Conference Call to Review

2007 Fiscal Year and Fourth Quarter

Financial Results

November 8, 2007

9:00 a.m. EST

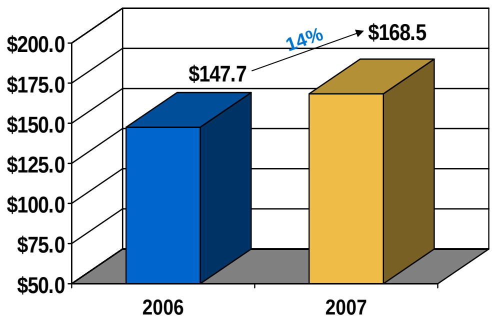
Forward Looking Statements

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, 2006. 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 earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2008 and beyond that appear in this presentation are current as of the date noted on each relevant slide.

Consolidated Financial Results – Fiscal 2007

Net Income



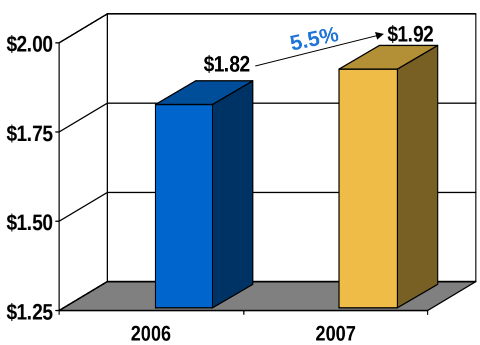
($ in millions)

Key Drivers

- Increased contribution from the regulated gas distribution and regulated transmission and storage segments, from increased throughput and rate adjustments
- Decreased contribution from the natural gas marketing segment, largely due to realizing lower unit margins in a less volatile market, offset in part by increased sales volumes
- Increased O&M expenses primarily due to increased employee and administrative costs
- Increase due to net reduction of noncash asset impairment charges year over year

Consolidated Financial Results – Fiscal 2007

Earnings per Diluted Share

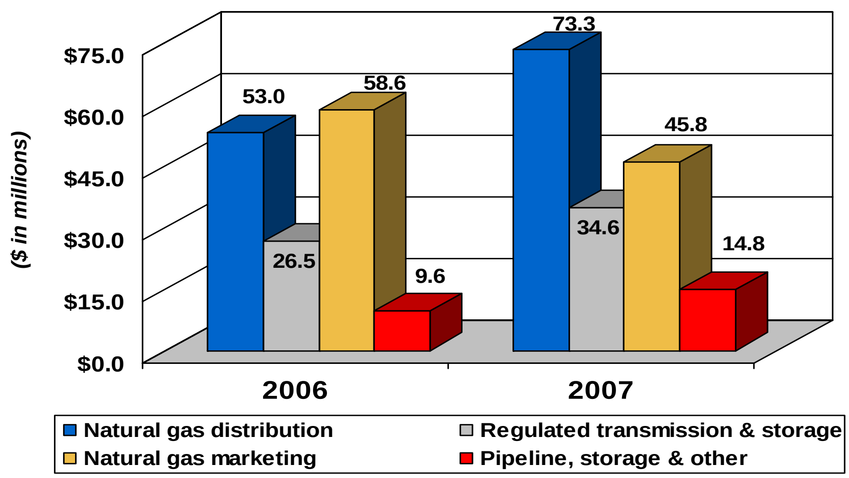


Notes

- Year-over-year increase of about 6.4 million weighted average diluted shares outstanding
- Increase in shares primarily due to about 6.3 million shares issued in December 2006 equity offering

Consolidated Financial Results – Fiscal 2007

Net Income by Segment



Consolidated Financial Results – Fiscal 2007

Drivers

- $33.5 million *increase* in gross profit
  - $27.6 million *increased* natural gas distribution gross profit primarily from
    - $32.3 million *increase* primarily due to increased throughput of 33.9 Bcf, from weather that was14 percent colder than the prior-year period
    - $ 6.3 million net *increase* due to WNA impact
      - $10.8 million *increase* in Mid-Tex and Louisiana divisions
      - $ 4.5 million *decrease* in remaining jurisdictions
    - $15.3 million net *increase* due to rate adjustments primarily from
      - $11.8 million *increase* from Texas GRIP-related recovery for 2004, 2005 and 2006 GRIP filings
      - $10.2 million *increase* from LGS and TransLa RSC filings in Louisiana
      - $6.1 million *decrease* from 10/06 Tennessee rate reduction
      - $5.4 million *increase* in Mid-Tex distribution rates from GUD 9670
      - $3.1 million *decrease* due to the absence of the deferred revenue associated with 2003 Rate Stabilization Filing with Louisiana Public Service Commission which was recognized in the prior year
      - $2.9 million *decrease* from Mid-Tex GRIP refund
      - $1.7 million *increase* from Missouri rate design changes
    - $7.5 million *decrease* associated with estimated unrecoverable gas costs
    - $6.0 million *decrease* in transportation margins, primarily related to increased transportation costs and tariff reductions implemented after the March 2007 Mid-Tex rate case

Consolidated Financial Results – Fiscal 2007

Jurisdictions Adjusted for WNA

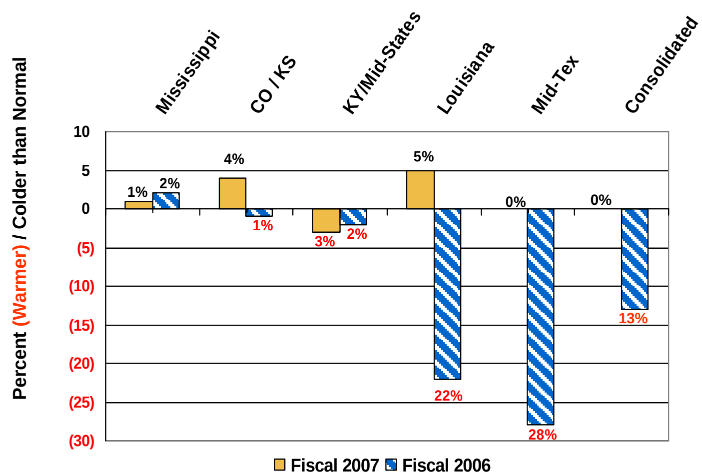
- At September 30, 2007, we had WNA in the following service areas for the following periods as noted, which covers approximately 90% of our customer meters in service:

Service Area	WNA Period
Georgia	October – May
Kansas	October – May
Kentucky	November – April
Louisiana *	December – March
Mid-Tex *	November – April
Mississippi	November – April
Tennessee	November – April
Virginia	January – December
West Texas	October – May

*Implemented for the 2006-2007 winter heating season. In the Mid-Tex service area, the period covered was October through May in the initial year.

