Conference Call to Review
Fiscal 2009 Second Quarter
Financial Results

May 1, 2009
10:00 a.m. EDT

Forward Looking Statements

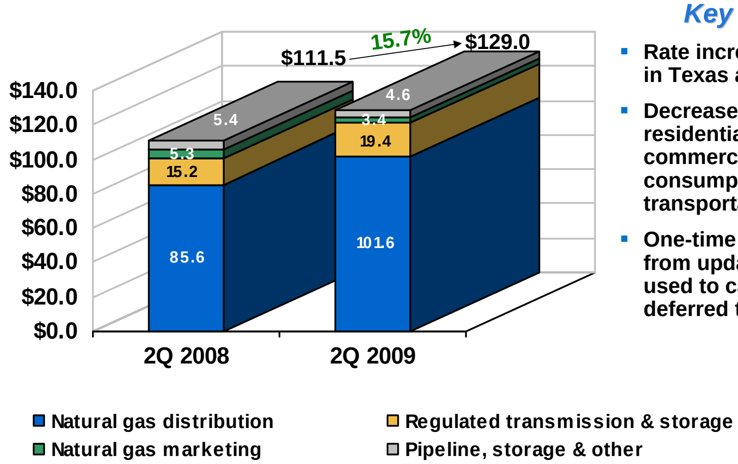
The matters discussed or incorporated by reference in this presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in 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 months ended December 31, 2008. 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.

Consolidated Financial Results – Fiscal 2009 2Q

Net Income by Segment

($ in millions)

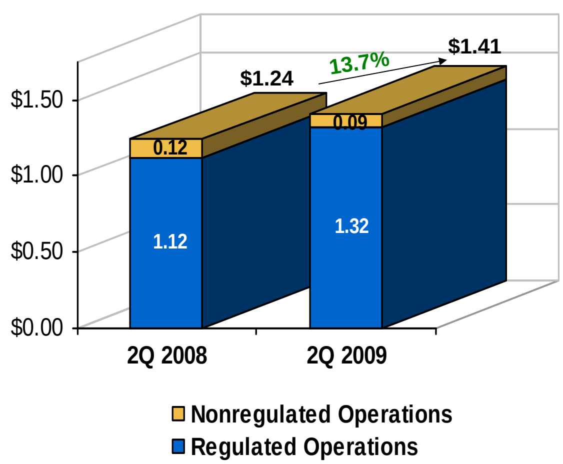


Key Drivers

- Rate increases primarily in Texas and Louisiana
- Decrease in regulated residential and commercial consumption and transportation volumes
- One-time tax benefit from update of tax rates used to calculate deferred taxes

Consolidated Financial Results – Fiscal 2009 2Q

Net Income per Diluted Share



Notes

- Year-over-year increase of about 1.6 million weighted average diluted shares outstanding
- Nonregulated Operations include an unrealized mark-to-market net loss of $0.04 per diluted share for 2Q 2009 compared with a net loss of $0.27 per diluted share for 2Q 2008
- 2Q 2009 one-time regulated tax benefit of $0.13 per diluted share and nonregulated tax expense of ($0.01) per diluted share

Consolidated Financial Results – Fiscal 2009 2Q

Drivers

- $25.7 million increase in gross profit
  - $9.6 million *increase* in natural gas distribution gross profit before intersegment eliminations primarily from
    - $21.9 million net *increase* due to rate adjustments
      - $16.5 million net *increase* in the Mid-Tex Division primarily from implementation of the RRM
      - $ 5.4 million net *increase* due to rate adjustments in West Texas, Louisiana and Georgia
    - $13.5 million *decrease* related to consumption
    - $7.0 million *increase* from reversal of accrual for estimated unrecoverable gas costs recorded in a prior year
    - $8.9 million *decrease* in revenue-related taxes due to lower gas costs and lower sales volumes, primarily in the Mid-Tex Division

Consolidated Financial Results – Fiscal 2009 2Q

Drivers

- $25.7 million increase in gross profit *(continued)*
  - $ 7.8 million *increase* in regulated transmission and storage gross profit before intersegment eliminations primarily due to
    - $3.6 million *increase* resulting from higher per-unit margins
    - $3.3 million *increase* in demand-based fees
    - $2.9 million *increase* from the routine sale of excess inventory
    - $1.4 million *increase* due to rate adjustments resulting from the GRIP-related recovery for 2006 and 2007 capital expenditures in Texas
    - $4.1 million *decrease* due to reduced transportation to the Mid-Tex Division, primarily as a result of warmer weather and a 13 percent decrease in consolidated throughput (17.8 Bcf) from reduced Barnett shale activity, industrial demand and electric generation demand

Consolidated Financial Results – Fiscal 2009 2Q

Drivers

- $25.7 million *increase* in gross profit *(continued)*
  - $ 7.2 million *increase* in natural gas marketing gross profit before intersegment eliminations primarily due to
    - $40.0 million *increase* in unrealized margins due to lower volatility in the current year quarter between current cash prices and forward natural gas prices
    - $29.8 million *decrease* in realized margins from the deferral of physical storage withdrawals primarily into fiscal 2010 and injecting gas into storage to capture falling prices, compared with storage withdrawal gains in the prior-year quarter
    - $3.0 million *decrease* in delivered gas margins primarily due to a 13 percent decrease in consolidated sales volumes (15.1 Bcf)

