



## News Release

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### **Atmos Energy Natural Gas Costs Even Lower This Winter** *Customers Could Spend Less Than Last Year*

DALLAS (January 12, 2007) – Residential customers of Atmos Energy Corporation (NYSE: ATO) could spend less for this winter’s heating bills than during the previous winter season, marking the first winter-to-winter decline in four years. Atmos Energy officials echoed the Energy Information Administration (EIA) winter forecast issued this week, predicting lower overall winter heating bills, based on current supplies and weather forecasts.

“Prices have fallen even more than expected since October, when Atmos Energy projected lower natural gas prices this winter,” said Kim Cocklin, Atmos Energy senior vice president of utility operations. “Mild winter weather and near-full storage levels are the main reasons for the return to historically normal costs.”

The EIA now predicts total winter natural gas expenses of approximately \$800 for the average U.S. household, which is about 14 percent less than last winter. Some regions will experience more or less savings, depending on the weather and natural gas usage. The National Oceanic Atmospheric Administration predicts this winter will be only slightly warmer than normal.

#### **Cold Front**

Most of Atmos Energy’s nearly 3.2 million customers could be affected by the Canadian weather system bringing freezing temperatures this week. Atmos Energy expects to have sufficient natural gas supplies to meet the needs of customers across its 12-state service territory during the next week and throughout the winter. Atmos Energy owns or holds contracts for 80 billion cubic feet of underground natural gas storage to meet the needs of customers. Natural gas is injected into storage during warm weather so that it can be utilized during cold weather.

#### **Customers Pay What We Pay**

“Customers pay the same price that Atmos Energy has already paid – and not a penny more – for natural gas,” said Cocklin. “We buy natural gas at wholesale prices on behalf of customers, and we recover the actual cost of gas from our customers with no mark up. Atmos

Energy makes no profit on the cost of natural gas charged to customers; our earnings are generated from the delivery rates, which are regulated by state agencies and local governments.”

### **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.

### **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 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).

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