



## News Release

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**Atmos Energy Granted Weather-Based Relief  
by the Railroad Commission of Texas**

*Interim adjustment will take effect October 1*

DALLAS (July 6, 2006)—Atmos Energy Corporation (NYSE: ATO) today announced that the Railroad Commission of Texas (RRC) has approved an interim Weather Normalization Adjustment (WNA), effective Oct. 1, 2006, for the company's Mid-Tex Division.

WNA is a mechanism which adjusts customers' monthly bills from October through May to reflect normal weather patterns based upon an average temperature for each billing period. This formula essentially lowers bills during periods of colder-than-normal weather and raises them during warmer-than-normal periods. Over time, the positive and negative adjustments tend to even out.

In May, Atmos Energy's Mid-Tex Division filed a request with the RRC to change the company's rates for the division's 1.5 million customers. These customers reside in 440 incorporated cities, including the Dallas/Fort Worth Metroplex area.

After the company's May filing, the parties to the case reached an agreement to implement WNA on both an interim and permanent basis. The agreement provided that the interim WNA will use 30 years of weather history, while the permanent WNA would allow the parties to contest the appropriate period of weather data to use in calculating normal weather. The permanent WNA would also be modified or adjusted to conform to the rate design that the commission ultimately approves in the case. The RRC's action today approves the agreement.

Last winter's warmer-than-normal weather negatively impacted the company's gross profit by approximately \$32 million, \$22 million of which was attributable to its Mid-Tex Division, which experienced weather that was 26 percent warmer than normal in the first six months of the company's fiscal year.

The company previously announced that it had reached a settlement with the staff of the Louisiana Public Service Commission (LPSC), which would authorize its Louisiana Division to implement WNA. The settlement was approved by the LPSC in May 2006. WNA benefits customers by reducing fluctuations in monthly heating bills, while also enabling the company to better forecast revenues and expenses and to earn its authorized rate of return on investments that are required in order to operate a safe and reliable system. With the addition of this interim settlement in Texas, the company now has weather protection for over 90 percent of its customer base throughout its 12-state service territory.

“We are pleased with the railroad commission’s ruling today,” said Dick Erskine, president of Atmos Energy’s Mid-Tex Division. “There is still work to be done to ensure permanent weather normalization, but this is a solid step forward. As we’ve said before, we are simply asking for a fair rate of return on our shareholders’ investment and timely recovery of our operating and customer service costs.”

Hearings on the company’s rate request are scheduled to be held at the RRC from October 31 through November 10, 2006, and a final decision from the RRC is expected no later than the end of February 2007.

### **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](http://www.atmosenergy.com).

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