Consolidated Financial Results – Fiscal 2007

*Year-Over-Year Weather Effect by Division, as adjusted for WNA **



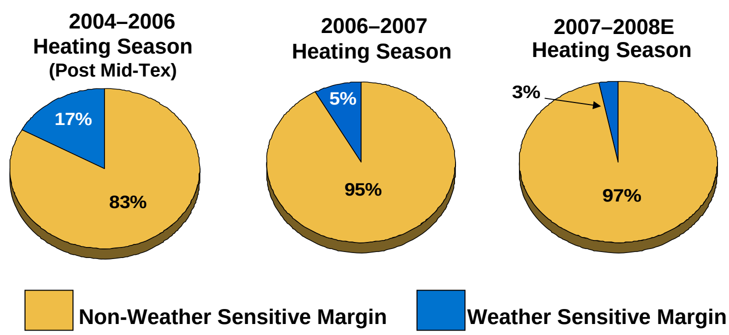
* West Texas Division had no weather impact in either period

- **Fiscal 2007 consolidated gross profit was <u>positively impacted</u> by about $6.3 million, as a result of weather that was <u>normal</u>, as adjusted for WNA**
- **Fiscal 2006 consolidated gross profit was <u>adversely affected</u> by $49.2 million due to weather that was <u>13 percent warmer than normal</u>, as adjusted for WNA**
- **Louisiana and Mid-Tex divisions implemented weather-normalized rates during fiscal 2007, which accounted for an increase in gross profit of $10.8 million year over year**

Consolidated Financial Results – Fiscal 2007

Stabilizing Natural Gas Distribution Margin Sensitivity

- Weather Normalization Adjustment (WNA) for Mid-Tex and Louisiana divisions became effective for the 2006-2007 winter heating season, which reduced margin exposure to weather from 17 percent to 5 percent
- With the rate design changes effective for the 2007-2008 winter heating season, weather-sensitive margin is expected to be further reduced to about 3 percent



* Non-weather sensitive margin includes weather-normalized margins, monthly fixed charges and gas consumption that is not correlated to weather - gas clothes dryer, gas water heater, gas cooking, etc.

Consolidated Financial Results – Fiscal 2007

Drivers

- $33.5 million *increase* in gross profit (*continued*)
  - $ 22.1 million *increase* in regulated transmission and storage gross profit primarily due to
    - o $10.8 million *increase* from incremental margins from North Side Loop and compression projects completed in 2006 at Atmos Pipeline-Texas
    - o $5.4 million from *increased* throughput and demand for storage services due to colder weather period-over-period
    - o $3.1 million *increase* due to rate increases from 2005 GRIP filing
    - o $2.1 million *increase* due to the sale of excess gas inventory

Consolidated Financial Results – Fiscal 2007

Drivers

- $33.5 million *increase* in gross profit *(continued)*
  - $26.3 million *decrease* in natural gas marketing gross profit primarily due to
    - $30.2 million *decrease* in delivered gas margins primarily due to realizing lower unit margins in a less volatile market, partially offset by an increase in sales volumes of 87.4 Bcf primarily due to colder weather year-over-year and a successful marketing strategy
    - $2.6 million *increase* in storage optimization margin primarily due to the increase in cycled storage volumes, partially offset by increased storage demand fees and park and loan fees
    - $1.3 million *increase* in unrealized margins primarily due to a narrowing of the spreads between the forward prices used to value the financial hedges and the market (spot) price used to value physical storage, partially offset by a 2.2 Bcf decrease in the net physical storage position year over year

Consolidated Financial Results – Fiscal 2007

Natural Gas Marketing Segment	**Year Ended September 30**		
	2007	**2006**	**Change**
	(In thousands, except physical position)		
Delivered gas (1)	$57,054	$87,236	**($30,182)**
Asset optimization (2)	28,827	26,225	**2,602**
Unrealized margin	18,430	17,166	**1,264**
GROSS PROFIT	$104,311	$130,627	**($26,316)**
Net physical position (Bcf)	12.3	14.5	**(2.2)**

(1) Formerly realized marketing activity
(2) Formerly realized storage activity

Consolidated Financial Results- Fiscal 2007

Source of Fair Value	Fair Value of Contracts at September 30, 2007 Maturity in Years < 1	1 - 3	4 - 5	> 5	Total Fair Value
	(In thousands)				
Prices actively quoted	$ 1,304	$ 6,072	$ —	$ —	$ 7,376
Prices based on models & other valuation methods	(794)	(827)	—	—	(1,621)
Total Fair Value	**$ 510**	**$ 5,245**	**$ —**	**$ —**	**$ 5,755**

Consolidated Financial Results – Fiscal 2007

Drivers

- $33.5 million *increase* in gross profit (*continued*)
  - $ 8.1 million *increase* in nonregulated pipeline, storage and other gross profit primarily due to
    - $7.4 million *increase* in asset optimization activities
    - $4.7 million *increase* in transportation margins
    - $1.3 million *decrease* in unrealized margins

Consolidated Financial Results – Fiscal 2007

Drivers

- *Increased* O&M expenses of $30.0 million primarily due to
  - $22.1 million *increase* from higher labor and benefits costs associated with increased headcount and increased benefit costs
  - $14.1 million *increase* in administrative costs (insurance, IT maintenance, vehicle lease expenses)
  - $4.3 million *decrease* from deferral of 2005 and 2006 Katrina-related expenses allowed by Louisiana regulators
  - $2.1 million *decrease* in bad debt expense primarily due to reduced collection risk from lower gas prices

Consolidated Financial Results – Fiscal 2007

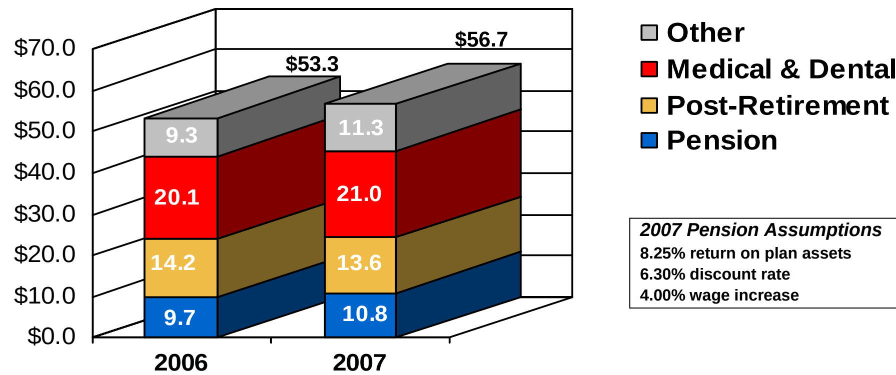
Drivers

- *Decreased* operating expenses of $16.6 million primarily due to
  - The absence in the current period of a $22.9 million noncash charge to impair irrigation properties in West Texas, offset in part by a
  - $3.3 million *increase* due to the write-off of software that will no longer be used and a
  - $3.0 million *increase* from the write-off of costs associated with a nonregulated natural gas gathering project