Consolidated Financial Results – Fiscal 2009 2Q

	Three Months Ended March 31		
Natural Gas Marketing Segment	**2009**	**2008**	**Change**
	(In thousands, except physical position)		
Delivered gas	$23,165	$26,195	**($3,030)**
Asset optimization	(2,073)	27,737	**(29,810)**
Unrealized margin	2,452	(37,600)	**40,052**
GROSS PROFIT	$23,544	$16,332	**$7,212**
Net physical position (Bcf)	21.9	20.7	**1.2**

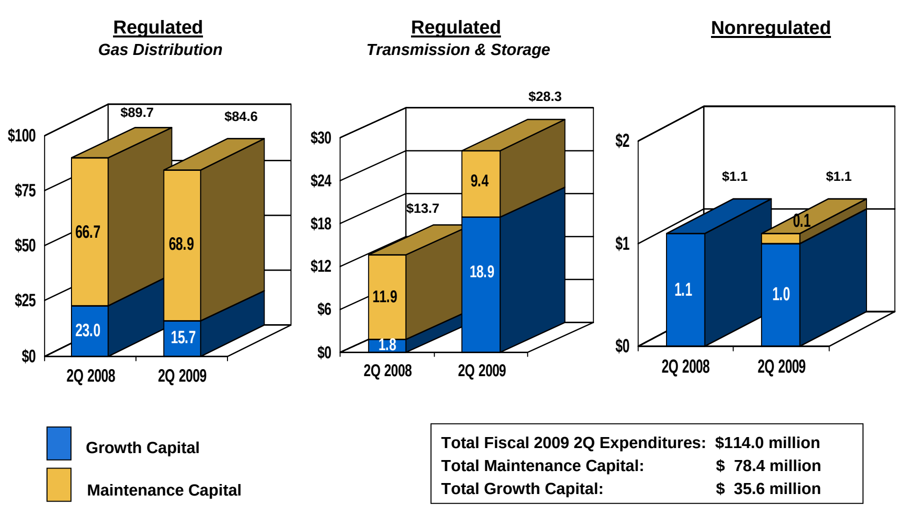
Consolidated Financial Results – Fiscal 2009 2Q

Drivers

- $25.7 million *increase* in gross profit *(continued)*
  - $0.9 million *increase* in nonregulated pipeline, storage and other gross profit before intersegment eliminations primarily due to
    - $8.6 million *increase* in asset optimization margins primarily from larger realized gains on the settlement of financial positions associated with storage and trading activities and basis gains earned from utilizing leased pipeline capacity
    - $6.3 million *decrease* from an increase in unrealized losses due to widening of spreads in the current-year quarter between current cash prices and forward gas prices

Consolidated Financial Results – Fiscal 2009 2Q

Capital Expenditures

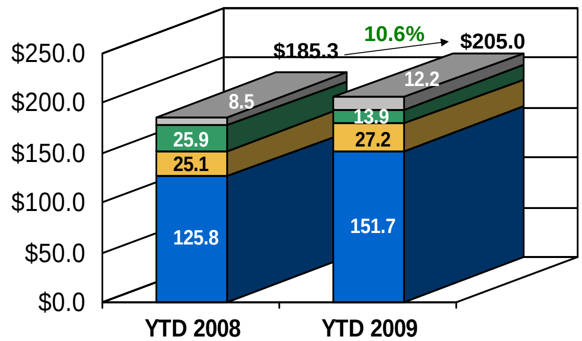


Total Fiscal 2009 2Q Expenditures:	$114.0 million
Total Maintenance Capital:	$ 78.4 million
Total Growth Capital:	$ 35.6 million

Consolidated Financial Results – Fiscal YTD

Net Income by Segment

($ in millions)



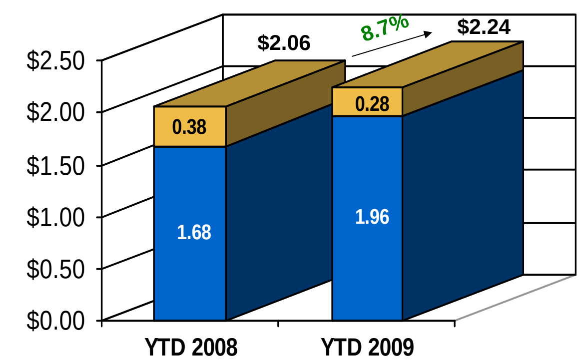
■ Natural gas distribution ■ Regulated transmission & storage
■ Natural gas marketing ■ Pipeline, storage & other

Key Drivers

- **Rate increases, primarily in Texas and Louisiana**
- **Decrease in nonregulated unrealized marketing margins, from greater volatility between cash and forward prices in current period**
- **Increase in O&M expenses primarily due to higher pipeline maintenance, legal and employee costs**
- **One-time tax benefit from update of tax rates used to calculate deferred taxes**

