. LTIP grants, whether made singly, in combination or in tandem, will increase the interest of employees and non-employee directors in Atmos Energy’s welfare, furnish an incentive for such persons to continue their services to Atmos Energy and provide a means through which Atmos Energy may continue to attract and retain able persons as employees and non-employee directors. The types of awards that may be granted under the LTIP include incentive stock options, non-qualified stock options, stock appreciation rights, restrict stock, restricted stock units, performance shares, bonus shares, and other stock unit awards. Employees receiving cash bonuses pursuant to Atmos Energy’s Annual Incentive Plan for Management have the option to convert all or a portion of the cash bonus to shares of stock issue pursuant to the LTIP. 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 21, 2024, 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.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Atmos Energy Corporation ("Atmos" or "Applicant") on December 16, 2024, to issue additional shares of Atmos Energy no par value common stock in an amount of up to 2,000,000 shares (the "Shares") through and pursuant to Atmos Energy's 1998 Long-Term Incentive Plan (the "LTIP"), is deemed complete for purposes of § 40-6-109.5, C.R.S., and is granted.

2. Atmos is authorized to additional shares of Atmos Energy no par value common stock in an amount of up to 2,000,000 shares (the "Shares") through and pursuant to Atmos Energy's 1998 Long-Term Incentive Plan (the "LTIP") as more particularly described in paragraph 16 of the Application.

3. 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.

4. The hearing currently scheduled for January 10, 2025, is vacated.

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 an Application for Rehearing, Reargument, or Reconsideration begins on the first day following the effective date of this Decision.

7. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
January 8, 2025.**

(S E A L)



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners

Rebecca E. White,
Director