Consolidated Financial Results – Fiscal 2007

Pension, Post-Retirement & Other Benefits Expense

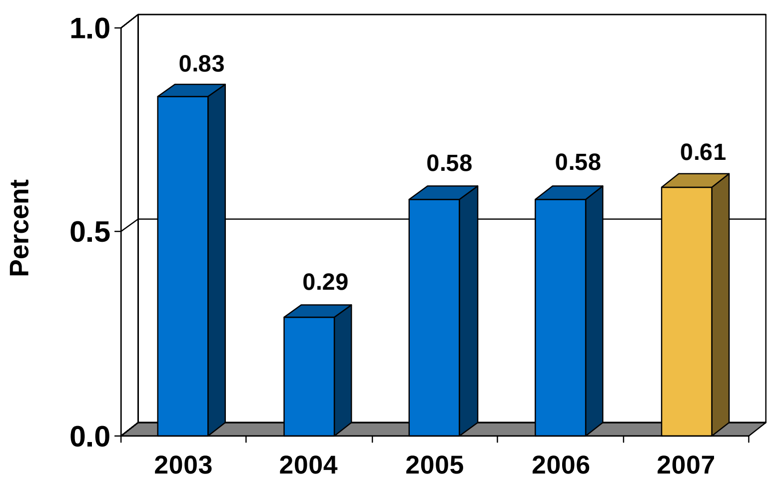
(in millions)



2007 Pension Assumptions
8.25% return on plan assets
6.30% discount rate
4.00% wage increase

Consolidated Financial Results – Fiscal 2007

Gas Distribution Bad Debt Expense as a Percent of Revenues



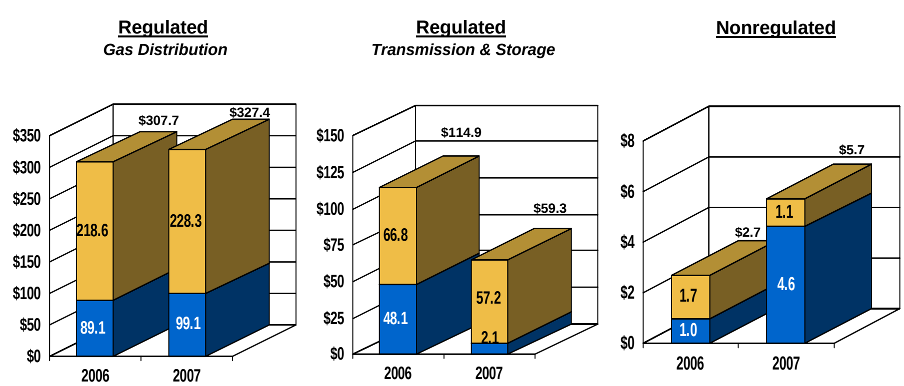
Consolidated Financial Results – Fiscal 2007

Drivers

- *Decreased* taxes, other than income, of $9.1 million
  - Primarily due to decreased franchise fees and state gross receipts taxes resulting from lower revenues
- *Decreased* interest charges of $1.4 million primarily due to lower average outstanding short-term debt balances year over year
- *Increased* miscellaneous income of $8.3 million primarily due to
  - $5.9 million *increase* in interest income earned on larger cash balances invested in short-term investments
  - $3.3 million *increase* due to the absence of an adverse regulatory ruling in Tennessee related to the calculation of a performance-based rate mechanism related to gas purchases
  - $2.1 million *increase* due to leasing certain mineral interests owned by the pipeline and storage segment

Consolidated Financial Results – Fiscal 2007

Capital Expenditures



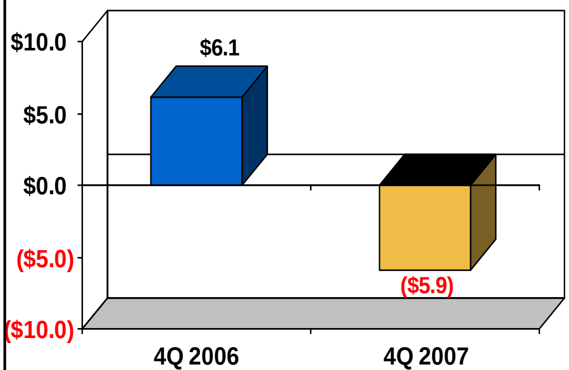
Growth Capital

Maintenance Capital

Total Fiscal 2007 Expenditures:	$392.4 million
Total Maintenance Capital:	$286.6 million
Total Growth Capital:	$105.8 million

Consolidated Financial Results – Fiscal 2007 4Q

Net Income (Loss)



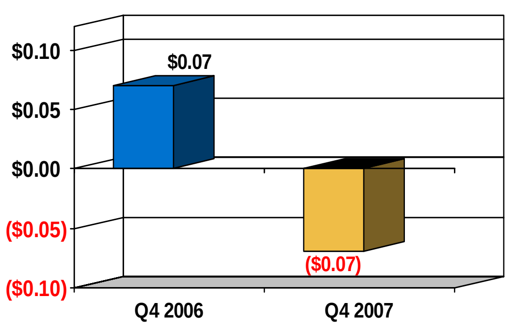
($ in millions)

Key Drivers

- Decrease in natural gas marketing margins, primarily due to lower unrealized margins
- Increase due to net reduction of noncash asset impairment charges quarter over quarter
- Increased O&M expenses primarily due to increased employee and administrative costs
- Decrease due to estimated unrecoverable gas costs

Consolidated Financial Results – Fiscal 2007 4Q

Net Income (Loss) per Diluted Share

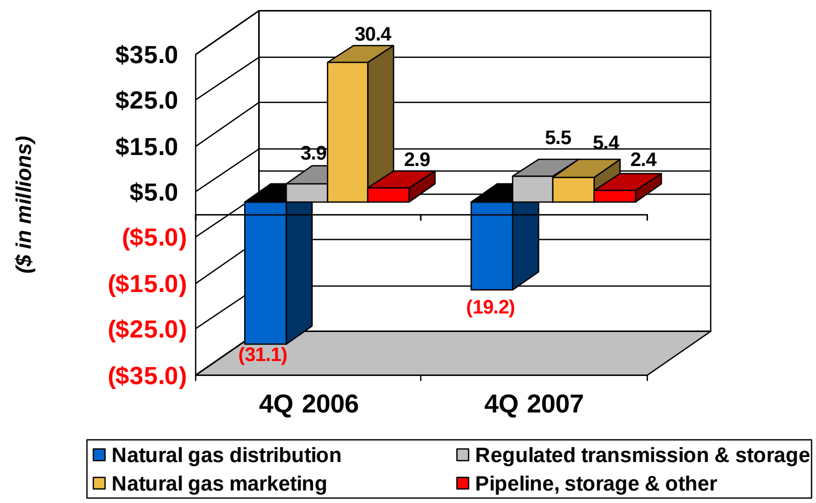


Notes

- Quarter-over-quarter positively impacted by reduced impairment charges
  - Q4 2006 included an after-tax charge due to impairment of irrigation properties in West Texas Utility Division of $0.18 per diluted share
  - Q4 2007 included an after-tax charge of $0.02 per diluted share to write off costs of gathering project
- Quarter-over-quarter increase of approximately 6.8 million weighted average diluted shares outstanding