Consolidated Financial Results – Fiscal YTD

Net Income per Diluted Share



■ Nonregulated Operations
■ Regulated Operations

Notes

- **Year-over-year increase of about 1.6 million weighted average diluted shares outstanding**
- **Nonregulated operations include unrealized mark-to-market net losses of $0.19 per diluted share in 2009 first six months, compared with a net loss of $0.06 per diluted share for the 2008 period**
- **One-time regulated tax benefit of $0.13 per diluted share and nonregulated tax expense of ($0.01) per diluted share in 2009**

Drivers

- $51.2 million increase in gross profit
  - $34.8 million *increase* in natural gas distribution gross profit before intersegment eliminations primarily due to
    - $37.2 million net *increase* due to rate adjustments primarily in Texas and Louisiana from annual rate filing mechanisms
      - $27.8 million net increase from the Mid-Tex Division
      - $3.6 million increase from the West Texas Division
      - $2.6 million increase from the Louisiana Division
    - $8.3 million *increase* due to non-recurring update to the estimate for unbilled revenues in fiscal 2009 1st quarter
    - $7.0 million *increase* due to a reversal in FY 2009 Q2 of an accrual for estimated unrecoverable gas costs recorded in a prior year
    - $14.8 million *decrease* related to consumption
    - $9.2 million *decrease* in revenue-related taxes due to lower gas costs and lower sales volumes, primarily in the Mid-Tex Division

Drivers

- $51.2 million increase in gross profit *(continued)*
  - $17.4 million *increase* in regulated transmission and storage gross profit before intersegment eliminations primarily due to
    - $7.6 million *increase* resulting from higher per-unit margins
    - $6.4 million *increase* in demand-based fees
    - $2.9 million *increase* from the routine sale of excess inventory
    - $2.7 million *increase* due to rate adjustments resulting from the GRIP-related recovery for 2006 and 2007 capital expenditures in Texas
    - $3.4 million *decrease* due to reduced transportation to the Mid-Tex Division, primarily as a result of a seven percent decrease in consolidated throughput (18.2 Bcf) from reduced Barnett shale activity, industrial demand and electric generation demand

Consolidated Financial Results – Fiscal YTD

Drivers

- $51.2 million increase in gross profit *(continued)*
  - $8.7 million *decrease* in natural gas marketing gross profit before intersegment eliminations primarily due to
    - $13.7 million *decrease* in unrealized margins due to greater volatility between current cash prices and forward natural gas prices
    - $2.7 million *decrease* in delivered gas margins primarily due to an eight percent decrease in consolidated sales volumes
    - $7.7 million *increase* primarily due to the recognition in Q1 2009 of storage withdrawal gains that AEM had captured in FY 2008 from deferring storage withdrawals, partially offset by lower Q2 2009 storage withdrawal gains compared with the prior-year quarter

Consolidated Financial Results – Fiscal YTD

Natural Gas Marketing Segment	Six Months Ended March 31		
	2009	**2008**	**Change**
	(In thousands, except physical position)		
Delivered gas	$41,718	$44,368	**($2,650)**
Asset optimization	34,866	27,212	**7,654**
Unrealized margin	(23,017)	(9,285)	**(13,732)**
GROSS PROFIT	$53,567	$62,295	**($8,728)**
Net physical position (Bcf)	21.9	20.7	**1.2**

Consolidated Financial Results – Fiscal YTD

Drivers

- $51.2 million increase in gross profit
  - $7.5 million *increase* in nonregulated pipeline, storage and other gross profit before intersegment elimination primarily due to
    - $14.3 million *increase* in asset optimization margins primarily from larger realized gains on the settlement of financial positions associated with storage and trading activities and basis gains earned from utilizing leased pipeline capacity
    - $5.9 million *decrease* in unrealized margins due to widening of spreads between current cash prices and forward gas prices

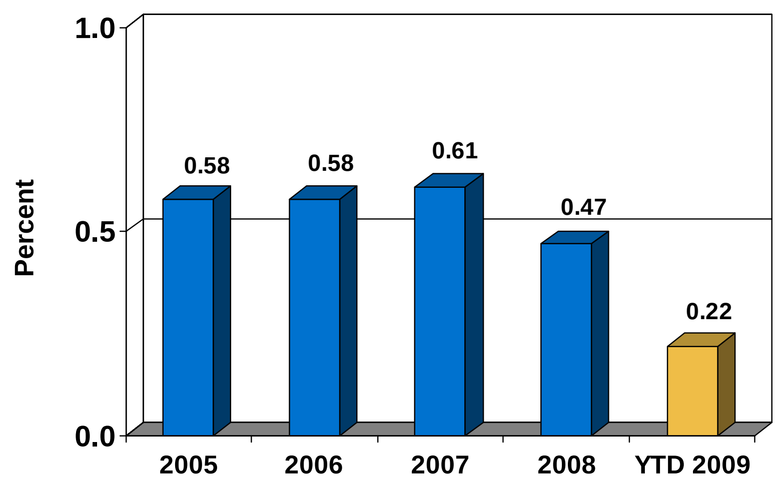
Consolidated Financial Results – Fiscal YTD

