

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

IN THE MATTER OF THE APPLICATION)	
OF ATMOS ENERGY CORPORATION)	Docket No.
FOR REVIEW AND ADJUSTMENT OF ITS)	26-ATMG-____-RTS
NATURAL GAS RATES)	

DIRECT TESTIMONY OF JOE T. CHRISTIAN

JULY 25, 2025

**SUBMITTED ON BEHALF OF
ATMOS ENERGY CORPORATION**

TABLE OF CONTENTS

I. INTRODUCTION	1
II. QUALIFICATIONS.....	1
III. PURPOSE OF TESTIMONY	2
IV. CAPITAL STRUCTURE AND COST OF DEBT.....	3
V. CONCLUSION.....	11

EXHIBITS

Exhibit JTC-1 – Capital Structure

Exhibit JTC-2 – FY 2019-2025 Atmos Energy Quarterly Capital Structure

Exhibit JTC-3 – Atmos Energy Jurisdictional Currently-Authorized Capital Structures

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATON AND BUSINESS ADDRESS.**

3 A. My name is Joe T. Christian. My business address is 2946 Camden Bluff Road,
4 Frisco, Texas 75034. I am an independent utility rate and regulatory consultant.

5 **Q. ON WHOSE BEHALF ARE YOU APPEARING TODAY?**

6 A. I am appearing on behalf of Atmos Energy Corporation ("Atmos Energy" or the
7 "Company").

8 **II. QUALIFICATIONS**

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I graduated from East Texas State University in 1985 with a Bachelor of Business
12 Administration Degree, majoring in Accounting. In 1987, I received a Masters of
13 Business Administration from East Texas State University. I am a Certified Public
14 Accountant ("CPA") in the State of Texas and a member of the American Institute
15 of Certified Public Accountants. I have made presentations before the Texas
16 Society of CPA's Energy Conference and other industry groups and the NARUC
17 Staff Subcommittee on Accounting and Finance.

18 My professional experience includes approximately two years of public
19 accounting experience with a large local accounting firm based in Dallas, Texas. In
20 1989, I accepted a position in the internal audit group with Atmos Energy. I was
21 promoted to positions of increasing responsibility within the Atmos Energy finance
22 team during my first nine years with Atmos Energy. I joined Atmos Energy's
23 Colorado-Kansas operations as Vice President & Controller in June of 1998 and,

1 effective December 1, 2001, was named Vice President of Rates & Regulatory
2 Affairs. I joined Atmos Energy's corporate Rates & Regulatory Affairs department
3 on August 1, 2007 where I was responsible for leading and directing the rates and
4 regulatory activity in Atmos Energy's eight-state service area. This responsibility
5 included developing the strategy, preparing the revenue requirement filings, and
6 managing the overall ratemaking process for Atmos Energy. I retired from Atmos
7 Energy on June 2, 2025.

8 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KANSAS**
9 **CORPORATION COMMISSION ("COMMISSION")?**

10 A. Yes. I have submitted testimony before the KCC in five general rate case
11 proceedings¹ and provided oral comments to the KCC in a rules investigation.²

12 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE OTHER REGULATORY**
13 **COMMISSIONS?**

14 A. Yes. I have previously provided expert testimony before a number of state
15 regulatory authorities as enumerated in Attachment JTC-1.

16 **III. PURPOSE OF TESTIMONY**

17 **Q. WHAT IS THE SCOPE OF YOUR TESTIMONY IN THIS PROCEEDING?**

18 A. I am responsible for supporting the calculation of the Company's capital structure
19 and embedded cost of debt to be used in establishing base rates for historic test
20 period March 31, 2025.

¹ Docket Nos. 03-ATMG-1036-RTS, 08-ATMG-280-RTS, 10-ATMG-495-RTS, 12-ATMG-564-RTS, 14-ATMG-320-RTS.

² Docket No. 02-GIMX-211-GIV, General Investigation of the Cold Weather Rule.

1 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH**
2 **YOUR TESTIMONY?**

3 A. Yes, I am sponsoring Exhibits JTC-1 through JTC-3, which are attached to my
4 testimony. Exhibit JTC-1 is the capital structure supported in this case. Exhibit
5 JTC-2 shows the quarterly capital structure of Atmos Energy from fiscal year 2019
6 through the second quarter of fiscal year 2025. Exhibit JTC-3 reflects the currently-
7 authorized capital structures in each of the Company's regulatory jurisdictions.

