

# Conference Call to Review *2009 Fiscal Year and Fourth Quarter* Financial Results

*November 11, 2009*  
*8:00 a.m. EST*

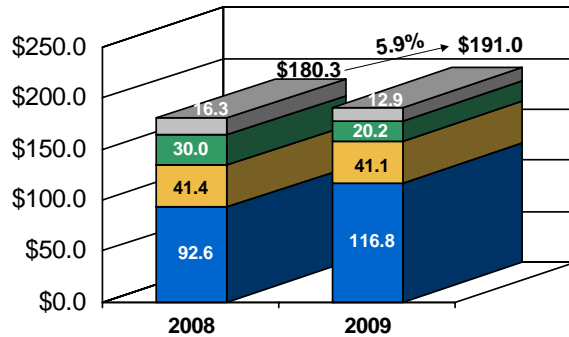
## Forward Looking Statements

The matters discussed or incorporated by reference in this presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this presentation or in any of our other documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the capital markets, and the other factors discussed in our filings with the Securities and Exchange Commission. These factors include the risks and uncertainties discussed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2008 and in our Quarterly Report on Form 10-Q for the three and nine months ended June 30, 2009. Although we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2010 that appear in this presentation are current as of the date noted on each relevant slide.

### Net Income by Segment

(\$ in millions)

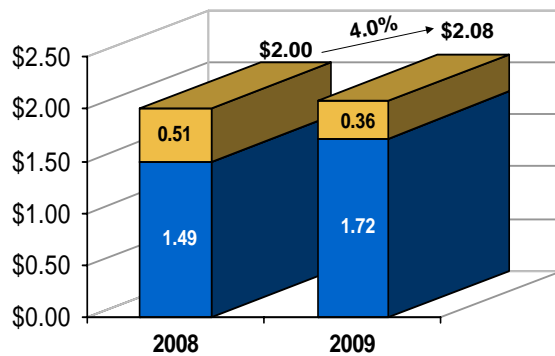


■ Natural gas distribution      ■ Regulated transmission & storage  
■ Natural gas marketing      ■ Pipeline, storage & other

### Key Drivers

- Increase in nonregulated realized natural gas margins
- Distribution margin increases, primarily in Texas and Louisiana
- Net positive impact from non-recurring items
- Increase in regulated pipeline demand fees and per-unit margins
- Increase in interest costs
- Decrease in nonregulated unrealized natural gas margins
- Decrease in bad debt expense

### Net Income per Diluted Share



■ Nonregulated Operations  
■ Regulated Operations

### Notes

- Nonregulated operations include unrealized mark-to-market net losses of (\$0.23) per diluted share for fiscal 2009, compared with a net gain of \$0.20 per diluted share for the 2008 period
- Fiscal 2009 includes positive impact of net one-time items, contributing \$0.19 per diluted share
- Year-over-year increase of about 1.8 million weighted average diluted shares outstanding

### **Drivers**

- \$25.4 million *increase* in gross profit
  - \$18.5 million *increase* in natural gas distribution gross profit before intersegment eliminations primarily due to
    - \$29.6 million net *increase* due to rate adjustments primarily in Texas and Louisiana from annual rate filing mechanisms
      - \$13.6 million net *increase* from the Mid-Tex Division
      - \$ 4.1 million *increase* from the Louisiana Division
      - \$ 3.9 million *increase* from the West Texas Division
    - \$7.6 million *increase* due to non-recurring update to the estimate for unbilled revenues in fiscal 2009 1<sup>st</sup> quarter
    - \$7.0 million *increase* due to a prior-year accrual for estimated unrecoverable gas costs reversed in the current year
    - \$17.9 million *decrease* related to a 5% decrease in consolidated throughput
    - \$10.8 million *decrease* in revenue-related taxes due to lower gas costs

### **Drivers**

- \$25.4 million *increase* in gross profit (*continued*)
  - \$13.8 million *increase* in regulated transmission and storage gross profit before intersegment eliminations primarily due to
    - \$13.0 million *increase* in demand-based fees
    - \$5.6 million *increase* resulting from higher per-unit transportation margins on through system deliveries
    - \$5.4 million *increase* due to rate adjustments resulting from the GRIP-related recovery for 2006 and 2007 capital expenditures in Texas
    - \$8.4 million *decrease* due to reduced transportation to the Mid-Tex Division, primarily as a result of an 11 percent decrease in consolidated throughput (66.9 Bcf) from reduced Barnett Shale and thru system deliveries, industrial demand and electric generation demand

### Drivers

- \$25.4 million *increase* in gross profit (*continued*)
  - \$8.4 million *decrease* in natural gas marketing gross profit before intersegment eliminations primarily due to
    - \$53.9 million *decrease* in unrealized margins primarily due to the impact of widening spreads between the forward prices used to value the financial hedges and the current cash (spot) price used to value physical storage year-over-year, partially offset by unrealized basis gains
    - \$43.8 million *increase* in asset optimization margins primarily due to the recognition in Q1 2009 of storage withdrawal gains that AEM had originally captured in FY 2008 as a result of deferring storage withdrawals and rolling forward the associated financial hedges into future periods to increase the spreads associated with those physical positions
    - \$1.7 million *increase* in realized delivered gas margins primarily due to a six percent increase in per-unit margins, principally as a result of favorable basis gains, which more than offset a five percent decrease in consolidated sales volumes of 18.8 Bcf

<i>Natural Gas Marketing Segment</i>	Year Ended September 30		
	2009	2008	Change
	(In thousands, except physical position)		
Delivered gas	\$75,341	\$73,627	<b>\$1,714</b>
Asset optimization	37,670	(6,135)	<b>43,805</b>
Unrealized margin	(28,399)	25,529	<b>(53,928)</b>
<b>GROSS PROFIT</b>	<b>\$84,612</b>	<b>\$93,021</b>	<b>(\$8,409)</b>
Net physical position (Bcf)	13.8	8.0	<b>5.8</b>

**Drivers**

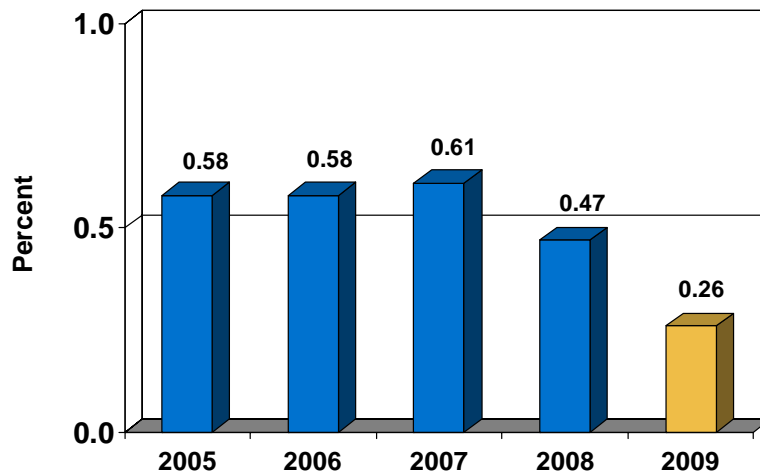
- \$25.4 million *increase* in gross profit (continued)
  - \$1.2 million *increase* in nonregulated pipeline, storage and other gross profit before intersegment eliminations primarily due to
    - \$16.3 million *increase* in asset optimization margins primarily from larger realized gains on the settlement of financial positions associated with storage and trading activities, basis gains earned from utilizing leased pipeline capacity and higher margins earned under asset management plans year-over-year
    - \$12.2 million *decrease* in unrealized asset optimization margins due to a widening of the spreads between current cash prices and forward gas prices