Drivers

- Increased O&M expenses of $15.3 million primarily due to
  - $8.9 million *increase* in contract labor, largely related to project spending at Atmos-Pipeline Texas Division
  - $4.5 million *increase* in employee costs
  - $3.0 million *increase* in legal and miscellaneous administrative costs
  - $1.1 million *decrease* in provision for doubtful accounts primarily due to the ability of the Mid-Tex Division to recover the gas cost portion of bad debt, effective November 1, 2008

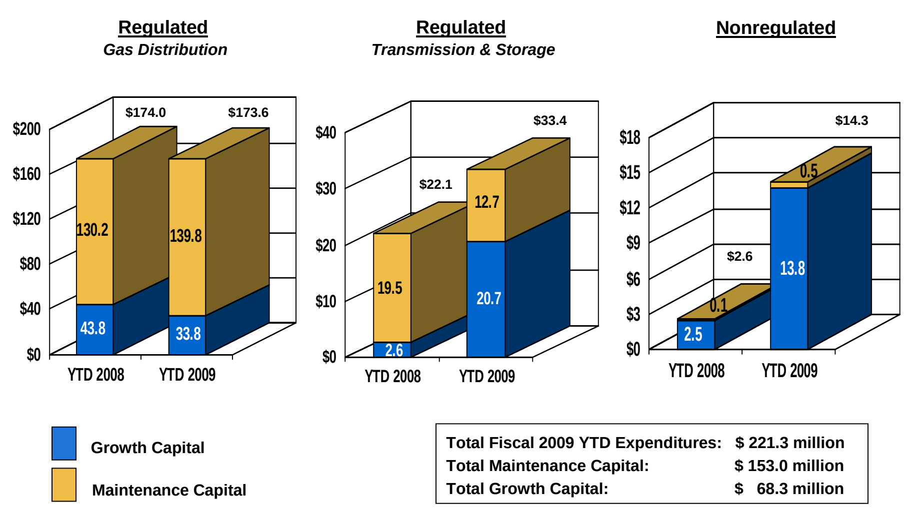
Consolidated Financial Results – Fiscal YTD

Gas Distribution Bad Debt Expense as a Percent of Revenues



Consolidated Financial Results – Fiscal YTD

Capital Expenditures



Total Fiscal 2009 YTD Expenditures:	$ 221.3 million
Total Maintenance Capital:	$ 153.0 million
Total Growth Capital:	$ 68.3 million

Highlights – Fiscal YTD

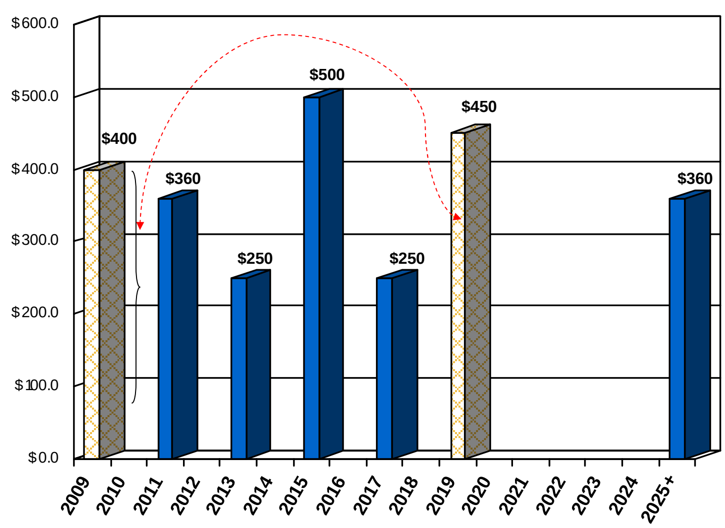
Senior Notes

- 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%
  - Net proceeds of about $446 million used to redeem $400 million of 4.00% senior notes on April 30, 2009
    - Original maturity date of October 15, 2009
    - $6.6 million call premium paid to redeem early
  - 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 expected for fiscal 2009
  - Acceleration of repayment expected to increase net interest expense by $10 million, or approximately $0.07 per diluted share
  - Incremental cash on hand should reduce the need to utilize commercial paper, which should partially offset the rise in interest expense

Highlights – Fiscal YTD

Debt Maturity

($ in millions)



- **No debt maturities until 2011**
- **No ST debt or commercial paper issued at March 31, 2009**

Highlights – Fiscal YTD

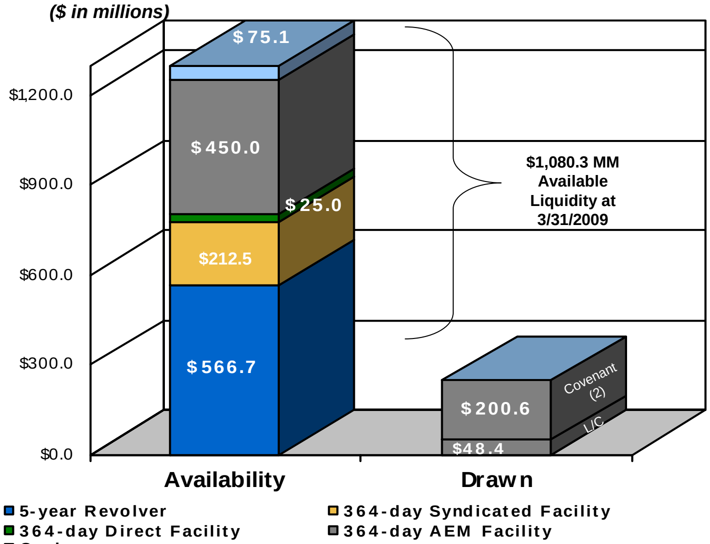
Credit Facilities

- **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**
- **$212.5 million, 364-day committed revolving credit facility, expires October 27, 2009**
  - Replaced, on essentially the same terms, but at a substantially higher cost, the $300 million, 364-day facility that expired October 29, 2008
- **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**