8 **Q. DO YOU ADOPT THESE EXHIBITS AND MAKE THEM PART OF YOUR**
9 **TESTIMONY?**

10 A. Yes, I adopt the exhibits and make them a part of my testimony.

11 **IV. CAPITAL STRUCTURE AND COST OF DEBT**

12 **Q. HOW IS ATMOS ENERGY ORGANIZED?**

13 A. Atmos Energy conducts its utility operations in eight states through unincorporated
14 operating divisions.

15 **Q. DO THE COMPANY'S UNINCORPORATED DIVISIONS ISSUE THEIR**
16 **OWN DEBT OR EQUITY?**

17 A. No. These operating divisions, including the Colorado-Kansas Division, are not
18 separate legal entities. Instead, these unincorporated divisions collectively
19 comprise the single legal entity that is Atmos Energy. Therefore, all debt or equity
20 funding of the operations performed by the utility divisions must be (and is) issued
21 by Atmos Energy as a whole, on a consolidated basis.

1 **Q. SHOULD ATMOS ENERGY’S CONSOLIDATED CAPITAL STRUCTURE**
2 **BE USED AS THE BASIS FOR A CAPITAL STRUCTURE IN THIS**
3 **PROCEEDING?**

4 A. Yes. Although this proceeding only affects the rates that may be charged by the
5 Company for its regulated utility operations in Kansas, the appropriate capital
6 structure for each of the Atmos Energy utility operating divisions, including its
7 Colorado-Kansas Division, is equivalent to the consolidated capital structure for
8 Atmos Energy as a whole. Atmos Energy’s consolidated capital structure is
9 appropriate for use in setting rates for the Company’s Kansas customers because
10 Atmos Energy provides the debt and equity capital that supports the assets serving
11 those customers.

12 **Q. WHAT IS ATMOS ENERGY’S CONSOLIDATED CAPITAL STRUCTURE**
13 **AS PRESENTED IN THIS PROCEEDING?**

14 A. The capital structure that is appropriate for the Company’s Kansas operations in
15 this proceeding is set forth in Exhibit JTC-1. The capital structure as shown in
16 Exhibit JTC-1 is the Company’s actual capital structure as of March 31, 2025. This
17 capital structure is most representative of the capital structure that will be in effect
18 during the forecast period. As shown in Exhibit JTC-1, the Company’s cost of
19 capital for the forward-looking test period is comprised of 61.06% equity and
20 38.94% long-term debt.

21 **Q. WHAT EMBEDDED COST OF LONG-TERM DEBT CAPITAL DID**
22 **ATMOS ENERGY USE IN CALCULATING RATES IN THIS CASE?**

23 A. As shown in the calculation on Exhibit JTC-1, Atmos Energy proposes a 4.13%

1 weighted average cost of long-term debt for setting rates in this case.

2 **Q. IS THIS THE WEIGHTED AVERAGE COST OF ALL LONG-TERM DEBT**
3 **FOR THE PERIOD ENDED MARCH 31, 2025?**

4 A. No. The proposed 4.13% weighted average cost of long-term debt excludes
5 securitized debt issued in connection with Winter Storm Uri costs associated with
6 our Kansas operations. This debt is held in a special purpose entity established for
7 the sole purpose of securitizing Winter Storm Uri costs related to Kansas gas costs
8 and is therefore properly excluded from the weighted average cost of debt for
9 Atmos Energy.

10 **Q. HAS THE COMPANY BEEN ACTIVE IN RAISING DEBT AND EQUITY**
11 **FROM THE CAPITAL MARKETS THE PAST FIVE YEARS?**

12 A. Yes, the Company has been active in raising both long-term debt and equity from
13 the capital markets the past five years. Please see Exhibit JTC-2, FY 2019 - FY
14 2025 Q2 Quarterly Capital Structure. As shown in this Exhibit, the Company's total
15 capitalization has increased from \$9.0 billion to \$21.5 billion over this period,
16 which has required the Company to raise capital from the market on several
17 occasions. However, the Company has issued long-term debt and equity in such a
18 manner that its debt-to-equity ratio has remained within the narrow range between
19 38% debt/62% equity and 42% debt/58% equity over this period. Being active in
20 the debt and equity markets is important and necessary to support our ongoing
21 capital investment in the safety and reliability of our gas distribution and
22 transmission assets.