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**Drivers**

- *Decreased* O&M expenses of \$6.2 million primarily due to
  - \$8.4 million *increase* in employee labor and benefits costs
  - \$4.8 million *increase* in contract labor, largely related to project spending at Atmos-Pipeline Texas
  - \$9.1 million *decrease* in legal and miscellaneous administrative costs
  - \$7.9 million *decrease* in provision for doubtful accounts due to rate design changes and a decline in natural gas prices
  - \$2.4 million *decrease* in fuel costs

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**Gas Distribution Bad Debt Expense as a % of Revenues**

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**Drivers**

- \$5.4 million *increase* in operating expenses due to a noncash charge to impair certain available-for-sale investments, due to the deterioration of the financial markets
- \$14.9 million *increase* in interest charges primarily resulting from
  - issuing \$450 million of 8.5% senior notes and the redemption of \$400 million of 4% senior notes in the current year (\$7.4 million)
  - higher average short-term debt balances primarily during 1Q Fiscal 2009
  - higher commercial paper rates primarily during 1Q Fiscal 2009 and
  - increased line of credit commitment fees

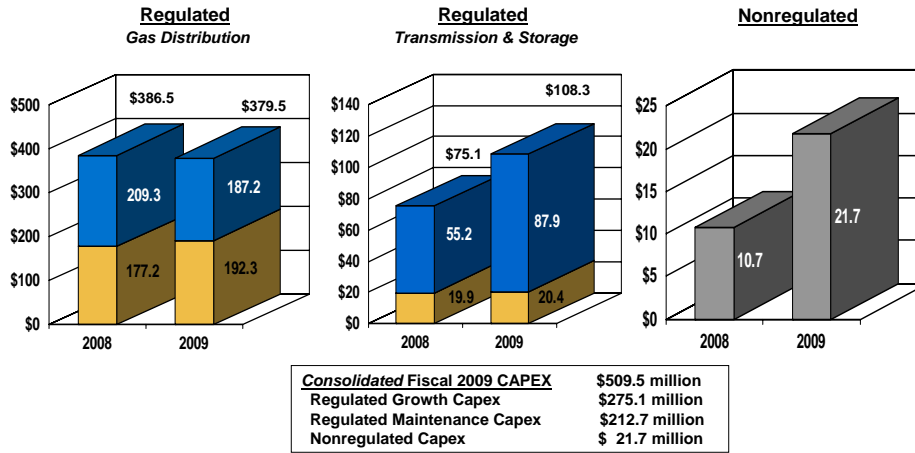
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## Consolidated Financial Results – Fiscal 2009



### Capital Expenditures

(\$ millions)



■ Regulated Growth Capital represents capital spent in excess of depreciation expense that is expected to be recovered through rate increases  
 ■ Regulated Maintenance Capital represents capital spent that is equal to depreciation expense

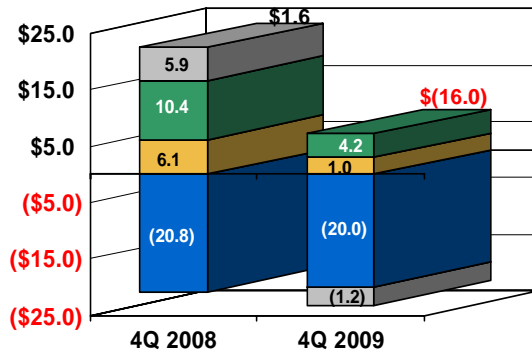
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## Consolidated Financial Results–Fiscal 2009 4Q



### Net Income (Loss) by Segment

(\$ in millions)



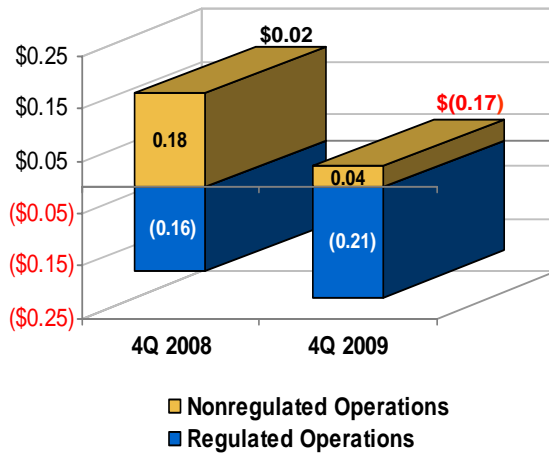
#### Key Drivers

- Decrease in nonregulated margins, due primarily to reduced unrealized margins
- Distribution margin decreases, primarily from Mid-Tex rate design changes
- Decrease in industrial and commercial consumption, and transportation volumes across all segments
- Decrease in O&M expense
- Decrease in bad debt expense
- Increased interest costs from issuing new debt at a higher interest rate

■ Natural gas distribution      ■ Regulated transmission & storage  
 ■ Natural gas marketing      ■ Pipeline, storage & other

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## Net Income (Loss) per Diluted Share



### Notes

- Nonregulated operations include an unrealized mark-to-market net loss of \$(0.13) per diluted share for 4Q 2009 compared with a net gain of \$0.11 per diluted share for 4Q 2008
- Increase of about 0.9 million weighted average diluted shares outstanding in 4Q 2009

## Drivers

- \$39.3 million decrease in gross profit
  - \$7.9 million decrease in natural gas distribution gross profit before intersegment eliminations primarily due to
    - \$5.5 million decrease due to rate adjustments
      - \$8.7 million decrease in the Mid-Tex Division primarily from rate design changes implemented earlier in the year that decreased the base charge and increased the volumetric charge
      - \$2.0 million increase due to rate adjustments in Louisiana, Georgia and Tennessee
  - \$6.7 million decrease in regulated transmission and storage gross profit before intersegment eliminations primarily due to a 37.8 Bcf decrease in consolidated transportation volumes
    - \$4.5 million decrease due primarily to lower transportation volumes from production in the Barnett Shale region of Texas, industrial demand and electric generation demand
    - \$3.4 million decrease due to a reduction in the sale of excess gas compared to prior-year quarter
    - \$1.8 million increase in demand fees primarily due to market conditions
    - \$1.6 million increase due to rate adjustment resulting from the GRIP-related recovery for 2006 and 2007 capital expenditures in Texas

### Drivers

- \$39.3 million *decrease* in gross profit (*continued*)
  - \$17.4 million *decrease* in natural gas marketing gross profit before intersegment eliminations due primarily to
    - \$29.5 million *decrease* in unrealized margins primarily due to the impact of widening spreads between the forward prices used to value the financial hedges and the current cash (spot) price used to value physical storage in the current year-quarter, coupled with a 5.8 Bcf increase in net physical storage
    - \$13.2 million *increase* in realized asset optimization margins from realizing gains on the settlement of financial instruments after deferring storage withdrawals in the current low-price environment and resetting the associated financial positions forward
    - \$1.0 million *decrease* in delivered gas margins primarily due to a three percent decrease in consolidated sales volumes