Highlights – Fiscal YTD

Liquidity Profile

($ in millions)



- **$1.3 billion in committed credit facilities** *(1)*
- **$75.1 million cash on hand at March 31, 2009, after reflecting payment of $407 million on April 30, 2009 to redeem $400 million senior notes *plus* call premium and accrued interest**

(1) Includes cash on hand and increased commitments effective April 1, 2009

(2) Certain loan covenant restrictions exist that limit the effective available capacity

Highlights – Fiscal YTD

Investment Grade Credit Ratings

	Moody's*	Standard & Poor's	Fitch
▪ ***Senior Unsecured***	*Baa3*	*BBB+*	*BBB+*
▪ ***Commercial Paper***	*P-3*	*A-2*	*F-2*
▪ ***Ratings Outlook***	*Positive*	*Stable*	*Stable*

* *Moody's placed the company under review for possible upgrade on March 23, 2009*

Highlights – Fiscal YTD

Ft. Necessity Storage 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
  - Pending FERC approval, the first cavern is projected to go into operation by 2011, with the other two caverns in operation by 2012 and 2014
- Executed option to purchase 240 acres and lease 320 acres; total investment at December 31, 2008 was about $12.0 million
- Testing of the salt core samples was completed in March 2009, which showed favorable conditions for development
- November 12, 2008, filed FERC 7C application; FERC certificate expected by June 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
- Engaged services of investment banker to aid in determining optimal ownership/development mix

Highlights – Fiscal YTD

GRIP Filings - Texas

- April 28, 2009, Texas Railroad Commission *approved* Atmos Pipeline-Texas 2008 GRIP filing made on February 13, 2009
  - $6.3 million 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)
  - City of Dallas has until July 10th to act on the filing
- 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

Highlights – Fiscal YTD

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 operating income increase of $7.5 million and concurrently, filed to increase operating income $1.3 million for Environs customers
- Original November 5, 2008 filing for $9.1 million affected only City of Dallas
  - Mid-Tex Division serves approximately 222,000 residential, commercial and industrial customers in City of Dallas
  - City of Dallas suspended filing on December 10, 2008; denied the increase on March 25, 2009
- Requested ROE of 11.5%; Requested ROR of 9.19%
- Requested Capital Structure: 51.09% Debt / 48.91% Equity
- Proposed system-wide Rate Base of $1.31 billion
- Test year ended June 30, 2008; Net plant projected through March 2009
- Awaiting procedural schedule from Railroad Commission of Texas

Highlights – Fiscal YTD

Mid-Tex Rate Review Mechanism (RRM) Filings

- March 6, 2009, filed second RRM with Settled Cities to increase operating income by approximately $9.7 million
  - Authorized capital structure of 52% debt / 48% equity
  - Authorized ROE of 9.60%; Authorized ROR of 7.78%
  - Requested Rate Base: $1.26 billion
  - Forward-looking filing with test year ended March 31, 2010
  - Serves about 1.3 million customers
  - Statutory deadline for decision is July 15, 2009
- Beginning November 1, 2008, rates implemented from first RRM filing made April 14, 2008 with the Settled Cities, resulting in an increase in operating income of about $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

Highlights – Fiscal YTD

Rate Review Mechanism (RRM) Filings

West Texas Cities

- April 1, 2009, *filed* second RRM to increase operating income by approximately $11.1 million, based on the following:
  - Capital structure: 52 percent debt / 48 percent equity
  - ROE: 9.60 percent; ROR: 8.241 percent
  - Rate Base: $124.4 million
  - Serves about 150,000 customers
  - Final action required August 1, 2009
- Beginning November 15, 2008, rates implemented from first RRM filing made August 29, 2008, resulting in an increase in operating income of about $4.5 million

City of Lubbock

- April 15, 2009, *filed* its first RRM seeking to increase operating income by approximately $3.5 million
- Requested Rate Base: $54.8 million, with remaining terms same as above
- Serves about 70,000 customers

Highlights – Fiscal YTD

Louisiana Rate Stabilization Filings

- April 1, 2009, *filed* annual rate stabilization for LGS jurisdiction, requesting an increase in operating income of $3.9 million
  - Test year ended December 31, 2008
  - Rate change effective July 1, 2009
  - Proposed ROE of 10.4 percent; Overall return of 8.07 percent
  - Capital structure: 52 percent debt / 48 percent equity
  - Rate Base of $236.6 million and affects approximately 268,000 customers
- March 31, 2009, *approved* $0.6 million increase in operating income for TransLa jurisdiction annual rate stabilization filing made December 2008
  - Effective April 1, 2009 for approximately 75,000 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

