

AGA Financial Forum

Kim Cocklin
President and Chief Executive Officer
May 16, 2011

Forward Looking Statements

The matters discussed or incorporated by reference in this presentation 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 presentation 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 presentation or in any of our 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 presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the capital markets, and the other factors discussed in our filings with the Securities and Exchange Commission. These factors include the risks and uncertainties discussed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010, and in our Quarterly Report on Form 10-Q for the three and six months ended March 31, 2011. Although we believe 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. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2011 and beyond that appear in this presentation are current as of May 4, 2011.

Overview



Company Profile

- The nation's largest pure-gas distribution company
- Solid financial foundation – strong balance sheet
- Track record of creating shareholder value
 - Consistent earnings per share growth – with an annual average increase of 5 percent since 2005
 - 27 consecutive years of increasing dividends
- Focused strategy on core natural gas business
 - Maximize regulated earnings capability
 - Complement regulated businesses through select nonregulated operations
 - Grow through prudent acquisitions which enhances shareholder value

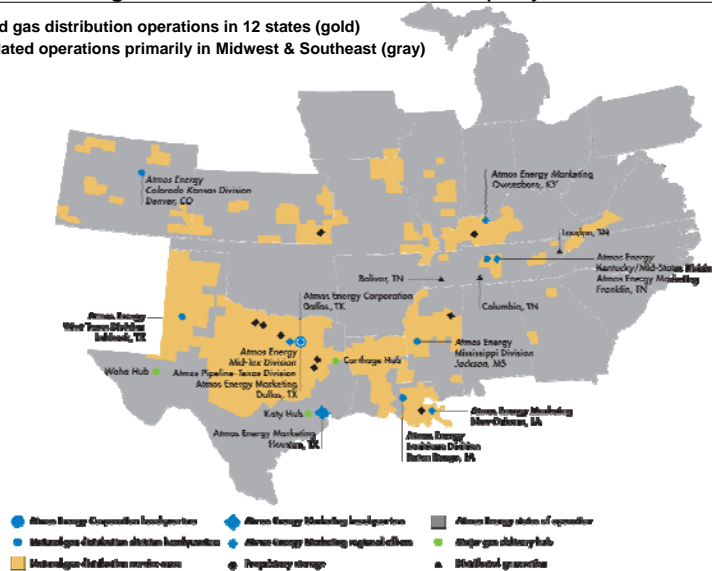
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Overview



The Nation's Largest Pure-Gas Distribution Company

- Regulated gas distribution operations in 12 states (gold)
- Nonregulated operations primarily in Midwest & Southeast (gray)

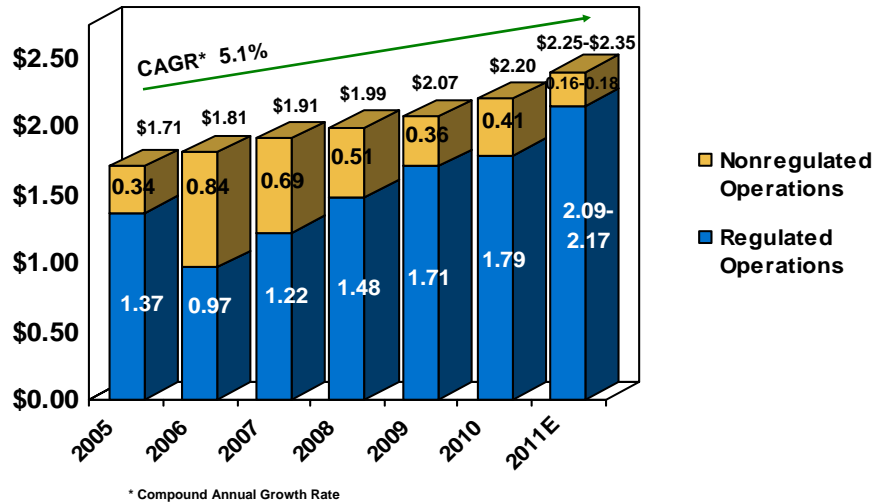


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Overview



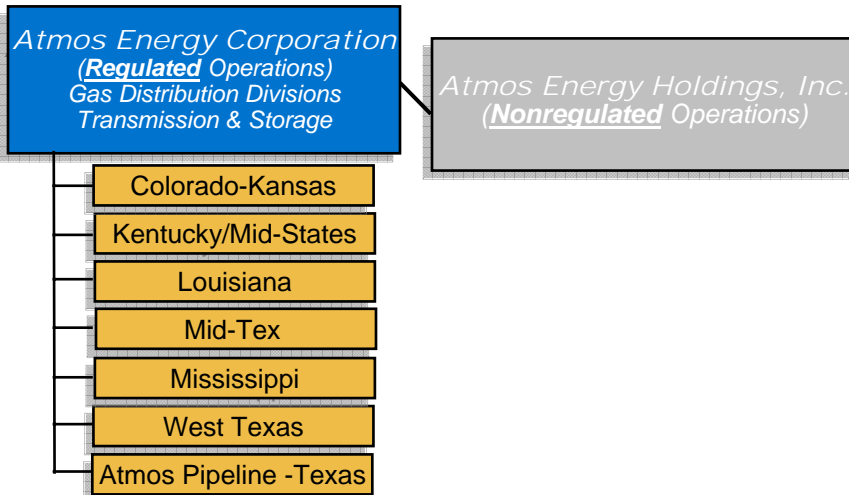
Diluted Earnings Per Share Contribution Shows Steady Growth