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<i>Natural Gas Marketing Segment</i>	<b>Three Months Ended September 30</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
	(In thousands, except physical position)		
Delivered gas	\$17,025	\$18,028	<b>(\$1,003)</b>
Asset optimization	17,384	4,204	<b>13,180</b>
Unrealized margin	<b>(18,386)</b>	11,125	<b>(29,511)</b>
<b>GROSS PROFIT</b>	<b>\$16,023</b>	<b>\$33,357</b>	<b>(\$17,334)</b>
Net physical position (Bcf)	13.8	8.0	<b>5.8</b>

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### **Drivers**

- \$39.3 million *decrease* in gross profit (continued)
  - \$7.1 million *decrease* in nonregulated pipeline, storage and other gross profit before intersegment eliminations primarily due to a \$5.5 million *decrease* in unrealized margins from asset optimization activities primarily from the impact of widening spreads between forward prices used to value the financial hedges and the current cash (spot) price used to value physical storage
- \$12.5 million *decrease* in O&M expenses primarily due to
  - \$5.7 million *decrease* in legal and miscellaneous administrative costs
  - \$5.5 million *decrease* in the provision for bad debt expense

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### **Drivers**

- *Decreased* taxes, other than income, of \$6.9 million primarily due to lower franchise fees and state gross receipts taxes arising from lower gas prices
- *Increased* miscellaneous expense of \$2.5 million primarily due to a decrease in interest income on reduced average cash and short-term investments
- *Increase* in interest charges of \$2.7 million primarily due to higher interest rates and higher average long-term debt balances

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### Senior Notes

- April 30, 2009, net proceeds of approximately \$446 million from the March 26, 2009 issuance primarily were used to redeem \$400 million 4.00% senior notes with October 2009 original maturity date
  - a \$6.6 million call premium was paid to redeem early
- March 26, 2009, issued \$450 million of 8.5% senior notes due in 2019, with a yield to maturity of approximately 8.53%, effective interest rate of 8.69%
  - Treasury lock executed on March 19, 2009; settled on March 23, 2009 for \$1.9 million gain, which reduced effective interest rate
- Incremental increase in interest expense for fiscal 2009
  - Early redemption increased net interest expense by \$7.4 million, which reduced earnings per diluted share by approximately \$0.08

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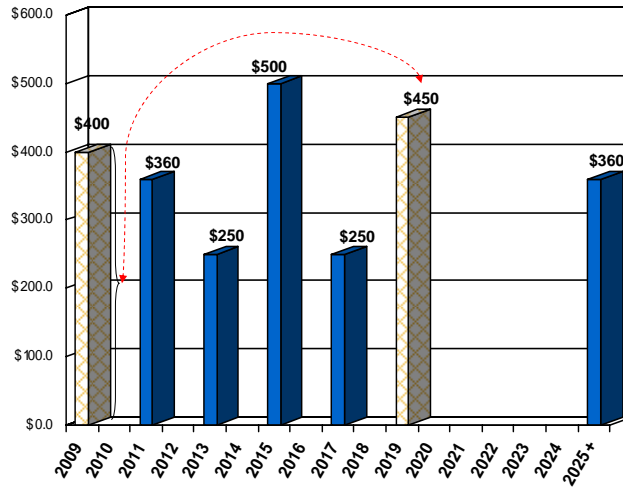
### Credit Facilities

- October 2009, entered into a \$200.0 million 364-day committed revolving credit facility that expires October 20, 2010
  - Replaced, on essentially the same terms, the \$212.5 million, 364-day facility that was due to expire October 27, 2009
  - LIBOR + 200 bps
- April 1, 2009, the \$18 million, 364-day committed credit facility from Amarillo National Bank, was amended and increased to a \$25 million, 364-day committed credit facility
- December 2008, Atmos Energy Marketing amended its existing \$580 million *uncommitted* demand working capital credit facility, to convert it to a 364-day \$375 million *committed* revolving credit facility, expiring December 29, 2009
  - April 1, 2009 facility amended to increase the borrowing base to \$450 million
- \$567 million, 5-year committed revolving credit facility, expires December 2011. This facility serves as a backup liquidity facility for our commercial paper program

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### Debt Maturity

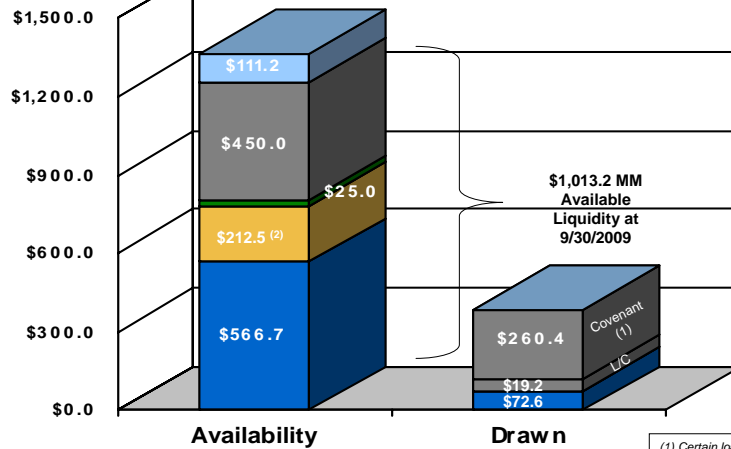
(\$ in millions)



- No material debt maturities until Fiscal 2011
- \$72.6 million of commercial paper issued at September 30, 2009

### Liquidity Profile

(\$ in millions)

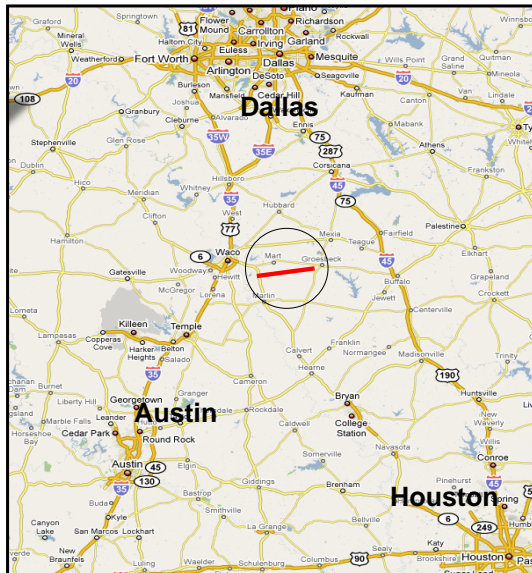


- 5-year Revolver
- 364-day Direct Facility
- Cash
- 364-day Syndicated Facility
- 364-day AEM Facility

(1) Certain loan covenant restrictions exist that limit the effective available capacity  
 (2) Replaced October 2009 with a \$200 million 364-day committed facility

**Investment Grade Credit Ratings**

	Moody's	Standard & Poor's	Fitch
▪ <b>Senior Unsecured</b>	<i>Baa2</i>	<i>BBB+</i>	<i>BBB+</i>
▪ <b>Commercial Paper</b>	<i>P-2</i>	<i>A-2</i>	<i>F-2</i>
▪ <b>Ratings Outlook</b>	<i>Stable</i>	<i>Stable</i>	<i>Stable</i>