Highlights – Fiscal YTD

Tennessee Rate Filing

- March 5, 2009, *settlement* reached for 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
- Effective April 1, 2009

Earnings Guidance – Fiscal 2009E

- Atmos Energy anticipates earnings to continue to be in the range of $2.05 - $2.15 per diluted share for the 2009 fiscal year
- Assumptions include:
  - Contribution from natural gas marketing segment reflecting less volatility in gas prices
    - Total expected gross margin contribution from the natural gas marketing segment in the range of $80 - $90 million, excluding any material mark-to-market impact
  - Continued successful execution of rate strategy and collection efforts
  - Bad debt expense of no more than $12 million
  - Average annual short-term interest rate of 4.6%
  - 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 2009 significantly above or below this outlook.

Projected Net Income by Segment

($ millions, except EPS)

	2006	2007	2008	2009E
Natural Gas Distribution	$ 53	$ 73	$ 93	$ 106 – 112
Regulated Trans. & Storage	27	34	41	45 – 46
Natural Gas Marketing	58	46	30	21 – 22
Pipeline, Storage & Other	10	15	16	16 – 17
Total	148	168	180	188 – 197
Avg. Diluted Shares	81.4	87.7	90.2	91.7
Earnings Per Share	$ 1.82	$ 1.92	$ 2.00	$ 2.05 – $2.15

Projected Cash Flow

($ millions)

	2006	2007	2008	2009E
Cash Flows from Operations	**$ 311**	**$ 547**	**$371**	**$ 540 - 560**
Maintenance Capital	**(287)**	**(287)**	**(378)**	**(360-370)**
Dividends	**(102)**	**(112)**	**(117)**	**(121)**
Cash Available for Debt Reduction and Growth Projects	**$ (78)**	**$ 148**	**$(124)**	**$ 59 - 69**

Pension & Postretirement Benefits Obligations

- In order 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 expect to contribute less than $25 million to our pension plans by September 15, 2009
- This funding will:
  - Increase the level of our plan assets
  - Not immediately impact the income statement
    - Gains and losses from the changes in the fair value of plan assets are recognized over time as we calculate our FV of plan assets using an asset smoothing technique which recognizes changes in FV of the assets over a “systematic” or “smoothed” time period
- 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

Consolidated Financial Results – Fiscal 2009E

Capital Expenditures

- For fiscal 2009, we project between $500-$515 million in capital expenditures
  - Approximately $360 - $370 million maintenance
    - Natural Gas Distribution: $296 million - $301 million
    - Regulated Transmission & Storage: $62 million - $66 million
    - Natural Gas Marketing: $2 million - $3 million
  - Approximately $140 - $145 million growth
    - Natural Gas Distribution: $72 million - $73 million
    - Regulated Transmission & Storage: $45 million - $47 million
    - Pipeline, Storage & Other: $23 million - $25 million

As a Reminder…

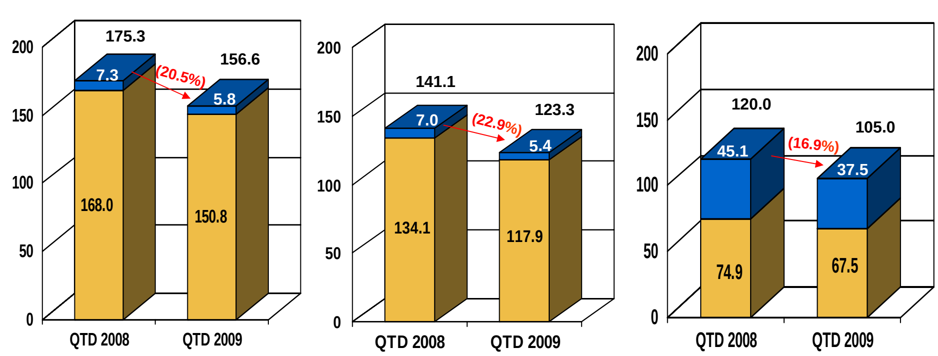
- The audio and slide presentation of this conference call will be available on Atmos Energy's Web site by 10:00 a.m. Eastern Daylight Time on May 1, 2009, through midnight on July 31, 2009. Atmos Energy's Web site address is: www.atmosenergy.com.
- To listen to the live conference call, dial 800-218-0204 by 10:00 a.m. Eastern Daylight Time on May 1, 2009.