Consolidated Financial Results – Fiscal 2007 4Q

Net Income (Loss) by Segment

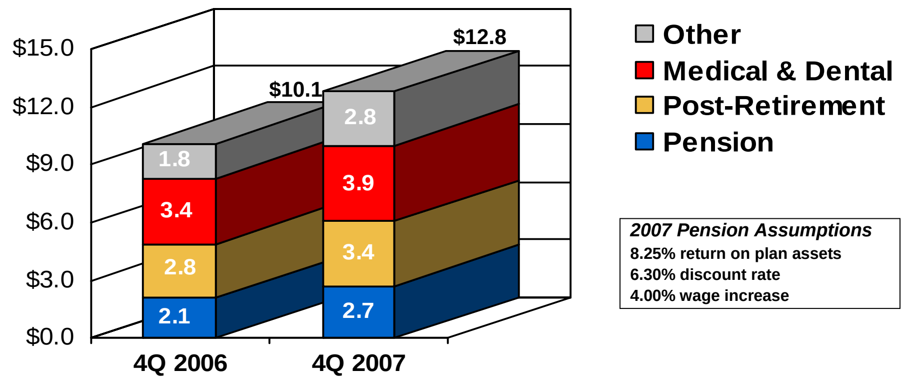


Consolidated Financial Results – Fiscal 2007 4Q

Natural Gas Marketing Segment	Three Months Ended September 30		
	2007	**2006**	**Change**
	(In thousands, except physical position)		
Delivered gas (1)	$12,734	$23,973	**($11,239)**
Asset optimization (2)	(9,731)	(18,375)	**8,644**
Unrealized margin	15,697	55,619	**(39,922)**
GROSS PROFIT	$18,700	$61,217	**($42,517)**
Net physical position (Bcf)	12.3	14.5	**(2.2)**

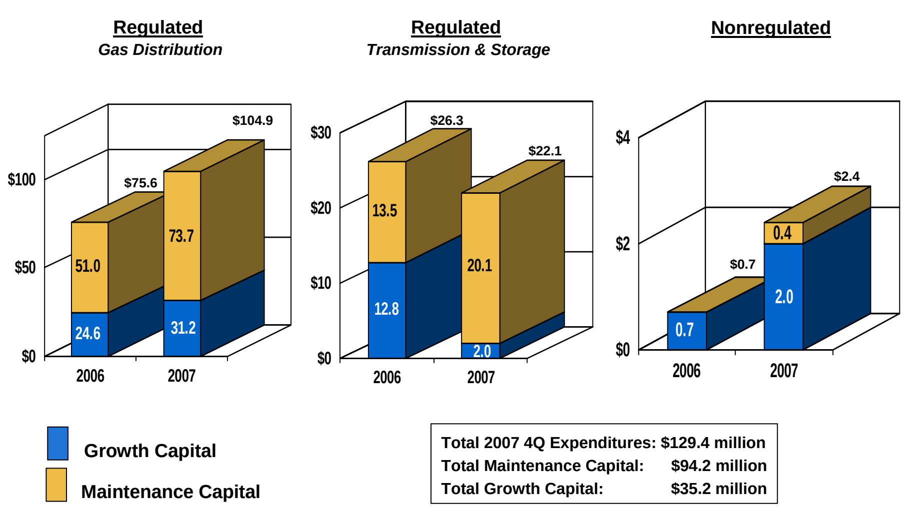
(1) Formerly realized marketing activity
(2) Formerly realized storage activity

Pension, Post-Retirement & Other Benefits Expense



2007 Pension Assumptions
8.25% return on plan assets
6.30% discount rate
4.00% wage increase

Capital Expenditures



Total 2007 4Q Expenditures:	$129.4 million
Total Maintenance Capital:	$94.2 million
Total Growth Capital:	$35.2 million

Highlights – Fiscal 2007

Quarterly Dividend

- On November 7, 2007*,* the Atmos Board of Directors declared a quarterly dividend of $0.325 per share; represents a 1.6 percent annual increase
- Indicated annual dividend of $1.30 per share
- 20th consecutive annual dividend *increase*; 96th consecutive dividend declared
- To be paid on December 10, 2007, to shareholders of record on November 26, 2007

Highlights – Fiscal 2007

Update - Eastern Kentucky Gas Gathering Project

- May 10, 2006, announced plans to construct a natural gas gathering system in eastern Kentucky, referred to as the Straight Creek Project, which was redesigned and renamed the Phoenix Gas Gathering Project
- During the fiscal 2007 fourth quarter, it became apparent that the anchor producers were not any closer to making a decision to dedicate their volumes, which were critical to the project threshold returns
- Therefore, it became likely that this project, as currently designed, would not be further developed and as a result, approximately $3.0 million of capitalized costs associated with this project were written off

Highlights – Fiscal 2007

Gas Held in Underground Storage – by Segment

Segment	September 30, 2007			September 30, 2006		
	Balance ($MM's)	Volumes (Bcf)	WACOG*	Balance ($MM's)	Volumes (Bcf)	WACOG*
Gas Distribution	$ 380.5	58.0	$ 6.55	$ 385.5	59.9	$ 6.43
Natural Gas Marketing	121.3	19.3	7.40	63.0	15.3	7.88
Pipeline, Storage and Other	13.3	2.0	7.61	13.0	2.6	7.89
Total:	$ 515.1	79.3	$ 6.78	$ 461.5	77.8	$ 6.76

*Weighted Average Cost of Gas (WACOG) excludes fair value hedge amounts associated with physical storage