**Line VP Extension**

- Placed in service June 2009
- Project completed at a cost of \$33 million versus original projection of \$54 million
- Approximately 25 miles of 24-inch pipe extending from Groesbeck to Riesel Junction lines
- Incremental 100 MMcf/d to current design demand of 232 MMcf/d
- Provides increased service to existing LDCs and power plants

## ***Pension & Postretirement Benefits Obligations***

- To continue to achieve compliance with the Pension Protection Act of 2006 (PPA) and attain a 94 percent funding target amount for 2009 (as determined on January 1, 2009), we contributed \$21.0 million to our pension plans in June 2009
- This funding:
  - Increased the level of our plan assets
  - Does not immediately impact the income statement because gains and losses from the changes in the fair value of plan assets are recognized over time
- The plans will be re-evaluated annually and the effects measured to ensure that the projected pension liability, the pension expense or income and the minimum and desired funding levels are achieved

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## ***Ft. Necessity Storage Project***

- Total investment at September 30, 2009 was about \$20 million
- Currently in serious negotiations to sell entire interest in the project
- Submitted pre-filing request with the Federal Energy Regulatory Commission (FERC) to construct and operate a salt-cavern gas storage project in Franklin Parish, LA (Docket No. PF08-10-000)
  - Project initially includes development of three 5 Bcf caverns of working gas storage for a total of 15 Bcf, with six-turn injection and withdrawal capabilities of the entire capacity; four additional storage caverns could potentially be developed, if market demand exists
- Testing of the salt core samples was completed in March 2009, which showed favorable conditions for development
- FERC certificate received June 18, 2009
- Successful non-binding open season completed in July 2008
  - Participants requested storage capacity that in total was more than three times greater than the 5 billion cubic feet (Bcf) of capacity proposed in phase one of the project
  - Participants represented a diverse group of energy companies

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### **Rate Case Filing – City of Dallas & Environs**

- April 24, 2009, *appealed* November 5, 2008, City of Dallas filing to the Texas Railroad Commission for an adjusted annual operating income increase of \$7.5 million and concurrently, filed to increase annual operating income \$1.3 million for Environs customers
  - Adjusted request of \$7.5 million gives effect to the 2007 GRIP adjustment implemented in January 2009 for the City of Dallas
  - Rebuttal testimony and revisions filed August 4<sup>th</sup>, with operating income increase of \$6.6 million for the City of Dallas and \$1.1 million for Environs
  - The Hearing Examiner's issued a proposed decision on October 9<sup>th</sup> and recommended a rate change of \$3.5 million when applied to the Dallas & Environs area of the Mid-Tex system. A final Commission decision is expected before the end of the year.
- Serves approximately 222,000 residential, commercial and industrial customers in City of Dallas
- Requested ROE of 11.5%; Requested ROR of 9.138%
- Requested Capital Structure: 51.09% Debt / 48.91% Equity
- Proposed system-wide Rate Base of \$1.288 billion
- Test year ended June 30, 2008

### **GRIP Filings - Texas**

- April 28, 2009, Texas Railroad Commission *approved* Atmos Pipeline-Texas 2008 GRIP filing made on February 13, 2009
  - \$6.3 million annual operating income increase related to return, depreciation and changes in taxes on approximately \$51.3 million in net investment during calendar 2008
  - Effective May 1, 2009
- March 27, 2009, Mid-Tex Division 2008 GRIP *filed* seeking an increase of \$2.7 million for the City of Dallas customers
  - Based on return, depreciation and changes in taxes related to system-wide increase in net investment of \$105.8 million during calendar 2008 (GRIP does not apply to Settled Cities under the RRM)
  - Effective September 5, 2009 by "operation of law"
- January 26, 2009, \$1.8 million increase for City of Dallas and Mid-Tex Environs customers *implemented* for calendar 2007 GRIP investments
  - Based on return, depreciation and changes in taxes related to system-wide increase in net investment of \$57.3 million during calendar 2007 (GRIP does not apply to Settled Cities under the RRM)
  - Originally filed May 23, 2008

### **Mid-Tex Rate Review Mechanism (RRM) Filings**

- August 1, 2009, rates *implemented* from second RRM filing made on March 6, 2009, with Settled Cities resulting in an increase in annual operating income of \$2 million
  - Authorized capital structure of 51.9% debt / 48.1% equity
  - Authorized ROE of 9.60%; Authorized ROR of 7.78%
  - Requested Rate Base: \$1.26 billion
  - Serves about 1.3 million customers
- Beginning November 15, 2008, rates *implemented* from first RRM filing made April 14, 2008 with the Settled Cities, resulting in an increase in annual operating income of \$21.8 million
- RRM is the filing process required in the settlement agreement reached last year with 438 of 439 cities served in Mid-Tex Division (“Settled Cities”), representing approximately 80% of Mid-Tex customers
  - Reflects annual changes in cost of service and rate base, replaces GRIP filings
  - Two basic components of this mechanism:
    - Prospective component that adjusts rates for the next year, including known and measurable changes in O&M; and
    - True-up component that adjusts the prior year, up or down, to authorized ROE

### **Rate Review Mechanism (RRM) Filings West Texas Cities**

- August 1, 2009, rates *implemented* from the second RRM filing made April 1, 2009, resulting in an increase in annual operating income of \$6.6 million
  - Authorized Capital structure: 52 percent debt / 48 percent equity
  - Authorized ROE: 9.60 percent; Authorized ROR: 8.241 percent
  - Authorized Rate Base: \$124.4 million
  - Serves about 155,000 customers
  - Test year ended December 31, 2008
- Beginning November 15, 2008, rates *implemented* from first RRM filing made August 29, 2008, resulting in an increase in annual operating income of \$4.5 million

### **City of Lubbock**

- October 1, 2009, rates *implemented* from the first RRM filing made April 15, 2009, resulting in an increase in annual operating income of \$2.7 million
  - Authorized Capital structure: 52 percent debt / 48 percent equity
  - Authorized ROE: 9.60 percent; Authorized ROR: 8.241 percent
  - Authorized Rate Base: \$54.8 million
  - Serves about 74,000 customers
  - Test year ended December 31, 2008

## **Rate Review Mechanism (RRM) Filings (continued)**

### **City of Amarillo**

- October 1, 2009, rates *implemented* from the first RRM filing made June 17, 2009, resulting in an increase in annual operating income of \$1.3 million
  - Authorized Capital structure: 52 percent debt / 48 percent equity
  - Authorized ROE: 9.6 percent; Authorized ROR: 7.7 percent
  - Authorized Rate Base: \$49.3 million
  - Serves about 70,000 customers
  - Test year ended December 31, 2008

### **Kentucky Rate Filing**

- October 29, 2009, *filed* request for an increase in annual operating income of \$9.5 million
- Requested monthly residential customer charge increase to \$13.50 from \$9.35
- Requested capital structure of 51.4% Debt / 48.6% Equity
- Requested ROE of 11.00%; Requested ROR of 9.00%
- Requested Rate Base: \$184.7 million
- Test year ended March 31, 2011
- Serves about 180,000 customers

