



News Release

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Texas Railroad Commission Rules on Atmos Energy's Mid-Tex Division Rate Case

DALLAS (March 29, 2007)—Atmos Energy Corporation (NYSE: ATO) today announced that an order has been issued by the Railroad Commission of Texas (Commission) relating to the company's Mid-Tex Division rate case, filed in May of 2006. The order includes the following:

- A determination that the acquisition of the Mid-Tex assets was in the public interest.
- A permanent weather normalization adjustment (WNA) mechanism which is based upon the most recent 10 years of weather experience. The WNA mechanism provides for a stabilization of customer utility bills in periods of warmer or colder-than-normal weather.
- An approved capital structure of 52 percent debt/48 percent equity.
- An authorized return on equity of 10 percent.
- An annual revenue increase of approximately \$4.5 million, or 66 cents per month for the average residential customer, effective immediately.
- A refund to customers of approximately \$2.3 million related to the Gas Reliability Infrastructure Program (GRIP) annual filings.

“This decision represents an important milestone for our Mid-Tex Division, with the finding that the acquisition of Mid-Tex by Atmos was in the public interest, the authorization for a permanent WNA mechanism, as well as the comprehensive review of our annual GRIP filings,” said Robert W. Best, chairman, president and CEO of Atmos Energy.

Best added: “We commend the Commission for seeking to balance the interests of the company and our customers in this case. We remain committed to working within the regulatory process to recover our actual expenses, earn our authorized rate of return, and to continue making investments in our delivery system in the state of Texas.”

Due to the continued strong performance of the company's complementary non-regulated marketing business, Atmos Energy is reaffirming its fiscal 2007 earnings guidance in the range of \$1.90 to \$2.00 per diluted share. However, the mark-to market impact on the marketing company's physical storage inventory at September 30, 2007, could affect earnings per diluted share.

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, and the company’s Form 10-Q for the three months ended December 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. 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 non-utility 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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