As of May 4, 2011

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Regulated Operations



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Regulated Operations



Successfully Executing on the Distribution Rate Strategy

Territory	Margin Protection 2011E			Accelerated Capital Recovery
	Weather	Annual Mechanism (1)	Bad Debt Recovery	Outside Normal Rate Proceedings
Texas	56%	47%	55%	9%
Louisiana	11%	11%	na	(1)
Mississippi	9%	9%	na	(1)
Remaining Jurisdictions	18%	0%	19%	9%
Total	94%	67%	74%	18%

(1) The annual mechanism on 67 percent of our margin allows for the annual recovery of both capital expenditures and O&M expenses. When combined with the 18 percent that allows for the accelerated recovery of only capital, we have rate structures with accelerated recovery of all or a portion of our expenditures on a total of 85 percent of our distribution margins.

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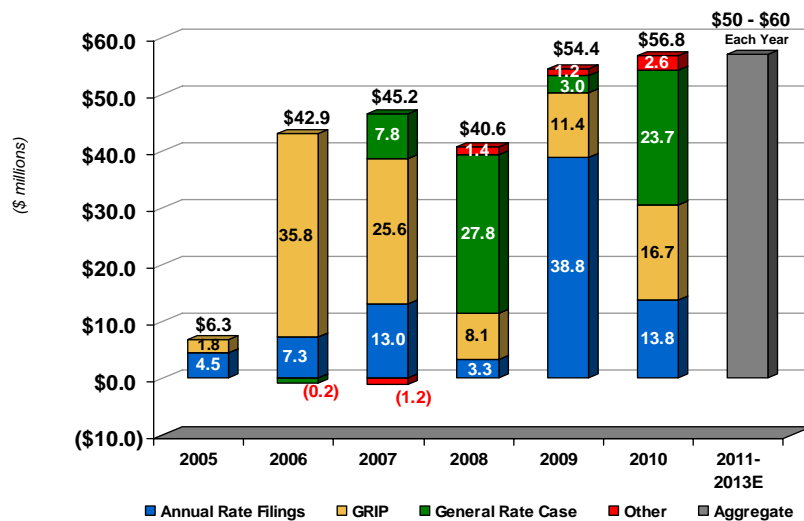
As of May 4, 2011

Regulated Operations



Approved Annual Increases in Operating Income from Rate Activity

(by Fiscal Year)



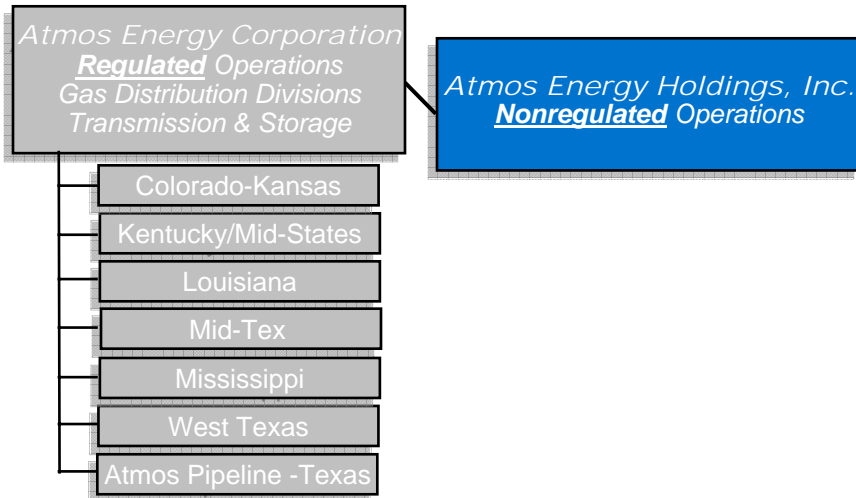
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As of May 4, 2011