### ***Georgia Rate Filing***

- October 1, 2009, *filed* request for an increase in annual operating income of \$3.8 million
- Requested monthly residential customer charge increase to \$12.50 from \$10.50
- Requested capital structure of 51.2% Debt / 48.8% Equity
- Requested ROE of 11.00%; Requested ROR of 8.99%
- Requested Rate Base: \$60.6 million
- Serves about 60,000 customers
- Test year ended October 31, 2010

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### ***Mississippi Stable Rate Filing***

- September 4, 2009, annual stable rate filing, requesting an increase in operating income of \$10.2 million
- Test year ended June 30, 2009
- Rate change effective November 1, 2009
- Requested ROE of 10.04%; Requested ROR of 8.27%
- Requested capital structure: 51.8% debt / 48.2% equity
- Requested Rate Base of about \$236 million
- Serves about 270,000 customers

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### **Colorado Rate Filing**

- July 8, 2009, *filed* request for an increase in annual operating income of \$3.8 million
  - Affects about 111,000 customers
  - Requested recovery of bad debt gas costs through GCA, annual stabilization mechanism and recovery of AMI in tariffs
- Requested ROE of 11.25 percent; Overall return of 9.28 percent
- Requested Capital Structure: 45 percent debt / 55 percent equity
- Requested Rate Base: \$89.8 Million
- Test year ended December 31, 2008

### **Virginia Rate Filing**

- April 1, 2009, *filed* request for an increase in annual operating income of \$1.7 million
- Requested monthly residential customer charge increase to \$9.00 from \$7.35
- Requested capital structure of 52% debt / 48% equity
- Requested ROE of 10.0%; Requested ROR of 8.43%
- Requested Rate Base: \$38.8 million
- Serves about 22,000 customers
- Test year ended September 2008

### **Louisiana Rate Stabilization Filings**

- July 1, 2009, *implemented* \$3.3 million increase in annual operating income for LGS jurisdiction annual rate stabilization filing made April 1, 2009
  - Monthly residential customer charge increased to \$12.70 from \$12.20
  - Authorized ROE of 10.4 percent; Authorized return of 8.61 percent
  - Capital structure: 52 percent debt / 48 percent equity
  - Rate Base of \$236.6 million and affects approximately 280,000 customers
  - Test year ended December 31, 2008
- March 31, 2009, *approved* \$0.6 million increase in annual operating income for TransLa jurisdiction annual rate stabilization filing made December 2008
  - Effective April 1, 2009 for approximately 79,000 customers
  - Authorized ROE of 10.0 percent; authorized overall return of 7.99 percent
  - Monthly residential customer charge increased to \$12.50 from \$12.00
  - Capital structure: 52 percent debt / 48 percent equity
  - Rate Base of \$96.6 million
  - Test year ended September 30, 2008

### **Tennessee Rate Filing**

- April 1, 2009, rates *implemented* for an annual operating income increase of \$2.5 million
- Authorized monthly residential customer charge increase to \$13.50 from \$13.00 in winter months; and increase to \$10.50 from \$10.00 during summer months
- Authorized capital structure of 51.9% debt / 48.1% equity
- Authorized ROE of 10.3%; Authorized ROR of 8.24%
- Approved Rate Base: \$190.1 million
- Forward-looking filing with test year ended March 31, 2010
- Serves about 132,000 customers

### **Earnings Guidance – Fiscal 2010E**

- Atmos Energy anticipates earnings to be in the range of \$2.15 – 2.25 per diluted share for the 2010 fiscal year
- Assumptions include:
  - Expected gross margin contribution from the marketing segment in the range of \$95 - \$105 million, excluding any material mark-to-market impact
  - Continued successful execution of rate strategy and collection efforts
  - Average gas cost ranging from \$6 - \$8 per Mcf for winter purchases; summer gas prices about \$5 per Mcf for refilling storage
  - Bad debt expense of no more than \$9 million
  - Average annual short-term interest rate of 1.5%
  - No material acquisitions

**Note:** Changes in these events or other circumstances that the company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2010 significantly above or below this outlook.

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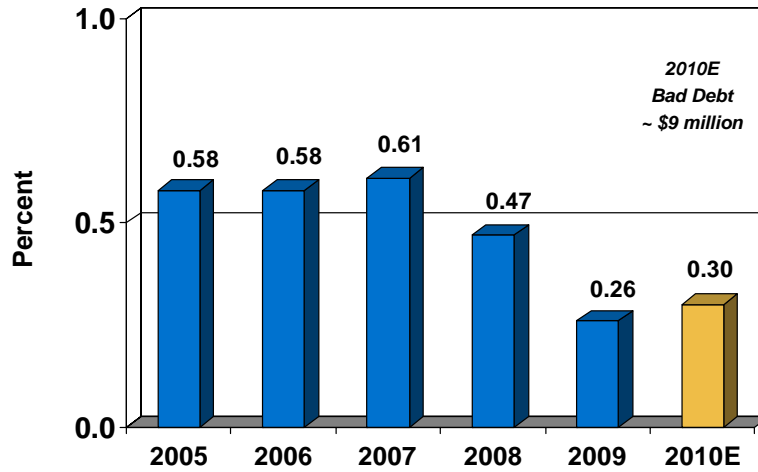
### **Projected Net Income by Segment**

(\$ millions, except EPS)

	2007	2008	2009	2010E
<b>Natural Gas Distribution</b>	\$ 73	\$ 93	\$ 117	\$ 109 – 113
<b>Regulated Trans. &amp; Storage</b>	34	41	41	44 – 46
<b>Natural Gas Marketing</b>	46	30	20	35 – 37
<b>Pipeline, Storage &amp; Other</b>	15	16	13	13 – 15
<b>Total</b>	168	180	191	201 – 211
<b>Avg. Diluted Shares</b>	87.7	90.2	92.0	93.7
<b>Earnings Per Share</b>	\$ 1.92	\$ 2.00	\$ 2.08	\$ 2.15 – \$2.25

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**Gas Distribution Bad Debt Expense as a % of Revenues**



**Projected Cash Flow**

(\$ millions)

	2007	2008	2009	2010E
Cash Flows from Operations	\$ 547	\$ 371	\$ 919	\$ 345-365
Regulated Maintenance Capital <sup>(1)</sup>	(196)	(197)	(213)	(220-225)
Dividends	(112)	(117)	(121)	(125)
Cash Available for Debt Reduction and Growth Projects	\$ 239	\$ 57	\$ 585	\$ 0-15

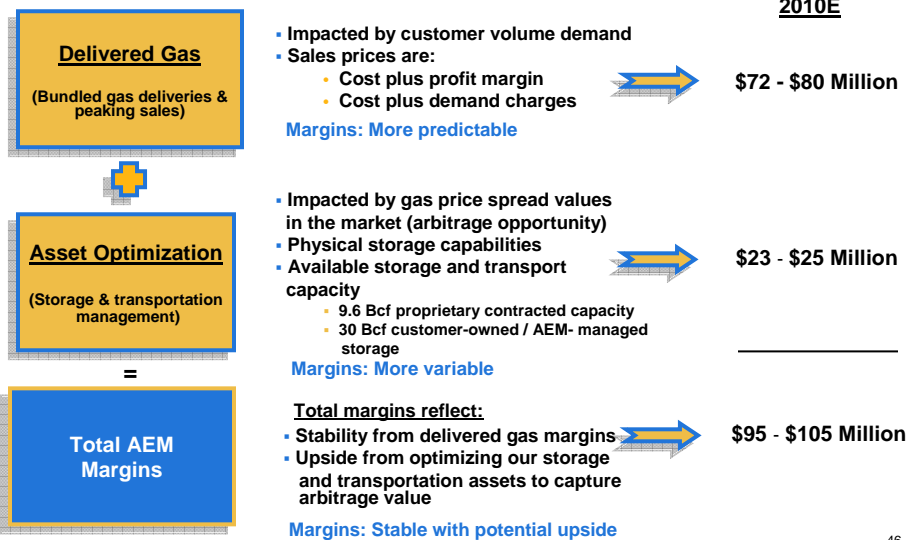
<sup>(1)</sup> Regulated maintenance capital represents capital spent that is equal to depreciation expense