1 **Q. DO YOU ANTICIPATE THAT THERE WILL BE ADDITIONAL DEBT AND**
2 **EQUITY ISSUED DURING THE PENDENCY OF THIS CASE DUE TO**
3 **THE COMPANY’S ONGOING SAFETY AND RELIABILITY CAPITAL**
4 **INVESTMENT?**

5 A. Yes, therefore I propose to update the capital structure and embedded cost of long-
6 term debt in my Rebuttal Testimony to reflect any additional financings and
7 changes to the equity balances of the Company. However, as discussed above and
8 historically demonstrated in Exhibit JTC-2, I do not expect any additional
9 financings during this proceeding to have an appreciable impact on the relationship
10 between debt and equity. The embedded cost of long-term debt, however, will likely
11 increase due to current market rates being higher than the current embedded cost of
12 long-term debt.

13 **Q. HAS THE SHAREHOLDER EQUITY BALANCE AS OF MARCH 31, 2025,**
14 **BEEN ADJUSTED TO REFLECT THE ISSUANCE OF EQUITY DURING**
15 **THE BASE OR FORECAST PERIOD?**

16 A. No. I believe that the Company's incremental external financing along with cash
17 flow reinvested in the business will result in an overall capital structure that is in
18 line with the period end March 31, 2025 capital structure. Therefore, no adjustment
19 is warranted at this time; however, as noted above, in my Rebuttal Testimony I will
20 update the capital structure through the latest quarter end available before filing.

21 **Q. WHY IS IT IMPORTANT FOR THE COMPANY TO CALCULATE ITS**
22 **REVENUE REQUIREMENT BASED UPON ITS ACTUAL CAPITAL**
23 **STRUCTURE?**

1 A. Safe and reliable service cannot be maintained at a reasonable cost if the Company
2 does not have the financial flexibility and strength to access the competitive capital
3 markets on reasonable terms. As highlighted in NARUC's Special Regulatory
4 Training Initiative(RTI) Event, Utility Credit Ratings 101 Webinar³, the factors
5 used by the credit rating agencies to evaluate utilities demonstrate that relying too
6 heavily on long-term debt financing creates risk, as does a regulatory environment
7 that is not supportive of utilities' ability to recover their actual costs and to have the
8 opportunity to earn a fair return on their investments, including the actual weighted
9 cost of equity. Increasing the percentage of long-term debt in the Company's
10 capital structure negatively affects the key financial indicators relied upon by the
11 credit rating agencies, which puts the Company at risk of a credit rating downgrade
12 and increases in the cost of debt financing, both of which adversely affect all of
13 Atmos Energy's stakeholder groups, including its customers, its shareholders and
14 its bondholders.

15 **Q. CAN ATMOS ENERGY MAINTAIN SAFE AND RELIABLE SERVICE AT**
16 **A REASONABLE COST OVER THE LONG-TERM IF IT DOES NOT**
17 **RECOVER ITS ACTUAL COSTS?**

18 A. In order to provide safe, reliable and affordable service to its customers, Atmos
19 Energy must meet the needs and serve the interests of its various stakeholders,
20 including customers, shareholders and bondholders. The interests of these
21 stakeholder groups are aligned with maintaining a healthy balance sheet, strong
22 credit ratings and a supportive regulatory environment, so that the Company has

³ <https://maxxwww.naruc.org/forms/store/ProductFormPublic/RTI-Utility-Credit-Rating-101-2024-On-Demand?ticket=ST-1726951786-XNSAnKY4X0MNd5sZxqSwbTQrMS8gGpAo>

1 access to capital on reasonable terms in order to make necessary investments to
2 safely and reliably serve customers consistent with customers' expectations.