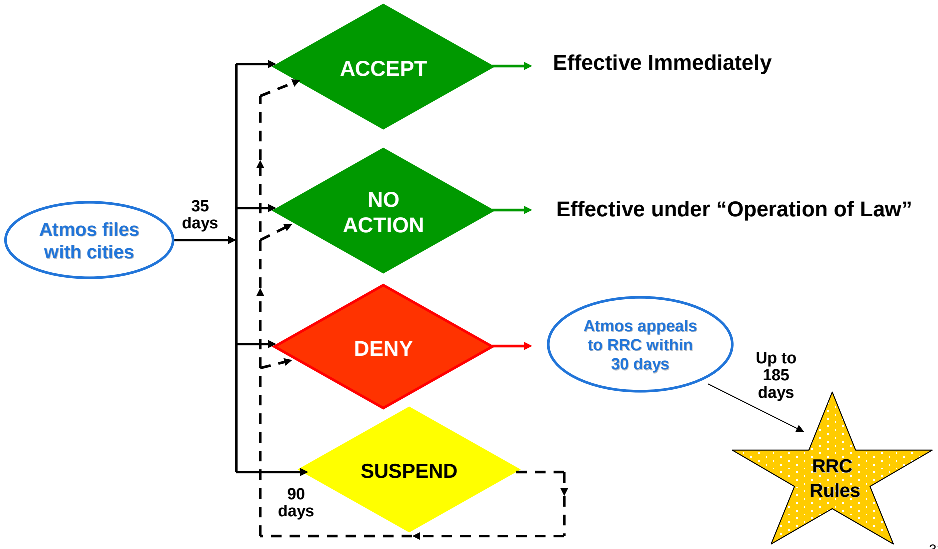
Highlights – Fiscal 2007

Rate Case Filing in Mid-Tex Division

- September 19, 2007, filed for rate increase of approximately $52 million and several rate design changes, including revenue stabilization, energy efficiency and recovery of the gas cost component of bad debt
- Requested ROE: 11.00%
- Requested Capital Structure: 52% Debt / 48% Equity
- Rate Base: $1.194 Billion
- Test year ended June 30, 2007
- Serves approximately 1.5 million residential, commercial and industrial customers in Texas
- Currently in discovery at the city level
- October 25, 2007, appealed to the RRC and asked for a 30-day abatement to allow us additional time to communicate with city representatives
- Any cities that have chosen to suspend their decision on the case, have until January 23, 2008, to either accept or deny our request

Highlights – Fiscal 2007

General Rate Case Process in Texas



Highlights – Fiscal 2007

Rate Case Filing in Kansas

- September 14, 2007, filed request for revenue increase of about $5.0 million
- Filing includes a Customer Utilization Adjustment mechanism to address declining use and complement existing WNA; filing encourages energy conservation
- Serves approximately 124,000 residential, commercial and industrial customers in Kansas
- Requested ROE: 11.00%
- Requested Capital Structure: 51.7% Debt / 48.3% Equity
- Rate Base: $135.6 Million
- March 31, 2007 test year
- Currently in discovery

Highlights – Fiscal 2007

Kentucky Rate Case Decision

- December 28, 2006, filed request for revenue increase of about $10.4 million and several rate design changes, including rate stabilization with decoupling and recovery of the gas cost component of bad debts
- The Kentucky Public Service Commission issued a final order on July 31, 2007, with the following key elements:
  - $5.5 million increase in base rates
  - Increase spread proportionately to individual customer classes
  - Effective with service rendered on and after August 1, 2007
  - Rate order affects approximately 175,000 customers
- Requested ROE: 11.75%
- Requested Capital Structure: 51.8% Debt / 48.2% Equity
- Rate Base: $169.4 Million
- Forward-looking filing with June 30, 2008 test year

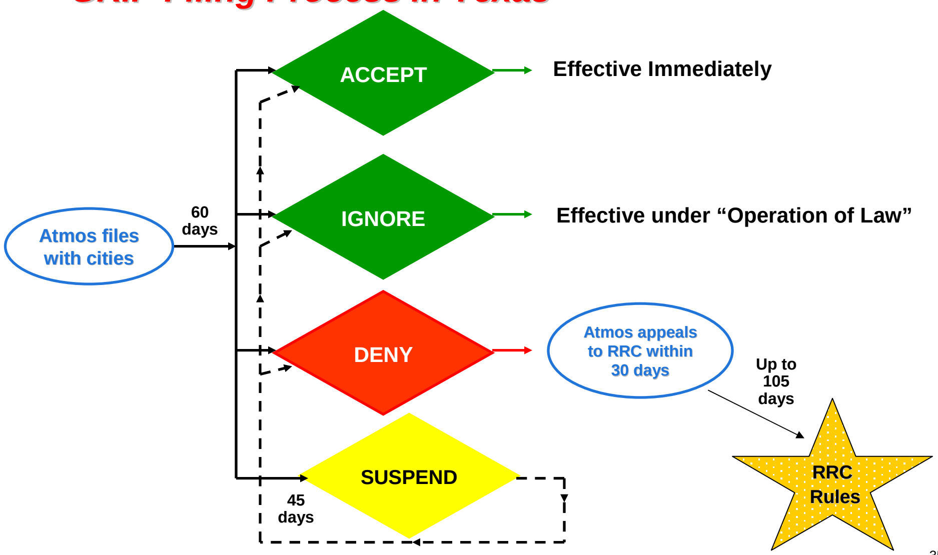
Highlights – Fiscal 2007

GRIP Filings – State of Texas

- May 31, 2007, **Atmos Pipeline-Texas** 2006 GRIP filing of $13.2 million revenue increase related to return and capital-related expenses on $88.9 million in net investment during calendar 2006; implemented September 2007
- May 31, 2007, **Mid-Tex Division** 2006 GRIP filing of $12.4 million related to return and capital-related expenses on $62.4 million increase in net investment during calendar 2006; implemented September 2007

Highlights – Fiscal 2007

GRIP Filing Process in Texas



Highlights – Fiscal 2007

Rate Case Filing in Tennessee

- May 4, 2007, filed request for revenue increase of about $11.0 million
- Settlement reached for $3.99 million revenue increase, coupled with $4.1 million decrease to depreciation expense, for a combined favorable pre-tax income impact of about $8.0 million.
- Rate increase implemented on November 4, 2007
- Approximately 132,000 residential, commercial and industrial customers in Tennessee
- ROE: Requested 11.75% / Authorized 10.48%
- Capital Structure: Requested 51.5% Debt / 48.5% Equity
  Authorized 56% Debt / 44% Equity
- Rate Base: Requested $188.9 Million / Authorized $186.5 Million
- Forward-looking filing with test year ended October 31, 2008

Highlights – Fiscal 2007

Louisiana Rate Decisions

- 2005 RSC filing for the LGS service area for approximately $10.8 million was effective August 12, 2006, based on a test year ended December 31, 2005; settlement agreement reached December 2006 resulting in a rate increase of about $9.5 million
- 2006 RSC filing for the LGS service area for about $0.8 million was effective July 1, 2007, settlement agreement reached in May 2007 resulting in a rate increase of $0.7 million
- 2006 RSC filing for the Trans La service area for approximately $1.8 million made December 28, 2006, for the test period ending September 30, 2006; settlement agreement reached in March 2007, which resulted in an increase of $1.4 million effective April 1, 2007

Highlights – Fiscal 2007

Mid-Tex Rate Case Decision

- May 31, 2006, filed for rate increase of approximately $60 million and several rate design changes including WNA, Revenue Stabilization, and recovery of the gas cost component of bad debt
- July 6, 2006, an interim agreement was reached to implement WNA effective October 1, 2006, utilizing 30 years of weather history
- Railroad Commission Decision issued on March 29, 2007
  - Permanent WNA based on 10 years of weather experience
  - Capital structure of 52% debt / 48% equity
  - Authorized ROE of 10%, Allowed Rate of Return of 7.903%
  - Rate Base of $1.044 Billion
  - Annual revenue increase of about $4.8 million; 66 cents/residential customer, effective immediately
  - Customer refund of $2.9 million related to annual GRIP filings
  - Rate order affects approximately 1.5 million customers

