



News Release

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Natural Gas: A Top Value for 2007–08 Winter

Atmos Energy Offers Tips for Winter Heating

DALLAS (Oct. 10, 2007)—Atmos Energy Corporation (NYSE: ATO) said today that natural gas prices have declined for the fourth consecutive month and that winter residential heating bills are projected to be only slightly higher than last year.

“Atmos Energy is also pleased to report that natural gas supplies are higher than normal, which will mean the continued reliable delivery of natural gas to keep people warm this winter,” said John Paris, president of Atmos Energy’s Mid-Tex Division. “Safe and reliable service is what Atmos Energy provides, and we are ready for the upcoming winter.”

The federal government’s Energy Information Administration (EIA) has issued a similar winter forecast. The EIA short-term energy forecast predicts that all energy prices will increase and that natural gas expenditures could be approximately 10 percent higher than last year for the average American household. Some regions will experience greater or lesser savings, depending on the weather and natural gas consumption. Nationwide, about 58 percent of all households use natural gas as their primary heating source.

The National Oceanic and Atmospheric Administration predicts that the upcoming winter will be 4 percent colder than last winter.

“Last winter was a return to normalcy following the hurricane damage of 2005; so, this winter underscores value and stability,” Paris said. “Natural gas is more efficient than electric heat. It’s warmer and more comforting. It’s also the cleanest burning fossil fuel, which helps protect the environment.”

According to the U.S. Department of Energy, the average American household using natural gas as the primary heating source spent \$813 to stay warm last winter. DOE’s projected expense for natural gas this winter is approximately \$891.

Households using heating oil can expect a 22 percent increase, from \$1,466 last winter to \$1,785 this winter. Households using electricity as their primary heating source can expect a 4 percent increase, with the average total heating bill of \$823 last winter expected to rise to \$855 this winter.

Consumers using propane heat can expect a 16 percent increase, with the past winter's average heating bill of \$1,349 increasing to a projected \$1,570 this winter. Energy costs, especially for electricity, vary across regions.

Energy Management Tools

To help customers manage their utility bills, Atmos Energy offers several features on its Internet site. Customers can go to www.atmosenergy.com and click on "Manage Energy Use" to use six informative features:

- **ClearBill** analyzes how weather and other factors affect a customer's Atmos Energy bill.
- **Energy Profile** offers a personalized energy-use report and energy-savings advice.
- **Energy Calculator** estimates how much it costs to operate home appliances.
- **Energy Library** provides detailed research on many energy topics.
- **Energy Advisor** answers energy questions with advice from an Atmos Energy expert.
- **Energy Saving Tips** shows a number of easy ways to save energy in a typical home.

For energy efficiency information, customers also can go to another Atmos Energy Web site, www.manageyourenergybills.com, which consolidates information about natural gas bills and provides tips on how to use energy wisely.

Paris encouraged customers to have their natural gas furnaces and appliances inspected annually to ensure safe, reliable and efficient operations. He said most plumbing, heating or ventilation contractors can provide the proper inspection.

You Pay What We Pay

"Customers pay the same price that Atmos Energy has already paid for natural gas," Paris said. "We buy natural gas at wholesale prices on behalf of our customers, and we recover the actual cost of gas from our customers with no markup. Atmos Energy makes no profit on the cost of gas charged to customers. Our earnings come from our delivery rates, which are regulated by state agencies and local governments."

Billing Convenience

Atmos Energy offers several payment options for its customers.

- **Electronic Billing** notifies customers by e-mail when their bill is ready to be viewed and allows customers to pay online.
- **Automatic Payment** is convenient and simple, automatically deducting bill payments each month from a customer's checking, savings or credit union account.
- **Budget Billing** evens out a customer's monthly natural gas bills year-round, making it easier to budget for energy costs by avoiding high winter heating bills.
- **Other Options** let customers pay online at www.atmosenergy.com, by phone with a credit card or check at 1-888-286-6700, in person at an authorized payment center or by mail.

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 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 Quarterly Report on Form 10-Q for the three and nine-month periods ended June 30, 2007. 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 distribution company, serving about 3.2 million gas utility customers. Atmos Energy's utility operations serve more than 1,600 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 pipelines in Texas. Atmos Energy is a Fortune 500 company. For more information, visit www.atmosenergy.com.

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