3 Moreover, stakeholder interests cannot be aligned if utilities do not have the
4 financial flexibility and strength to access the competitive capital markets on
5 reasonable terms. The authorization of a capital structure other than the Company's
6 actual capital structure will weaken the Company's financial condition and its key
7 financial indicators and adversely impact the Company's ability to address
8 expenses and investment, to the detriment of customers and shareholders. Safe and
9 reliable service for customers cannot be sustained over the long term if the interests
10 of shareholders and bondholders and customers are not balanced.

11 **Q. HAVE THE COMPANY'S REGULATORS IN JURISDICTIONS OUTSIDE**
12 **KANSAS RECOGNIZED ITS ACTUAL CAPITAL STRUCTURE?**

13 A. Yes. Exhibit JTC-3 shows the most recently approved capital structures in each of
14 Atmos Energy's jurisdictions.

15 **Q. HAS THE COMPANY'S RELATIVELY STRONG EQUITY POSITION**
16 **ALLOWED IT TO SUCCESSFULLY MANAGE VARIOUS FINANCIAL**
17 **CHALLENGES OVER THE PAST SEVERAL YEARS?**

18 A. Yes. For example, although the Tax Cut and Jobs Act ("TCJA") reduced the federal
19 income tax rate and created a need to return deferred taxes to customers resulting
20 in a negative impact to the Company's cash flow, the Company's relatively strong
21 equity position, among other things, allowed it to adjust its external financing
22 needs, return funds to customers and avoid a downgrade by ratings agencies.
23 Similarly, when the COVID-19 Pandemic resulted in Emergency Orders being

1 issued across all of the Company's service territories to not disconnect customers
2 for non-payment, the Company was able to raise additional debt early in the
3 pandemic to maintain its liquidity during uncertain times so that customers in risk
4 of disconnection received the benefits of the Company's financial strength. Lastly,
5 one of the most important examples of the financial strength that the Company's
6 balance sheet brings at its current capitalization can be found in the Company's
7 response to Winter Storm Uri. Despite being put on credit watch at the time by both
8 ratings agencies, the Company nevertheless was able to quickly raise \$2.2 billion
9 to fund extraordinary gas cost on very short notice and increase our liquidity
10 through a new short-term credit facility. Without the Company's strong financial
11 balance sheet in place, these examples could have had serious long-term
12 detrimental effects to the Company's customers. The Commission's current equity
13 cap on the Company's capital structure is not consistent with the financial strength
14 required by the Company to continue the provision of safe and reliable service to
15 its customers in Kansas.

16 **Q. HAS MOODY'S CREDIT OPINION CHANGED RECENTLY?**

17 A. Yes. On April 10, 2024, Moody's changed the Company's Outlook to "negative,"
18 stating that Moody's "had previously expected that the company's financial profile
19 would recover after it exhibited lower than historical metrics [CFO pre-WC] in
20 2022 and 2023." Then on April 7, 2025, Moody's downgraded the Company from
21 A1 to A2. In their report Moody's noted that "[a]s of the last twelve months ended
22 31 December 2024, the metric [CFO pre-WC] was about 20.5%, still strong but a
23 material decline from the historical ratio in the 25% range." This tells me that

1 maintaining our capital structure at the levels shown in Exhibit JTC-2 continues to
2 be appropriate for balancing our need to invest in ongoing safety and reliability
3 with the need to raise incremental funds from the capital markets on favorable terms
4 to meet various financial challenges that may arise.

5 **Q. WOULD SETTING THE COMPANY'S CAPITAL STRUCTURE AT**
6 **ANYTHING OTHER THAN ACTUAL BE BENEFICIAL TO THE**
7 **CUSTOMER?**

8 A. No. The Company's capital structure and its cost of debt result from the competitive
9 forces of the capital markets. Equity and debt investors can choose to invest their
10 funds elsewhere or require higher prices for capital if they do not perceive they are
11 being fairly treated. A regulatory environment that does not permit a utility to have
12 a reasonable opportunity to earn a fair return on its prudently incurred cost leads to
13 poor results in the long run, that is, potentially higher costs and degraded service.
14 Supporting utilities that invest in their energy infrastructure in a prudent and
15 efficient manner should be encouraged.