Highlights – Fiscal 2007

Missouri Rate Case Decision

- April 7, 2006, filed for 1st rate increase in over 9 years in Missouri
  - Requested revenue increase of about $3.4 million, or 5.9%
  - Investments approximated $22.0 million over the 9-year period
  - Serves approximately 60,000 residential, commercial and industrial customers in Missouri
  - Sought WNA, ROE increase to 12% and various rate design changes
- February 28, 2007, Final Order issued
  - No rate increase
  - Straight fixed/variable rate design for residential and small commercial customers, implemented March 4, 2007; achieves decoupling
  - Conservation Program to be implemented by August 31, 2007, and funded with 1 percent of gross annual revenues, or about $165,000 annually

Highlights – Fiscal 2007

Successful Senior Note Offering

- June 14, 2007, completed public offering of $250 million aggregate principal amount of 6.35% senior notes due 2017
- Interest rate was 6.45% inclusive of debt issue costs.
- After giving effect to a $100 million Treasury lock, the effective interest rate was 6.26%
- Net proceeds of approximately $247 million plus available cash of $53 million were used to redeem the company's $300 million of unsecured floating rate senior notes on July 15, 2007
- Debt-to-capitalization ratio reduced from 60.9% at September 30, 2006, to 53.7% at September 30, 2007

Highlights – Fiscal 2007

Credit Facilities

- March 30, 2007, Atmos Energy Marketing amended and extended its $580 million uncommitted demand working capital credit facility to March 31, 2008, on essentially the same terms
- December 15, 2006, Atmos Energy entered into a new $600 million, 5-year committed revolving credit facility through December 2011
  - Facility replaced our $600 million 3-year revolving credit facility entered into in October 2005, on essentially the same terms
  - Serves as a backup liquidity facility for our $600 million commercial paper program
- November 1, 2007, Atmos Energy entered into a new $300 million, 364-day committed revolving credit facility
  - Supplements amounts available under existing $18 million committed credit facility and $25 million uncommitted credit facility

Highlights – Fiscal 2007

Shelf Registration and Common Stock Offering

- December 4, 2006, Atmos Energy filed a registration statement with the SEC to issue up to $900 million in common stock and/or debt securities, including about $402 million carried over from prior shelf registration statement filed in August 2004
- December 13, 2006, Atmos Energy completed the sale of 6.3 million shares priced at $31.50
  - Approximately $192 million in net proceeds
  - Proceeds used to reduce short-term debt
  - Dilutes fiscal 2007 net income by approximately 5 cents per diluted share

Highlights – Fiscal 2007

Investment Grade Credit Ratings

	Rating
Moody's	
Senior Unsecured Debt:	Baa3
Commercial Paper:	P-3
Outlook:	stable
Standard & Poor's	
Senior Unsecured Debt:	BBB
Commercial Paper:	A-2
Outlook:	positive
Fitch	
Senior Unsecured Debt:	BBB+
Commercial Paper:	F-2
Outlook:	stable

Consolidated Financial Results – Fiscal 2008E

Earnings Guidance – Fiscal 2008E

- Atmos Energy anticipates earnings to be in the range of $1.95 - $2.05 per fully diluted share for the 2008 fiscal year
- Assumptions include:
  - Contribution from natural gas marketing segment reflecting less volatility in gas prices
    - Total expected gross margin contribution from the marketing segment in the range of $90 million to $100 million
  - Continued successful execution of rate strategy and collection efforts
  - Normal weather
  - Bad debt expense of no more than $20 million
  - Average annual short-term interest rate @ 6.5%
  - Average gas cost ranging from $7.95 - $10.00 per mcf
  - 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 2008 significantly above or below this outlook.

Projected Net Income by Segment

($ millions, except EPS)

	2005	2006	2007	2008E
Natural Gas Distribution	$ 81	$ 53	$ 73	**$ 86 - 90**
Regulated Trans & Storage	28	27	34	**37 - 40**
Natural Gas Marketing	23	58	46	**42 - 43**
Pipeline, Storage & Other	4	10	15	**11 - 12**
Total	136	148	168	**176 - 185**
Avg. Diluted Shares	79.0	81.4	87.7	**90.1**
Earnings Per Share	$ 1.72	$ 1.82	$ 1.92	**$1.95 - $2.05**

Consolidated Financial Results – Fiscal 2008E

Atmos Energy Marketing – Gross Profit Margin Composition

2008E

Delivered Gas

(Bundled gas deliveries & peaking sales)

- **Impacted by customer volume demand**
- **Sales prices are:**
  - **Cost plus profit margin**
  - **Cost plus demand charges**

Margins: More predictable

$60 - $65 Million

+

Asset Optimization

(Storage & transportation management)

- **Impacted by gas price spread values in the market (arbitrage opportunity)**
- **Physical storage capabilities**
- **Available storage and transport capacity**
  - **12.9 Bcf proprietary contracted capacity**
  - **28.5 Bcf customer-owned / AEM- managed storage**

Margins: More variable

$30 - $35 Million

=

Total AEM Margins

Total margins reflect:

- **Stability from delivered gas margins**
- **Upside from optimizing our storage and transportation assets to capture arbitrage value**

Margins: Stable with potential upside

$90 - $100 Million

Consolidated Financial Results – Fiscal 2008E

Projected Cash Flow

($ millions)

	2005	2006	2007	**2008E**
Cash flows from operations	$ 387	$ 311	$ 547	**$ 540 - 560**
Maintenance/Non-growth capital	(243)	(287)	(287)	**(310-325)**
Dividends	(99)	(102)	(112)	**(117)**
Cash available for debt reduction and growth projects	$ 45	$ (78)	$ 148	**$ 113 - 118**

Consolidated Financial Results – Fiscal 2008E

Capital Expenditures

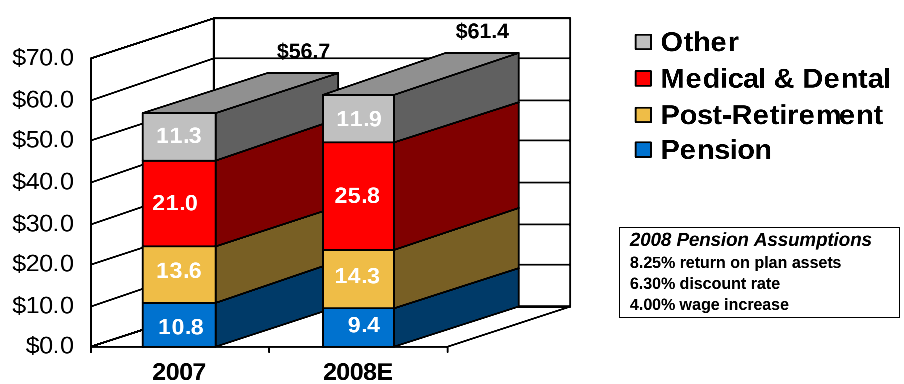
- In the 2007 fiscal year, Atmos Energy spent $392.4 million in capital expenditures
- For fiscal 2008, we project between $445-$465 million in capital expenditures
  - Approximately $310 - $325 million maintenance
    - Natural Gas Distribution: $254 million - $260 million
    - Regulated Transmission & Storage: $54 million - $60 million
    - Natural Gas Marketing: $2 million - $5 million
  - Approximately $135 - $140 million growth
    - Natural Gas Distribution: $91 million - $94 million
    - Regulated Transmission & Storage: $13 million - $14 million
    - Pipeline, Storage & Other: $31 million - $32 million