Appendix

Consolidated Financial Results – Q2 2009

Quarter-Over-Quarter Industrial Demand Declines 18%

Regulated *Gas Distribution* | **Atmos Pipeline - Texas** | **Atmos Energy Marketing**



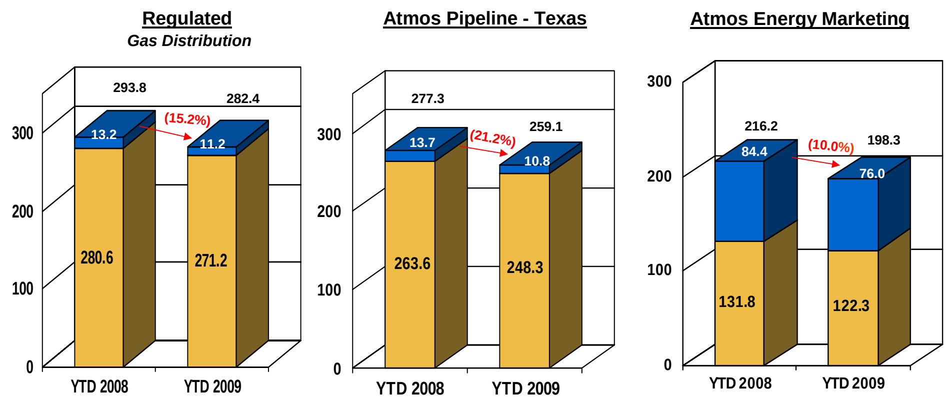
Industrial Volumes

Total Volumes excluding industrial

Consolidated	2008	2009	Q/Q change
Total Industrial Volumes:	59.4	48.7	(18.0%)
Total Volumes:	436.4	384.9	(11.8%)
Percent of Industrial Volumes:	13.6%	12.7%	

Consolidated Financial Results – Fiscal YTD

Year-Over-Year Industrial Demand Declines 12%



Industrial Volumes

Total Volumes excluding industrial

Consolidated	2008	2009	Y-O-Y change
Total Industrial Volumes:	111.3	98.0	(11.9%)
Total Volumes:	787.3	739.8	(6.0%)
Percent of Industrial Volumes:	14.1%	13.2%	

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 March 31			Six Months Ended March 31		
	2009	2008	**Change**	2009	2008	**Change**
	(Amounts in Thousands)					
Included in margin	$37,512	$46,396	**($8,884)**	$68,689	$77,882	**($9,193)**
Included in taxes, other	(36,453)	(37,232)	**779**	(62,793)	(55,465)	**(7,328)**
Difference / Impact	$1,059	$9,164	**($8,105)**	$5,896	$22,417	**($16,521)**

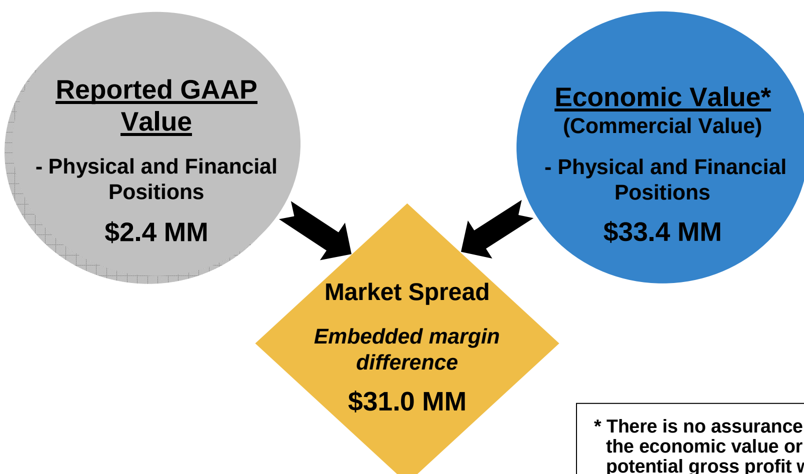
Economic Value vs. GAAP Reported Results

- 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.

Economic Value vs. GAAP Reported Results



* There is no assurance that the economic value or the potential gross profit will be fully realized in the future

At March 31, 2009

Atmos Energy Marketing

Economic Value vs. GAAP Reported Results Three Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mcf)	Total ($ in millions)	Market Spread ($ per mcf)	Total ($ in millions)
12/31/2007	17.7	9.8199	7.3266	2.4933	**44.2**	1.8561	**32.9**	0.6372	**11.3**
3/31/2008	20.7	8.6763	8.1555	0.5208	**10.8**	(0.0296)	**(0.6)**	0.5504	**11.4**
2008 Variance	3.0	$ (1.1436)	$ 0.8289	$ (1.9725)	**$ (33.4)**	(1.8857)	**$ (33.5)**	$ (0.0868)	**$ 0.1**
12/31/2008	16.3	8.5874	7.3211	1.2663	**20.7**	0.2924	**4.8**	0.9739	**15.9**
3/31/2009	21.9	7.0754	5.5508	1.5246	**33.4**	0.1093	**2.4**	1.4153	**31.0**
2009 Variance	5.6	$ (1.5120)	$ (1.7703)	$ 0.2583	**$ 12.7**	(0.1831)	**$ (2.4)**	$ 0.4414	**$ 15.1**

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 Marketing

Economic Value vs. GAAP Reported Results Six Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mcf)	Total ($ in millions)	Market Spread ($ per mcf)	Total ($ in millions)
9/30/2007	12.3	11.1547	7.8297	3.3250	**40.8**	0.8819	**10.8**	2.4431	**30.0**
3/31/2008	20.7	8.6763	8.1555	0.5208	**10.8**	(0.0296)	**(0.6)**	0.5504	**11.4**
2008 Variance	8.4	$ (2.4784)	$ 0.3258	$ (2.8042)	**$ (30.0)**	(0.9115)	**$ (11.4)**	$ (1.8927)	**$ (18.6)**
9/30/2008	8.0	14.9977	8.9220	6.0757	**48.5**	4.5643	**36.4**	1.5114	**12.1**
3/31/2009	21.9	7.0754	5.5508	1.5246	**33.4**	0.1093	**2.4**	1.4153	**31.0**
2009 Variance	13.9	$ (7.9223)	$ (3.3712)	$ (4.5511)	**$ (15.1)**	(4.4550)	**$ (34.0)**	$ (0.0961)	**$ 18.9**