16 **Q. DOES ATMOS ENERGY'S ORGANIZATIONAL STRUCTURE SUPPORT**
17 **CALCULATING THE RATES IN KANSAS ON THE COMPANY'S**
18 **ACTUAL CAPITAL STRUCTURE?**

19 A. Yes. Atmos Energy conducts utility operations in eight states through
20 unincorporated divisions, including the Company's Kansas operations.

21 **Q. WHY IS ATMOS ENERGY'S NON-HOLDING COMPANY**
22 **ORGANIZATIONAL STRUCTURE AN IMPORTANT DISTINCTION**
23 **COMPARED TO ATMOS ENERGY'S PROXY GROUP?**

1 A. Unlike most other utilities that operate in Kansas, the actual capital costs upon
2 which Atmos Energy's Kansas rates are calculated are not complicated by differing
3 levels of debt/equity ratios at the holding company level versus the subsidiary level
4 and accurately reflect market forces, as I mentioned above.

5 **Q. ARE THERE ADVANTAGES TO ATMOS ENERGY'S FINANCIAL**
6 **STRUCTURE?**

7 A. Yes. Operating all of the regulated distribution and transmission business within
8 Atmos Energy saves administrative costs, results in a more transparent business
9 model, provides more transparency in financial reporting, and allows us to focus on
10 the operational needs of the gas distribution and transmission business and how
11 best to meet the financing needs as we progress through our investment in natural
12 gas infrastructure for system replacement and growth.

13 **V. CONCLUSION**

14 **Q. DO YOU BELIEVE THAT THE CAPITAL STRUCTURE YOU HAVE**
15 **PRESENTED REPRESENTS THE MOST REASONABLE ESTIMATE OF**
16 **CAPITAL STRUCTURE AND LONG-TERM DEBT COSTS FOR THE**
17 **TEST PERIOD USED IN THIS PROCEEDING?**

18 A. Yes. The actual capital structure and the long-term debt costs is the best projection
19 of the Company's capitalization costs for use in the cost of service presented by
20 Company Witness Waller.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes.

VERIFICATION

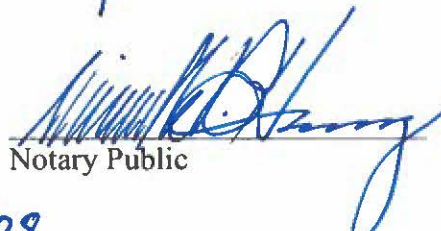
STATE OF TEXAS)
)
COUNTY OF DALLAS)

Joe T. Christian, being duly sworn upon his oath, deposes and states that he is a consultant for Atmos Energy Corporation; that he has read and is familiar with the foregoing Direct Testimony filed herewith; and that the statements made therein are true to the best of his knowledge, information and belief.



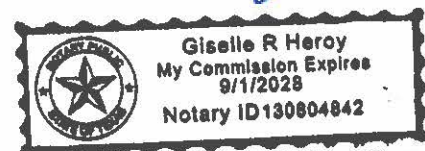
Joe T. Christian

Subscribed and sworn before me this 16th day of July, 2025.



Notary Public

My appointment expires: September 1, 2028



**ATTACHMENT JTC-1
TESTIMONY EXPERIENCE OF JOE CHRISTIAN**

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY**
2 **COMMISSIONS?**

3 A. Yes, I filed testimony before the **Colorado Public Utilities Commission** numerous
4 times, including Atmos Energy general rate case proceedings;¹ gas prudence
5 reviews;² a Phase II class cost of service/rate design proceeding;³ a transportation
6 terms & conditions proceeding;⁴ an upstream gas transportation matter;⁵ a
7 complaint proceeding regarding upstream gas transportation;⁶ an Advanced
8 Metering Infrastructure surcharge matter;⁷ a proposal to extend the pilot related to
9 recovering uncollectible gas costs through the Gas Cost Adjustment (“GCA”)
10 mechanism;⁸ the Atmos Energy’s proposal to put into effect a System Safety and
11 Integrity Plan;⁹ and the Atmos Energy’s application for a Certificate of Public
12 Convenience and Necessity to implement the Greeley Building Project.¹⁰ I have
13 submitted testimony before the **Kansas Corporation Commission** (“KCC”) in
14 five general rate case proceedings¹¹ and provided oral comments to the KCC in a
15 rules investigation.¹² I have submitted testimony before the **Kentucky Public**
16 **Service Commission** in four general rate cases.¹³ I have submitted testimony

¹ Proceeding Nos. 00S-668G, 09AL-507G, 13AL-0496G, 14AL-0300G, 15AL-0299G, 17AL-0429G, 22AL-0348G.