### Capital Expenditures

- For fiscal 2010, we project between \$520-\$535 million in capital expenditures
  - Approximately \$220- \$225 million regulated maintenance
    - Natural Gas Distribution: \$199 million - \$202 million
    - Regulated Transmission & Storage: \$21 million - \$23 million
  - Approximately \$287 - \$295 million regulated growth
    - Natural Gas Distribution: \$210 million - \$215 million
    - Regulated Transmission & Storage: \$77 million - \$80 million
  - Approximately \$13 -15 million of nonregulated capital

### Atmos Energy Marketing – Gross Profit Margin Composition

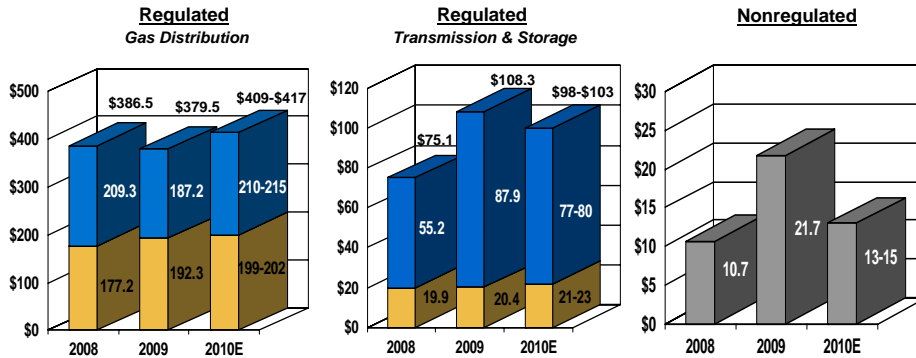
2010E





### Capital Expenditures

(\$ millions)

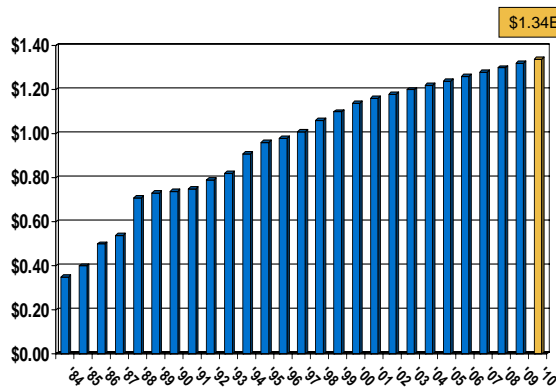


Consolidated fiscal 2010E CAPEX projection is \$520-\$535 million  
 Regulated Capex \$507-\$520 million  
 Nonregulated Capex \$13-\$15 million

**Regulated Growth** Capital represents capital spent in excess of depreciation expense that is expected to be recovered through rate increases. The projection for fiscal 2010 is \$287 - \$295 million.  
**Regulated Maintenance** Capital represents capital spent that is equal to depreciation expense. The projection for fiscal 2010 is \$220 - \$225 million. 47



### Annual Dividend Growth



#### Quarterly Dividend

- On November 10, 2009, the Board of Directors declared a quarterly dividend of \$0.335 per share
- 104th consecutive dividend declared
- To be paid on December 10, 2009 to shareholders of record on November 25, 2009
- Indicated annual dividend of \$1.34 per share for fiscal 2010

Note: Amounts are adjusted for mergers and acquisitions. For fiscal 2010, \$1.34 is the indicated annual dividend.

- The audio and slide presentation of this conference call will be available on Atmos Energy's Web site by 8:00 a.m. Eastern Standard Time on November 11, 2009, through midnight February 2, 2010. Atmos Energy's Web site address is: [www.atmosenergy.com](http://www.atmosenergy.com).
- To listen to the live conference call, dial 877-485-3107 by 8:00 a.m. Eastern Standard Time on November 11, 2009.

## Appendix

**Fiscal 2009 One -Time Items**

Item Description	For the Year Ended September 30, 2009	
	Net Income (000s)	Diluted EPS
Impairment of certain available for sale investments	(3,320)	(0.04)
Update to tax rate used to record deferred taxes	11,300	0.12
Reversal of estimated uncollectible gas costs	4,357	0.05
Update to estimate for unbilled accounts	4,749	0.06
<b>Impact on Net Income and Diluted EPS</b>	<b>\$ 17,086</b>	<b>\$ 0.19</b>
<b>Weighted Avg Diluted Shares</b>		92,024

**Impact of Unrealized Margins on Nonregulated Segments**

	For the Quarter Ended September 30, 2009			For the Quarter Ended September 30, 2008		
	Natural Gas Marketing	Pipeline, Storage & Other	Total	Natural Gas Marketing	Pipeline, Storage & Other	Total
Unrealized Margin	\$ (18,386)	\$ (817)		\$ 11,125	\$ 4,658	
Segment Tax Rate	36.44%	35.10%		38.25%	35.37%	
Impact on Net Income	\$ (11,686)	\$ (530)	\$ (12,216)	\$ 6,870	\$ 3,010	\$ 9,880
Weighted Avg Diluted Shares	91,617	91,617	91,617	90,761	90,761	90,761
Impact on Diluted EPS	\$ (0.13)	\$ 0.00	\$ (0.13)	\$ 0.08	\$ 0.03	\$ 0.11

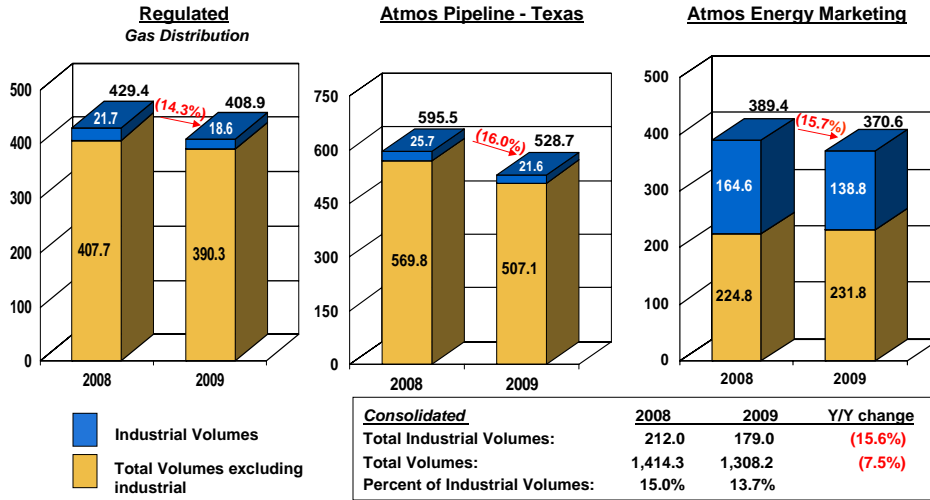
  

	For the Year Ended September 30, 2009			For the Year Ended September 30, 2008		
	Natural Gas Marketing	Pipeline, Storage & Other	Total	Natural Gas Marketing	Pipeline, Storage & Other	Total
Unrealized Margin	\$ (28,399)	\$ (7,490)		\$ 25,529	\$ 4,705	
Segment Tax Rate	39.64%	40.83%		39.27%	38.27%	
Impact on Net Income	\$ (17,140)	\$ (4,432)	\$ (21,572)	\$ 15,505	\$ 2,904	\$ 18,409
Weighted Avg Diluted Shares	92,024	92,024	92,024	90,272	90,272	90,272
Impact on Diluted EPS	\$ (0.18)	\$ (0.05)	\$ (0.23)	\$ 0.17	\$ 0.03	\$ 0.20