Nonregulated Operations



Organization Structure



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Nonregulated Operations



Business Mix

	Core Business	Core Business	Core Business
Business	Delivered Gas	Storage & Transportation	Asset Optimization
Services	Aggregate & Purchase Gas Supply, Transport, Storage/Load Balancing, Risk Management and other bundled services.	Storage, transmission and gathering services supporting the natural gas distribution operations.	Extract (optimize) the value of owned, leased or managed storage and transportation assets as markets provide opportunities via price volatility.
Strategy	Find cost effective sources of gas and deliver to customers reliably and at a competitive price. Provide creative solutions and services to meet customers' gas requirements.	Operate acquired storage, transportation & gathering assets that provide steady, predictable income.	Capture additional value of storage and transportation assets through arbitrage and segmenting strategies, within risk limits. Expand leased storage and transportation capacity through new customer relationships.
Margins	More predictable margins from primarily 90 day to 365 day contracts. Driven by customer demand for gas volumes, services and competition.	Stable, fee-based income.	Variable margins, with upside. Driven by gas price spread volatility creating arbitrage potential, physical storage capabilities, costs & available storage & transport capacity.

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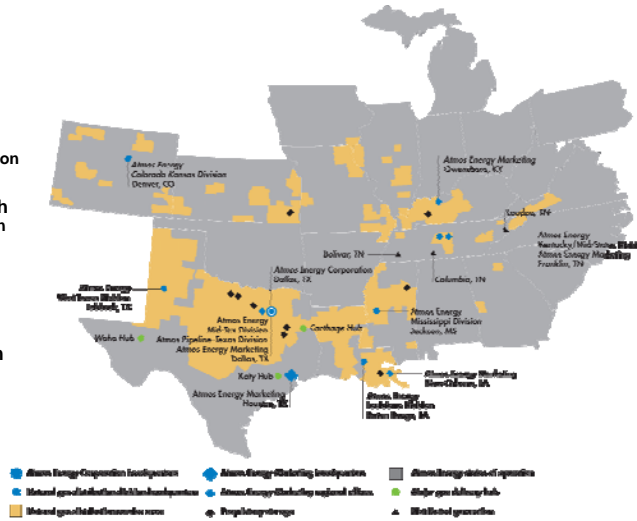
Nonregulated Operations



Delivered Gas Customers (gray states)

Key Growth Drivers

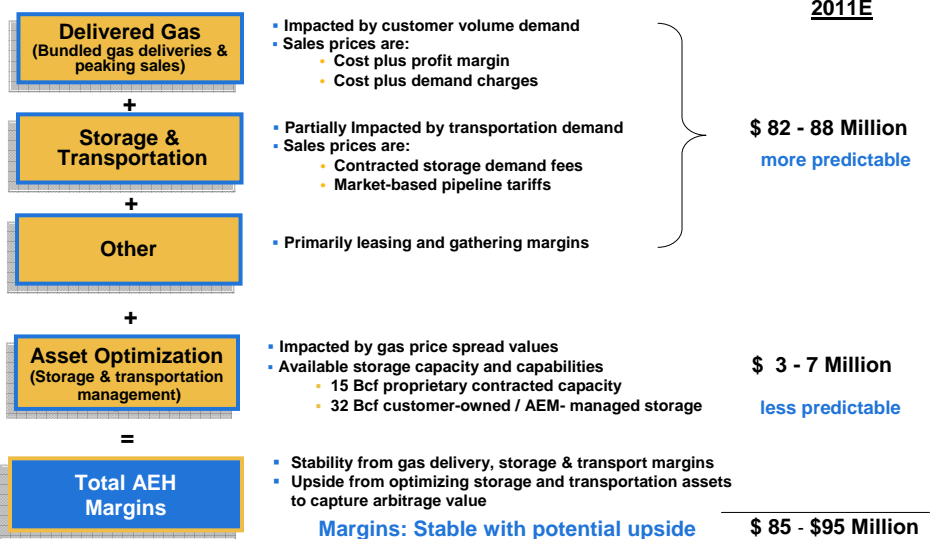
- Retain existing customers
- Saturate existing markets—target Atmos Energy’s distribution footprint
- Expand into targeted growth markets – where we lease, own or manage storage and transportation assets
- Expand asset management business
- Unit margin expansion from premium value-added services provided to customers
- Access to storage and transportation capacity



Nonregulated Operations



Majority of Margins are Stable & Predictable



Financial Review

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Financial Review

Consolidated Earnings Guidance – Fiscal 2011E

- As we announced in our news release on May 4, 2011, Atmos Energy continues to expect earnings to be in the range of \$2.25 – \$2.35 per diluted share for the 2011 fiscal year, excluding unrealized gains and losses
- Updated assumptions include:
 - Expected gross margin contribution from the nonregulated segment in the range of \$85 million to \$95 million, excluding any unrealized gains and losses
 - Continued successful execution of rate strategy, with total approved increases in operating income of between \$50 - \$60 million
 - Normal weather for the remainder of the fiscal year
 - Average gas cost purchases ranging from \$4 - \$6 per Mcf
 - Bad debt expense of no more than \$9 million
 - Average annual short-term interest rate of approximately 30 basis points
 - Net issuance of 500,000 common shares
 - No material acquisitions

Fiscal 2011 earnings guidance affirmed in news release dated May 4, 2011. Changes in these events or other circumstances that the company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2011 significantly above or below this outlook.