² Proceeding Nos. 00P-296G and 03P-229G.

³ Proceeding No. 02S-411G.

⁴ Proceeding No. 02S-442G.

⁵ Proceeding No. 04A-275G.

⁶ Proceeding No. 08F-033G.

⁷ Proceeding No. 10AL-822G.

⁸ Proceeding No. 12AL-1003G.

⁹ Proceeding No. 12AL-1139G.

¹⁰ Proceeding No. 13A-0153G.

¹¹ Docket Nos. 03-ATMG-1036-RTS, 08-ATMG-280-RTS, 10-ATMG-495-RTS, 12-ATMG-564-RTS, 14-ATMG-320-RTS.

¹² Docket No. 02-GIMX-211-GIV, General Investigation of the Cold Weather Rule.

¹³ Case Nos. 2017-00349, 2018-00281, 021-00214, and 2024-00276.

**ATTACHMENT JTC-1
TESTIMONY EXPERIENCE OF JOE CHRISTIAN**

1 before the **Louisiana Public Service Commission** to amend our formula rate
2 making tariffs to reduce lag related to system integrity investment as well as
3 reaffirm our existing formula rate making tariffs.¹⁴ I submitted testimony in
4 Mississippi Public Service Commission (“MPSC”) Docket No. 2013-UN-023
5 (“023”)¹⁵, MPSC Docket No. 2014-UN-117 (“117”)¹⁶, and MPSC Docket No.
6 2015-UN-049 (“049”).¹⁷ I have submitted testimony before the **Tennessee Public**
7 **Utility Commission**¹⁸ as well as submitting oral testimony in a rule making related
8 to the evaluation of utility acquisitions.¹⁹

¹⁴ Docket No. U-32987 (2014), Docket No. U-35535 (2020), Docket No. U-35937 (2022) and Docket No. U-36658 (2023).

¹⁵ The 023 docket was a proposal to establish a supplemental growth rider to encourage industrial development.

¹⁶ The 117 docket was a proposal by the Company to establish a system integrity plan and establish a rural development pilot program.

¹⁷ The 049 docket was a proposal to establish a System Integrity Rider (“SIR”) to recover on the system integrity portion of the capital budget and to timely recover the depreciation and property taxes specifically associated with its overall system integrity spending.

¹⁸ Docket Nos. 14-00146 and 18-00034.

¹⁹ Docket No. 20-00025.

Atmos Energy Corporation
Kansas Distribution System Filing Requirements
Capital and Cost of Money
Test Year Ending March 31, 2025

Line No.	Description	Reference	Beginning Balance 3/31/2024	Ending Balance 3/31/2025	Rate Base Allocation
	(a)	(b)	(c)	(d)	(e)
1	Long-Term Debt Capital		\$ 7,396,775,416	\$ 8,377,362,190	\$ 130,523,000
2	Equity Capital		11,618,639,177	13,137,965,351	204,667,036
3					
4	Total Capital	(Line 1 + Line 2)	<u>\$ 19,015,414,593</u>	<u>\$ 21,515,327,541</u>	<u>\$ 335,190,036</u>
5					
6	Long-Term Debt Capital Percentage	(Line 1 ÷ Line 4)	38.90%	38.94%	
7	Equity Capital Percentage	(Line 2 ÷ Line 4)	<u>61.10%</u>	<u>61.06%</u>	
8					
9	Total Capital Percentage	(Line 6 + Line 7)	<u>100.00%</u>	<u>100.00%</u>	
10					
11	Long-term Debt Rate	WP 7A LTD Rate-Test Period, Column (p), Line 37		4.13%	
12	Cost of Equity	D. D'Ascendis		10.80%	
13					
14	Weighted Cost of Capital - Long-Term Debt	(Line 6 × Line 11)		1.61%	
15	Weighted Cost of Capital - Equity	(Line 7 × Line 12)		<u>6.59%</u>	
16					
17	Total Cost of Capital	(Line 14 + Line 15)		<u>8.20%</u>	ROR