Consolidated Financial Results – Fiscal 2009



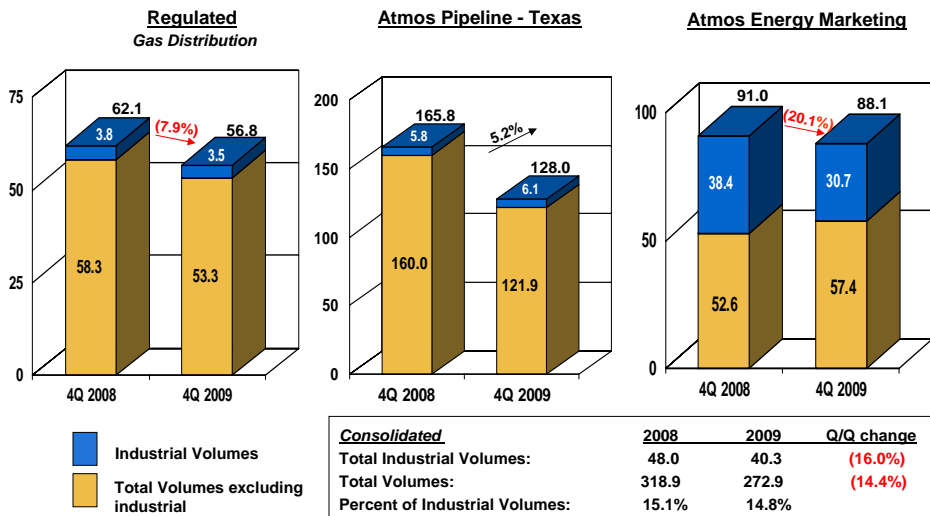
**Year-Over-Year Industrial Demand Declines 16%**



Consolidated Financial Results – Fiscal 2009 4Q



**Quarter-Over-Quarter Industrial Demand Declines 16%**



## Natural Gas Distribution Segment



### Summary of Gas Distribution Revenue – Related Tax Information

- Gross profit margins, primarily in our Mid-Tex Division, include franchise fees and gross receipts taxes, which are calculated as a percentage of revenue (inclusive of gas costs). We record the expense for these taxes as a component of taxes, other than income.
- Timing differences exist between the recognition of revenue for franchise fees recovered from our customers and the recognition of expense of franchise taxes, which may favorably or unfavorably affect net income; however, they should offset over time with no permanent impact on net income.
- Beginning January 1, 2009, changes in our franchise fee agreements became effective that should significantly reduce the impact of this timing difference on a prospective basis.

	Three Months Ended September 30			Year Ended September 30		
	2009	2008	Change	2009	2008	Change
	(Amounts in Thousands)					
Included in margin	\$12,153	\$15,009	<b>(\$2,856)</b>	\$100,912	\$111,728	<b>(\$10,816)</b>
Included in taxes, other	(13,060)	(19,733)	<b>6,673</b>	(103,599)	(112,472)	<b>8,873</b>
Difference / Impact	<b>(\$907)</b>	<b>(\$4,724)</b>	<b>\$3,817</b>	<b>(\$2,687)</b>	<b>(\$744)</b>	<b>(\$1,943)</b>

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## Atmos Energy Marketing

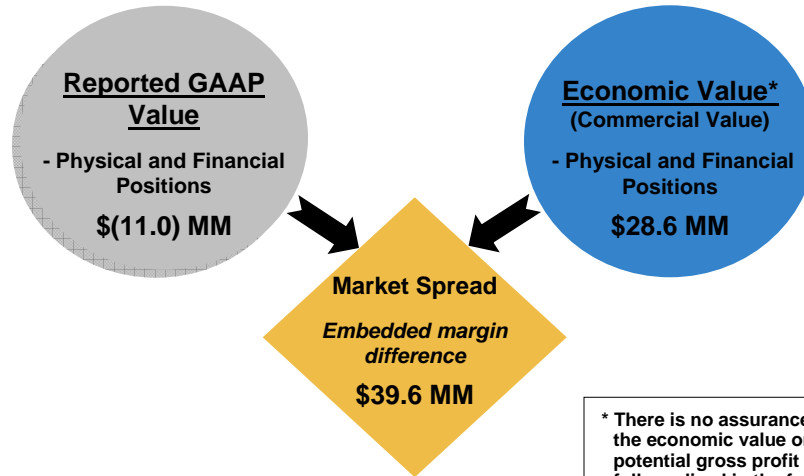


### Economic Value vs. GAAP Reported Results

- We commercially manage our storage assets by capturing arbitrage value through optimization strategies that create embedded (forward) value in the portfolio. We financially report the transactions for external reporting purposes in accordance with generally accepted accounting principles (“GAAP”).
- **GAAP Reported Value** is the period to period net change in fair value of the portfolio reported in the income statement that results from the process of marking to market the physical storage volumes and corresponding financial instruments in an interim period.
- **Economic Value** is the period to period forward margin of our storage portfolio that results from the process of calculating our weighted average cost of inventory (WACOG), and our weighted average sales price of our forward financials (WASP), then multiplying the difference times inventory volumes. This margin will be realized in cash when the hedged transaction is executed or when financials are settled and then reset to stay hedged against physical volumes.
  - **Economic Value** represents the “forward” economic margin of the transactions, while GAAP reported results reflect that portion of our “forward” margin that has been recorded in the income statement.
  - **Volatility** in earnings includes the impact of the accounting treatment of our storage portfolio in accordance with GAAP and is reflective of relatively high price volatility of the prompt month, and the relatively low volatility of the offsetting forward months.