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 April 30, 2009

Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing *(pending)*	Rate Base (in thousands) 1		*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 [3]	WNA	3/31/2009 Meters
Atmos Pipeline-Texas	5/24/04		417,111			8.258%		10.00%		50/50			n/a	n/a	n/a
Atmos Pipeline-Texas - GRIP[10]	4/28/09		755,038			8.258%		10.00%		50/50			n/a	n/a	n/a
Mid-Tex - Settled Cities	11/1/08	*3/6/09*	1,176,453	**6**	*1,262,969*	7.79%	*7.78%*	9.60%	*9.60%*	52/48	*51.9/48.1*	Y	Y	Y	1,249,541
Mid-Tex - Dallas & Environs	6/24/08	*11/5/08*	1,127,924	**6**	*1,315,000*	7.98%	*8.85%*	10.00%	*11.70%*	52/48	*50.18/49.82*		Y	Y	312,385
Mid-Tex - Dallas & Environs GRIP	12/1/08		1,169,897			7.98%		10.00%		52/48			n/a	n/a	
Mid-Tex - City of Dalllas		*11/5/08*		**11**	*1,308,010*		*9.19%*		*11.5%*		*51.09/48.91*		Y	Y	
Mid-Tex - City of Dalllas GRIP		*3/27/09*			*1,232,288*	7.98%		10.00%					n/a	n/a	
Lubbock	3/1/04	*4/15/09*	43,300	**8**	*54,837*	9.15%	*8.24%*	11.25%	*9.60%*	50/50	51.9/48.1		Y	Y	73,718
Lubbock Environs GRIP [7, 10]	9/1/08	*10/24/08*	50,778		*61,638*	9.15%		11.25%		50/50			n/a	n/a	n/a
West Texas Cities	11/18/08	*4/1/09*	112,043		*124,401*	7.79%	*8.24%*	9.60%	*9.60%*	52/48	51.9/48.1	Y	Y	Y	155,469
W. TX Cities Environs GRIP [7, 10]	1/1/08	*10/17/08*	127,360		*141,170*	8.77%		10.50%		50/50			n/a	n/a	n/a
Amarillo	9/1/03		36,844			9.88%		12.00%		50/50			Y	Y	69,699
Colorado	10/1/07		81,208			8.45%		11.25%		52/48			N	N	111,322
Kansas	5/12/08		135,561	**4**		**2**	*8.47%*	**2**	*11.0%*	**2**	*52/48*		Y	Y	129,971
Georgia	9/22/08		66,893			7.75%		10.70%		55/45			N	Y	68,795
Illinois	11/1/00		24,564			9.18%		11.56%		67/33			N	N	23,071
Iowa	3/1/01		5,000			**2**		11.00%		57/43			N	N	4,356
Kentucky	8/1/07		169,406	**4**		**2**	*8.82%*	**2**	*11.75%*	**2**	*52/48*		N	Y	178,318
Missouri	3/4/07		55,976	**4**		**2**	*8.59%*	**2**	*12.0%*	**2**	*56/44*		N	N [5]	58,688
Tennessee	4/1/09		190,100			8.24%		10.30%		51.88/48.12			Y	Y	133,542
Virginia	9/30/08	*4/1/09*	36,675		*38,793*	8.46%-8.96%	*8.43%*	9.50%-10.50%	*10.0%*	55/45	*52/48*		Y	Y	23,495
TransLa	4/1/09		96,600			9.19%		10.00%		52/48		Y	N	Y	78,819
LGS	7/1/08	*4/1/09*	221,970		*236,600*	**2**	*8.07%*	10.40%	*10.4%*	52/48	*52/48*	Y	N	Y	280,495
Mississippi	1/1/05	**9**	196,801			8.23%		9.80%		58/42		Y	N	Y	270,869

[1] 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.

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

[3] The bad debt rider allows us to recover from ratepayers the gas cost portion of uncollectible accounts.

[4] 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.

[5] The Missouri jurisdiction has a straight-fixed variable rate design, which decouples gross profit margin from customer usage patterns.

[6] Mid-Tex rate base for settled cities and Dallas both represented on a 'system-wide' basis.

[7] Lubbock & WT Cities Environs are calculated on a 'system wide' basis and will only be applied to environs areas once RRM/CCVP takes effect.

[8] On 4/9/09 the Lubbock City Council approved a three year RRM plan for the city. The Company made its first filing on April 15, 2009 for calendar year 2009

[9] A 9/5/2008 filing under the Stable Rate Filing has been withdrawn by the Company.

[10] GRIP filings are based on existing returns and the change in net utility plant investment.

[11] Figures based upon the appeal filing with the Railroad Commission of Texas on 4/23/2009.