Minimizing Volatility With Gas Supply Hedging

- For the 2007-2008 heating season, Atmos Energy is hedging approximately 51 percent of its expected winter gas utility supply requirements
  - 26 percent are naturally hedged through a combination of owned underground storage assets and contract pipeline storage
  - 25 percent is hedged through the use of financial derivatives (primarily futures and fixed forward contracts)
- We project the weighted-average cost for storage gas and financial contracts to be approximately $7.27 per Mcf. This compares to a weighted-average cost of approximately $7.53 per Mcf for the same period last year
- Hedging provides relative protection to the company and its customers against volatility in gas prices
  - Customers will pay a blended rate for gas costs
  - Atmos Energy should reduce the effects of higher gas prices on its customer receivables and working capital requirements

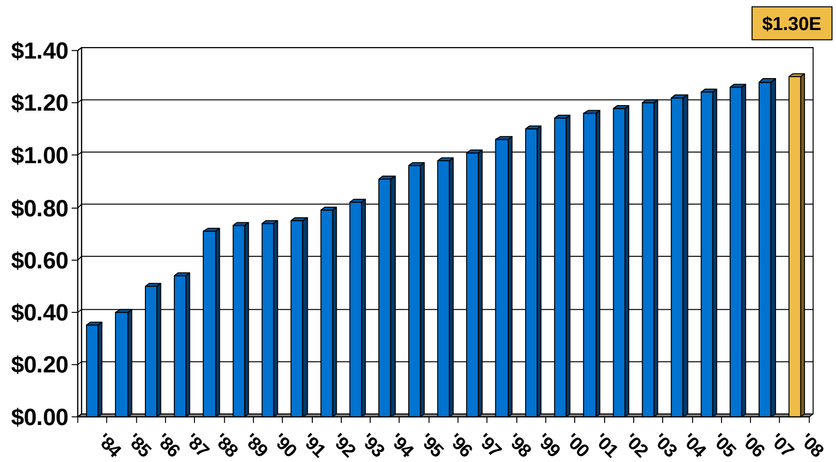
Pension, Post-Retirement & Other Benefits Expense

(in millions)



2008 Pension Assumptions
8.25% return on plan assets
6.30% discount rate
4.00% wage increase

Annual Dividend Growth



Note: Amounts are adjusted for mergers and acquisitions. For fiscal 2008, $1.30 is the indicated annual dividend.

Consolidated Financial Results
2007 Fiscal Year and Fourth Quarter

Consolidated Income Statements – Fiscal 2007

(000s except EPS)	Year Ended September 30 2007	2006
Operating Revenues:		
Natural Gas Distribution Segment	$ 3,358,765	$ 3,650,591
Regulated Transmission and Storage Segment	163,229	141,133
Natural Gas Marketing Segment	3,151,330	3,156,524
Pipeline, Storage and Other Segment	33,400	25,574
Intersegment Eliminations	(808,293)	(821,459)
	5,898,431	6,152,363
Purchased Gas Cost:		
Natural Gas Distribution Segment	2,406,081	2,725,534
Regulated Transmission and Storage Segment	-	-
Natural Gas Marketing Segment	3,047,019	3,025,897
Pipeline, Storage and Other Segment	792	1,080
Intersegment Eliminations	(805,543)	(816,718)
	4,648,349	4,935,793
Gross Profit	1,250,082	1,216,570
Operation and Maintenance Expense	463,373	433,418
Depreciation and Amortization	198,863	185,596
Taxes, other than income	182,866	191,993
Impairment of Long-lived Assets	6,344	22,947
Miscellaneous Income	9,184	881
Interest Charges	145,236	146,607
Income Before Income Taxes	262,584	236,890
Income Tax Expense	94,092	89,153
Net Income	$ 168,492	$ 147,737
Net Income Per Share:		
Basic	$ 1.94	$ 1.83
Diluted	$ 1.92	$ 1.82
Average Shares Outstanding:		
Basic	86,975	80,731
Diluted	87,745	81,390

Consolidated Income Statements – Fiscal 2007 4Q

(000s except EPS)	Three Months Ended September 30 2007	2006
Operating Revenues:		
Natural Gas Distribution Segment	$ 385,237	$ 395,917
Regulated Transmission and Storage Segment	40,582	34,574
Natural Gas Marketing Segment	790,428	673,603
Pipeline, Storage and Other Segment	5,917	6,334
Intersegment Eliminations	(220,100)	(138,974)
	1,002,064	971,454
Purchased Gas Cost:		
Natural Gas Distribution Segment	232,010	236,628
Regulated Transmission and Storage Segment	-	-
Natural Gas Marketing Segment	771,728	612,386
Pipeline, Storage and Other Segment	110	248
Intersegment Eliminations	(219,572)	(137,885)
	784,276	711,377
Gross Profit	217,788	260,077
Operation and Maintenance Expense	121,000	108,123
Depreciation and Amortization	49,828	48,422
Taxes, other than income	33,172	33,302
Impairment of Long-lived Assets	3,055	22,947
Miscellaneous Income	1,501	1,909
Interest Charges	35,963	38,982
Income (Loss) Before Income Taxes	(23,729)	10,210
Income Tax Expense (Benefit)	(17,815)	4,151
Net Income (Loss)	$ (5,914)	$ 6,059
Net Income (Loss) Per Share:		
Basic	$ (0.07)	$ 0.07
Diluted	$ (0.07)	$ 0.07
Average Shares Outstanding:		
Basic	88,581	81,073
Diluted	88,581	81,762

Natural Gas Distribution
Operating Income – By Division
Fiscal 2007

	Year Ended September 30	
	2007	2006
Gas Distribution Operating Income		
Colorado-Kansas Division	$ 22,392	$ 22,524
Kentucky/Mid-States Division	42,161	49,893
Louisiana Division	44,193	27,772
Mid-Tex Division	68,574	71,703
Mississippi Division	23,225	23,276
West Texas Division	21,036	2,215
Other	(394)	4,511
Total Gas Distribution Operating Income	$ 221,187	$ 201,894

Natural Gas Distribution
Operating Income (Loss) – By Division
Fiscal 2007 4Q

	Three Months Ended September 30	
	2007	2006
Gas Distribution Operating Income (Loss)		
Colorado-Kansas Division	$ (2,132)	$ (899)
Kentucky/Mid-States Division	(2,752)	(1,442)
Louisiana Division	4,653	2,570
Mid-Tex Division	(14,358)	4,280
Mississippi Division	(2,693)	(2,204)
West Texas Division	2,806	(21,838)
Other	(1,862)	324
Total Gas Distribution Operating Income (Loss)	$ (16,338)	$ (19,209)

