



## News Release

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**Atmos Energy Announces Tentative Settlement with  
Atmos Cities Steering Committee**  
*Settlement Affects Approximately 52% of Mid-Tex Division Customers*

DALLAS (January 10, 2008)—Atmos Energy Corporation (NYSE: ATO) announced today that its Mid-Tex Division has entered into a settlement agreement with the Atmos Cities Steering Committee (“ACSC”), on behalf of its 151 cities located in the division. Such cities represent about 52% of the total number of residential customers in the Mid-Tex Division. The settlement agreement, which resolves all issues in the rate case filed by the Mid-Tex Division with such cities on September 20, 2007, is subject to approval by each of the cities in the ACSC.

“We are pleased to reach a fair and reasonable agreement that allows us to continue the delivery of natural gas and recover the costs related to serving customers” said John Paris, Atmos Energy’s president of the Mid-Tex Division.

Some of the highlights of the settlement agreement are as follows:

- An increase of approximately 20 cents per month in the average residential customer’s bill, effective March 1, 2008;
- A Rate Review Mechanism (RRM) to be effective for a three-year trial period that will reflect annual changes in the Mid-Tex Division’s cost of service and rate base
  - In connection with the initial RRM filing, which is expected to be implemented in rates on October 1, 2008, the monthly residential customer charge will be reduced from \$10.69 to \$7.00;
- An authorized return on equity of 9.6 percent, with the cost of debt and capital structure substantially unchanged from the Mid-Tex Division’s prior rate case;

- Establishment of a new program designed to encourage natural gas conservation, beginning October 1, 2008, to be funded annually from equal \$1 million contributions from the Mid-Tex Division and from funds collected from customers through a new customer tariff.

In early February 2008, the Company will provide an update on this tentative settlement and the ongoing settlement discussions with the other cities served by the Mid-Tex Division. The Company will also update its fiscal 2008 guidance at that time.

### **Forward-Looking Statements**

The matters discussed in this news release 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 news release 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 news release or in any of the company’s 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 news release, including the risks and uncertainties relating to regulatory trends and decisions, the company’s ability to continue to access the capital markets and the other factors discussed in the company’s SEC filings. These factors include the risks and uncertainties discussed in the company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2007. Although the company believes 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. The company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

### **About Atmos Energy**

Atmos Energy Corporation, headquartered in Dallas, is the country’s largest natural gas-only distributor, serving about 3.2 million natural gas distribution customers in more than 1,600 communities in 12 states from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Atmos Energy also provides natural gas marketing and procurement services to industrial, commercial and municipal customers in 22 states and manages company-owned natural gas pipeline and storage assets, including one of the largest intrastate natural gas pipeline systems in Texas. Atmos Energy is a Fortune 500 company. For more information, visit [www.atmosenergy.com](http://www.atmosenergy.com).