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**Economic Value vs. GAAP Reported Results**



At September 30, 2009

**Economic Value vs. GAAP Reported Results Fiscal Year**

Period Ending	Physical Volume (Bcf)	Economic Value (EV) (\$ per mcf)			Total (\$ in millions)	GAAP Reported Value - MTM (\$ per mcf)		Market Spread (\$ per mcf)	
		WASP	WACOG	EV		Total (\$ in millions)	Total (\$ in millions)	Total (\$ in millions)	
9/30/2007	12.3	11.1547	7.8297	3.3250	40.8	0.8819	10.8	2.4431	30.0
9/30/2008	8.0	14.9977	8.9220	6.0757	48.5	4.5643	36.4	1.5114	12.1
<b>2008 Variance</b>	<b>(4.3)</b>	<b>\$ 3.8430</b>	<b>\$ 1.0923</b>	<b>\$ 2.7507</b>	<b>\$ 7.7</b>	<b>3.6824</b>	<b>\$ 25.6</b>	<b>\$ (0.9317)</b>	<b>\$ (17.9)</b>
9/30/2008	8.0	14.9977	8.9220	6.0757	48.5	4.5643	36.4	1.5114	12.1
9/30/2009	13.8	8.0932	6.0232	2.0700	28.6	(0.7986)	(11.0)	2.8686	39.6
<b>2009 Variance</b>	<b>5.8</b>	<b>\$ (6.9045)</b>	<b>\$ (2.8988)</b>	<b>\$ (4.0057)</b>	<b>\$ (19.9)</b>	<b>(5.3629)</b>	<b>\$ (47.4)</b>	<b>\$ 1.3572</b>	<b>\$ 27.5</b>

WASP: Weighted average sales price for gas held in storage  
 WACOG: Weighted average cost of AEM's gas in storage  
 EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis

**Economic Value vs. GAAP Reported Results  
Three Months Ended**

Period Ending	Physical Volume (Bcf)	Economic Value (EV) (\$ per mcf)			Total (\$ in millions)	GAAP Reported Value - MTM (\$ per mcf)		Market Spread (\$ per mcf)		Total (\$ in millions)
		WASP	WACOG	EV		Total (\$ in millions)	Total (\$ in millions)			
6/30/2008	17.5	11.0565	8.3037	2.7528	48.2	1.9616	34.3	0.7912	13.9	
9/30/2008	8.0	14.9977	8.9220	6.0757	48.5	4.5643	36.4	1.5114	12.1	
<b>2008 Variance</b>	<b>(9.5)</b>	<b>\$ 3.9412</b>	<b>\$ 0.6183</b>	<b>\$ 3.3229</b>	<b>\$ 0.3</b>	<b>2.6027</b>	<b>\$ 2.1</b>	<b>\$ 0.7202</b>	<b>(1.8)</b>	
6/30/2009	20.0	7.7610	5.6598	2.1012	42.0	0.8376	16.7	1.2636	25.3	
9/30/2009	13.8	8.0932	6.0232	2.0700	28.6	(0.7986)	(11.0)	2.8686	39.6	
<b>2009 Variance</b>	<b>(6.2)</b>	<b>\$ 0.3322</b>	<b>\$ 0.3634</b>	<b>\$ (0.0312)</b>	<b>\$ (13.4)</b>	<b>(1.6362)</b>	<b>\$ (27.7)</b>	<b>\$ 1.6050</b>	<b>\$ 14.3</b>	

WASP: Weighted average sales price for gas held in storage

WACOG: Weighted average cost of AEM's gas in storage

EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis

Atmos Energy Corporation  
Jurisdictional Rate Data  
as of November 09, 2009

Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (pending)	Requested Operating Income(in millions)	Rate Base (in thousands) <sup>1</sup>	Requested Rate Base (in thousands)	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Annual Revenue Stabilization	Bad debt Rider <sup>3</sup>	WNA	9/30/2009 Meters
Atmos Pipeline-Texas	5/24/04			417,111		8.26%		10.00%		50/50			n/a	n/a	n/a
Atmos Pipeline-Texas - GRIP <sup>6</sup>	4/28/09			755,038		8.26%		10.00%		50/50			n/a	n/a	n/a
Mid-Tex - Settled Cities RRM	8/1/09			1,262,969	6	7.78%		9.60%		51.9/48.1		Y	Y	Y	1,227,598
Mid-Tex - Dallas & Environs GRIP <sup>6</sup>	12/1/08			1,169,897		7.98%		10.00%		52/48			n/a	n/a	
Mid-Tex - Dallas Appeal & Environs	6/24/08	4/23/09	\$7.7	1,127,924	9	7.98%	9.14%	10.00%	11.50%	52/48	51.1/48.9		Y	Y	306,899
Mid-Tex - City of Dallas GRIP <sup>6,10</sup>	9/9/09			1,232,288		7.98%		10.00%					n/a	n/a	
Lubbock RRM	10/1/09			54,837	7	8.24%		9.60%		52/48		Y	Y	Y	73,642
West Texas Cities RRM	8/1/09			124,401		8.24%		9.60%		52/48		Y	Y	Y	155,612
Amarillo RRM	10/1/09			49,324	7	7.70%		9.60%		52/48		Y	Y	Y	69,836
Colorado	10/1/07	7/8/09	\$3.8	81,208		8.45%	9.28%	11.25%	11.25%	52/48	45/55	Req	Req	N	111,382
Kansas	5/12/08			135,561	4	2	8.47%	2	11.00%	2	52/48		Y	Y	129,983
Georgia	9/22/08	10/1/09	\$3.8	66,893		7.75%	8.99%	10.70%	11.00%	55/45	51.2/48.8		N	Y	65,080
Illinois	11/1/00			24,564		9.18%		11.56%		67/33			N	N	22,623
Iowa	3/1/01			5,000		2		11.00%		57/43			N	N	4,344
Kentucky	8/1/07	10/29/09	\$9.5	169,406	4	2	9.00%	2	11.00%	2	51.4/48.6		Req	Y	175,789
Missouri	3/4/07			55,976	4	2	8.59%	2	12.00%	2	56/44		N	N <sup>5</sup>	57,332
Tennessee	4/1/09			190,100		8.24%		10.30%		51.88/48.12			Y	Y	132,764
Virginia	9/30/08	4/1/09	\$1.7	36,675		8.46%-8.96%	8.43%	9.50%-10.50%	10.0%	55/45	52/48		Y	Y	23,182
TransLa	4/1/09			96,600		9.19%		10.00%		52/48		Y	N	Y	78,345
LGS	7/1/09			236,600		8.61%		10.40%		52/48		Y	N	Y	277,648
Mississippi	1/1/05	9/4/09	\$10.2	196,801		8.23%	8.27%	9.80%	10.04%	58/42	51.8/48.2	Y	Req	Y	266,785

<sup>1</sup> The rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction.

These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.

<sup>2</sup> A rate base, rate of return, return on equity or debt/equity ratio was not included in the respective state commission's final decision.

<sup>3</sup> The bad debt rider allows us to recover from ratepayers the gas cost portion of uncollectible accounts.

<sup>4</sup> The rate base per the last filing was not included in the respective state commission's final decision; however, the amount presented represents the filed rate base included in the latest filing.

<sup>5</sup> The Missouri jurisdiction has a straight-fixed variable rate design, which decouples gross profit margin from customer usage patterns.

<sup>6</sup> Mid-Tex rate base for settled cities and Dallas both represented on a 'system-wide' basis.

<sup>7</sup> The Amarillo and Lubbock City Councils approved three year RRM plans for their respective cities in the spring of 2009.

<sup>8</sup> GRIP filings are based on existing returns and the change in net utility plant investment.

<sup>9</sup> Figures based upon the appeal filing with the Railroad Commission of Texas on 4/23/2009.

<sup>10</sup> Rates will go into effect until such time that they are superseded by the appeal of the Dallas Statement of Intent.