Natural Gas Distribution Volumes - Fiscal 2007

	Year Ended September 30			
	2007	2006	Change	% Change
Sales Volumes (MMcf)				
Residential	166,612	144,780	21,832	15%
Commercial	95,514	87,006	8,508	10%
Public authority and other	8,596	8,457	139	2%
Industrial	22,914	26,161	(3,247)	(12%)
Irrigation	3,691	5,629	(1,938)	(34%)
Total	297,327	272,033	25,294	9%
Transportation (MMcf)	130,542	121,962	8,580	7%
Total Consolidated Gas Distribution Volumes (MMcf)	427,869	393,995	33,874	9%

Natural Gas Distribution Volumes - Fiscal 2007 4Q

	Three Months Ended September 30			
	2007	2006	Change	% Change
Sales Volumes (MMcf)				
Residential	11,591	12,026	(435)	(4%)
Commercial	12,283	12,315	(32)	(0)
Public authority and other	578	679	(101)	(15%)
Industrial	4,363	4,937	(574)	(12%)
Irrigation	3,004	2,514	490	19%
Total	31,819	32,471	(652)	(2%)
Transportation (MMcf)	28,970	30,578	(1,608)	(5%)
Total Consolidated Gas Distribution Volumes (MMcf)	60,789	63,049	(2,260)	(4%)

Cash Flow Statements - Fiscal 2007

(000s)	Year to Date September 30 2007	2006
Net income	$ 168,492	$ 147,737
Impairment of long-lived assets	6,344	22,947
Depreciation and amortization	199,055	185,967
Deferred income taxes	62,121	86,178
Other	21,270	18,480
Net change in operating assets and liabilities	89,813	(149,860)
Operating cash flow	547,095	311,449
Capital expenditures - growth	(105,778)	(138,242)
Capital expenditures - non-growth	(286,657)	(287,082)
Other, net	(10,436)	(5,767)
Operating cash flow after investing activities	144,224	(119,642)
Net repayment of long-term debt	(55,968)	(3,264)
Settlement of Treasury lock agreements	4,750	-
Dividends paid	(111,664)	(102,275)
Cash flow after growth capital	$ (18,658)	$ (225,181)

Capitalization - Fiscal 2007

(000s)	As of September 30 **2007**		**2006**	
Short-term debt	$ 150,599	3.5%	$ 382,416	9.1%
Long-term debt	2,130,146	50.2%	2,183,548	51.8%
Shareholders' equity	1,965,806	46.3%	1,648,098	39.1%
Total capitalization	$ 4,246,551	100.0%	$ 4,214,062	100.0%

As a Reminder…

- The audio and slide presentation of this conference call will be available on Atmos Energy's Web site by 9:00 a.m. Eastern Standard Time on November 8, 2007, through midnight on February 6, 2008. Atmos Energy's Web site address is: www.atmosenergy.com.
- To listen to the live conference call, dial 800-240-5318 by 9:00 a.m. Eastern Standard Time on November 8, 2007.

Appendix

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.

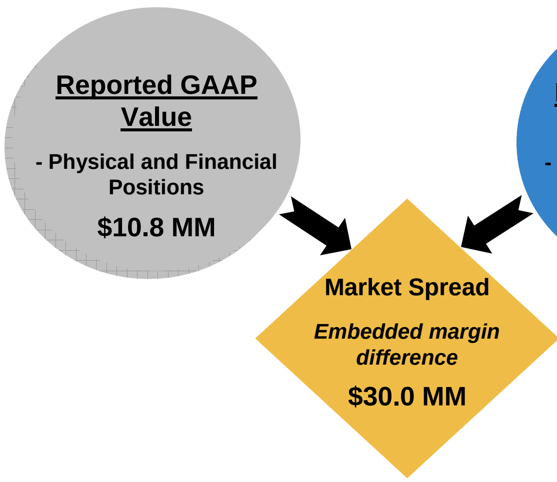
($ thousands)	As of September 30 Three Months			As of September 30 Fiscal Year		
	2007	2006	**Change**	2007	2006	**Change**
Amounts included in margin	$ 13,034	$ 12,277	**$ 757**	$ 104,157	$ 105,835	**$ (1,678)**
Amounts included in taxes, other	(15,057)	(13,907)	**(1,150)**	(105,233)	(110,647)	**5,414**
Difference / Impact	$ (2,023)	$ (1,630)	**$ (393)**	$ (1,076)	$ (4,812)	**$ 3,736**

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.

Economic Value vs. GAAP Reported Results



***Realizing Economic Value is dependent on ability to execute** – deliver physical gas & close financial hedges

Supporting data appears on the following slide

At September 30, 2007

Economic Value vs. GAAP Reported Results Three Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mmcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mmcf)	Total ($ in millions)	Market Spread ($ per mmcf)	Total ($ in millions)
6/30/2006	19.0	10.2353	8.7417	1.4936	28.4	(3.0297)	(57.7)	4.5233	86.1
9/30/2006	14.5	11.9716	7.8329	4.1387	60.0	(1.1076)	(16.0)	5.2463	76.0
2006 Variance	(4.5)	$ 1.7363	$ (0.9088)	$ 2.6451	$ 31.6	1.9221	$ 41.7	$ 0.7230	$ (10.1)
6/30/2007	21.5	9.5409	7.6238	1.9171	41.2	(0.3343)	(7.2)	2.2514	48.4
9/30/2007	12.3	11.1547	7.8297	3.3250	40.8	0.8819	10.8	2.4431	30.0
2007 Variance	(9.2)	$ 1.6138	$ 0.2059	$ 1.4079	$ (0.4)	1.2162	$ 18.0	$ 0.1917	$ (18.4)

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 Fiscal Year

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mmcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mmcf)	Total ($ in millions)	Market Spread ($ per mmcf)	Total ($ in millions)
9/30/2005	6.9	6.3466	4.4435	1.9031	**13.1**	(2.1502)	**(14.8)**	4.0533	**27.9**
9/30/2006	14.5	11.9716	7.8329	4.1387	**60.0**	(1.1076)	**(16.0)**	5.2463	**76.0**
2006 Variance	7.6	$ 5.6250	$ 3.3894	$ 2.2356	**$ 46.9**	1.0426	**$ (1.2)**	$ 1.1930	**$ 48.1**
9/30/2006	14.5	11.9716	7.8329	4.1387	**60.0**	(1.1076)	**(16.0)**	5.2463	**76.0**
9/30/2007	12.3	11.1547	7.8297	3.3250	**40.8**	0.8819	**10.8**	2.4431	**30.0**
2007 Variance	(2.2)	$ (0.8169)	$ (0.0032)	$ (0.8137)	**$ (19.2)**	1.9895	**$ 26.8**	$ (2.8032)	**$ (46.0)**

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