



News Release

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Atmos Energy Announces Tentative Settlement with ATM Coalition of Cities

DALLAS (February 13, 2008)—Atmos Energy Corporation (NYSE: ATO) announced today that its Mid-Tex Division has entered into a settlement agreement with the Atmos Texas Municipalities (“ATM”) representing 49 cities located in the division. The settlement agreement, which resolves all issues in the rate case filed by the Mid-Tex Division with the cities on September 20, 2007, is subject to approval by each of the cities in the ATM group. The terms of this agreement are substantially the same as the agreement announced by the company with another intervening group in January 2008, and increases the application of the settlement to nearly 70 percent of the division’s customers.

“We believe these settlement discussions have enhanced our relationships with these cities we are privileged to serve,” said John Paris, Atmos Energy’s president of the Mid-Tex Division. “We are pleased to have now achieved a fair and reasonable agreement with more than two-thirds of the customers this division serves.”

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

- An increase of approximately 20 cents a month in the average residential customer’s bill;
- 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, Atmos Energy will reduce its monthly customer charge from \$10.69 to \$7.00;
- An authorized return on equity of 9.6 percent, with the cost of debt and capital structure 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.

The Company is continuing settlement discussions with cities representing the remaining one-third of the Mid-Tex Division's customers. As a result of the uncertainty surrounding the final outcome of these negotiations and the timing of the implementation of the new rates granted in the tentative settlement agreement, Atmos Energy anticipates that the settlement will not have a material impact on fiscal 2008 results.

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 and Quarterly Report on Form 10-Q for the first quarter of the fiscal year ended September 30, 2008. 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.

Atmos Energy's Mid-Tex Division serves the north-central region of Texas, from Longview to Abilene and from the Red River to Round Rock, including the Dallas-Fort Worth Metroplex.

Atmos Energy's West Texas Division, a different division providing service to the Texas Panhandle, Amarillo, Lubbock, Midland, Odessa and surrounding areas, is not involved in this rate case.