Atmos Energy Corporation
Capital Structure (including short-term debt)
For FY 2019 Q1 (12/2018) to FY 2025 Q2 (03/2025)

Line #	Quarter Ended (a)	Capitalization Percentage			
		Equity (b)	Long-Term Debt (c)	Short-Term Debt (d)	Total Capitalization (e)
1	Dec-18	59.4%	40.6%	0.00%	100.0%
2	Mar-19	60.1%	39.9%	0.00%	100.0%
3	Jun-19	60.2%	39.0%	0.80%	100.0%
4	Sep-19	59.0%	36.2%	4.77%	100.0%
5	Dec-19	58.6%	41.4%	0.00%	100.0%
6	Mar-20	58.2%	39.9%	1.85%	100.0%
7	Jun-20	58.8%	41.2%	0.00%	100.0%
8	Sep-20	60.0%	40.0%	0.00%	100.0%
9	Dec-20	58.5%	41.5%	0.00%	100.0%
10	Mar-21	60.4%	39.6%	0.00%	100.0%
11	Jun-21	60.3%	39.7%	0.00%	100.0%
12	Sep-21	60.7%	39.3%	0.00%	100.0%
13	Dec-21	59.2%	40.8%	0.00%	100.0%
14	Mar-22	61.1%	38.9%	0.00%	100.0%
15	Jun-22	61.9%	38.1%	0.00%	100.0%
16	Sep-22	61.5%	37.3%	1.21%	100.0%
17	Dec-22	60.2%	39.8%	0.00%	100.0%
18	Mar-23	61.1%	38.9%	0.00%	100.0%
19	Jun-23	62.0%	38.0%	0.00%	100.0%
20	Sep-23	61.7%	36.9%	1.37%	100.0%
21	Dec-23	60.4%	39.6%	0.00%	100.0%
22	Mar-24	61.1%	38.9%	0.00%	100.0%
23	Jun-24	61.2%	38.8%	0.00%	100.0%
24	Sep-24	61.1%	38.9%	0.00%	100.0%
25	Dec-24	60.4%	39.6%	0.00%	100.0%
26	Mar-25	61.1%	38.9%	0.00%	100.0%
27	26 Q Simple Average	60.32%	39.30%	0.38%	100.00%
28					
29	Capitalization as of:				
30	Q1 FY 2019	5,348,194,760	3,659,778,860	-	9,007,973,620
31	Q2 FY 2025	13,137,965,351	8,377,362,190	-	21,515,327,541

Atmos Energy Corporation
Authorized Capital Structures

(as of 06/30/2025)

Line #	Division		Case Description	Docket No.	Decision Date	Authorized Capital Structure (Debt / Equity)
	(a)		(b)	(c)	(d)	(e)
1	APT		2023 Rate Filing	OS-23-00013758	12/13/2023	40 / 60
2	Colorado		2022 Rate Filing	22AL-0348G	5/14/2023	42-45 / 58-55
3	Kansas		2022 Rate Filing	23-ATMG-359-RTS	5/9/2023	[1]
4	Kentucky		2021 Rate Filing	2021-00214	5/19/2022	44.5 / 54.5
5	Louisiana		2023 RSC	U-37185	7/1/2024	42 / 58
6	Mid-Tex	Dallas Only	2024 DARR		6/1/2025	40 / 60
7		Mid-Tex Cities	2023 RRM	NA	10/1/2024	42 / 58
8		Mid-Tex Environs	2024 SOI	OS-24-00019196	6/17/2025	39 / 61
9	Mississippi		2025 SRF	2005-UN-0503	12/1/2024	39 / 61
10			2025 SIR	2015-UN-049	12/1/2024	39 / 61
11	Tennessee		2024 ARM	25-00007	6/1/2025	39 / 61
12	Virginia		2023 Rate Filing	PUE-2023-00008	12/1/2023	39 / 61
13	West Texas	WT Cities	2024 SOI	OS-24-00018879	6/1/2025	39 / 61
14		WT Environs	2024 SOI	OS-24-00018879	6/1/2025	39 / 61
15	[1] Actual capital structure requested was 38/62; No stated capital structure in settlement.					