



News Release

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Atmos Energy Files for New Rates

OWENSBORO, KY (January 2, 2007)—Atmos Energy Corporation’s Kentucky Division filed with the Kentucky Public Service Commission to request a change in the company’s rates for the 38 counties and approximately 173,000 homes and businesses that Atmos Energy serves across the state. This proposed rate change would increase revenues by approximately \$10.4 million, or 4.6 percent. A typical monthly gas bill for a residential customer would increase approximately \$3.90.

“Atmos Energy is not earning a fair return on its investment with the rates currently in effect,” said Gary Smith, vice president of regulatory affairs for the Kentucky Division. “We are proud to have avoided any changes in our distribution charges since 1999, but an adjustment is now necessary to restore and sustain an adequate return.”

Atmos Energy also proposed to include a mechanism (Customer Rate Stabilization) that is expected to provide customers with the assurance of more stable rates and the utility with more earnings stability in the future.

“At Atmos Energy, we have an unwavering commitment to provide safe, reliable natural gas service to our customers,” said John Paris, president of Atmos Energy’s Kentucky Division. “We remain one of the lowest cost providers of natural gas in the state. We are simply asking for a fair rate of return on our shareholders’ investment and timely recovery of our operating and customer service costs.”

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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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 filings with the Securities and Exchange Commission. 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, 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. Further, the company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.