



News Release

Media Contact:

Ray Granado
(214) 208-9582

Rand LaVonn
(972) 855-3086

Analyst Contact:

Susan Kappes
(972) 855-3729

Atmos Energy Files Rate Case With Texas Railroad Commission

Company seeks rate change

DALLAS (May 31, 2006) – Atmos Energy Corporation’s (NYSE: ATO) Mid-Tex Division today filed with the Railroad Commission of Texas to request a change in the company's rates for the 440 incorporated cities and approximately 1.5 million customers that Atmos Energy serves throughout its Mid-Tex Division service territory, including the Dallas/Fort Worth Metroplex area. The filing is in response to recent actions by some of the cities which have made it necessary for the company to justify its rates.

As part of the filing, Atmos Energy is requesting several rate design changes, including a weather normalization adjustment and a revenue stabilization adjustment, which should reduce fluctuations in customers’ bills and more closely align the interests of customers and the company. The request would increase the rates that customers pay for the transmission and delivery of natural gas to their homes and businesses. The requested increase equates to approximately \$4.00 per month for the average residential customer. The company’s filing, if approved, would authorize an overall return on investment of 8.86 percent.

“At Atmos Energy, we have an unwavering commitment to provide safe, reliable natural gas service to our customers,” said Dick Erskine, Atmos Energy’s president of the Mid-Tex Division. “We are simply asking for a fair rate of return on our shareholders’ investment and recovery of our operating and customer service costs.”

(more)

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,” “believes,” “estimate,” “expects,” “forecast,” “goal,” “intends,” “objective,” “plans,” “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 relating to the acquisition of the operations of TXU Gas, 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 Form 10-K for the fiscal year ended September 30, 2005, and the Company’s Form 10-Q for the three and six month periods ended March 31, 2006. 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 gas utility customers. Atmos Energy's utility operations serve more than 1,500 communities in 12 states from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Atmos Energy's nonutility operations, organized under Atmos Energy Holdings, Inc., operate in 22 states. They provide natural gas marketing and procurement services to industrial, commercial and municipal customers and manage company-owned natural gas storage and pipeline assets, including one of the largest intrastate natural gas pipelines in Texas. Atmos Energy is a Fortune 500 company. For more information, visit www.atmosenergy.com.

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