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Financial Review



Projected Net Income by Segment

(\$ millions, except EPS)

	2007	2008	2009	2010	2011E
Natural Gas Distribution	\$ 73	\$ 93	\$ 117	\$ 126	\$ 146 – 151
Regulated Trans. & Storage	34	41	41	41	45 – 47
Nonregulated	61	46	33	39	15 – 17
Total	168	180	191	206	206 – 215
Avg. Diluted Shares	87.5	89.9	91.6	92.4	90.7
Earnings Per Share **	\$ 1.91	\$ 1.99	\$ 2.07	\$ 2.20	\$ 2.25 – \$2.35

** Since we have non-vested share-based payments with a nonforfeitable right to dividends, we have been required to use the two-class method of computing earnings per share since October 1, 2009. As a result, EPS can no longer be calculated directly from the income statement.

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As of May 4, 2011

Financial Review



Fiscal 2010 versus 2011E (excluding MTM and One-Time Items)

(\$ millions, except EPS)

	Fiscal 2010 GAAP	MTM	One-Time Items	Fiscal 2010 Adjusted	Fiscal 2011E GAAP	One-Time Items	Fiscal 2011E Adjusted
Natural Gas Distribution	\$ 126	\$ ---	\$ (4)	\$ 122	\$ 146 – 151	\$ (18)	\$128 –133
Regulated Trans. & Storage	41	---	(1)	40	45 – 47	(4)	41 – 43
Nonregulated	39	4	---	43	15 – 17	11	26 – 28
Total	\$ 206	\$ 4	\$ (5)^(a)	\$ 205	\$ 206 – 215	\$ (11)^(b)	\$ 195-204
Avg. Diluted Shares	92.4	92.4	92.4	92.4	90.7	90.7	90.7
Earnings Per Share**	\$ 2.20	\$0.05	\$(0.05)	\$ 2.20	\$ 2.25 - \$2.35	\$ (0.12)	\$2.13 - \$2.23

(a) Includes positive impact of state sales tax refund of \$4.5 million, or \$0.05 per share

(b) Includes positive impact from unwinding treasury lock agreements of \$17.2 million, or \$0.19 per share; a tax benefit from an administrative settlement of various income tax positions of \$5.0 million, or \$0.05 per share; offset in part by the negative impact of the Ft. Necessity impairment of \$11.1 million, or \$0.12 per share, generating a total positive impact of \$11.1 million, or \$0.12 per share

** Since we have non-vested share-based payments with a nonforfeitable right to dividends, we are required to use the two-class method of computing earnings per share since October 1, 2009. As a result, EPS can no longer be calculated directly from the income statement.

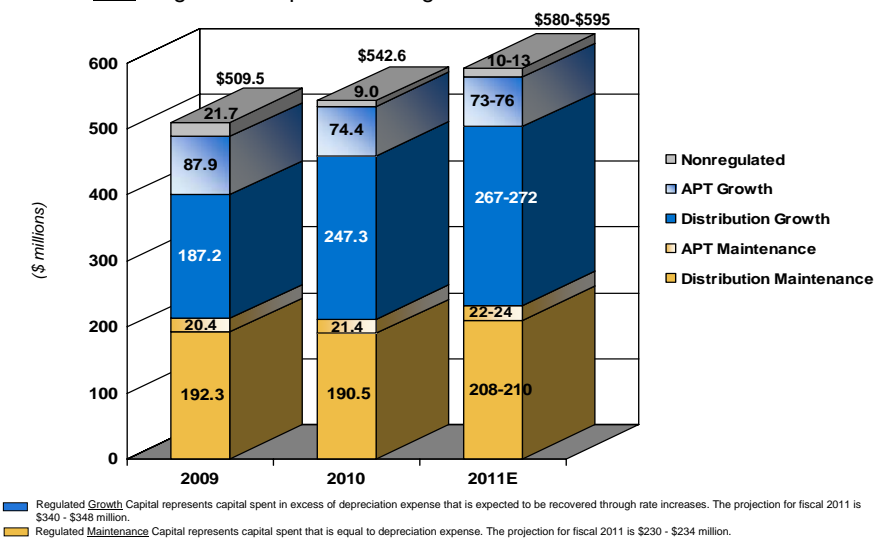
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Financial Review



Consolidated 2011E Capital Expenditures Range of \$580-\$595 million

96% of ALL Regulated Capex Providing a Return Within 12 Months



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As of May 4, 2011

Financial Review



Projected Cash Flow

(\$ millions)

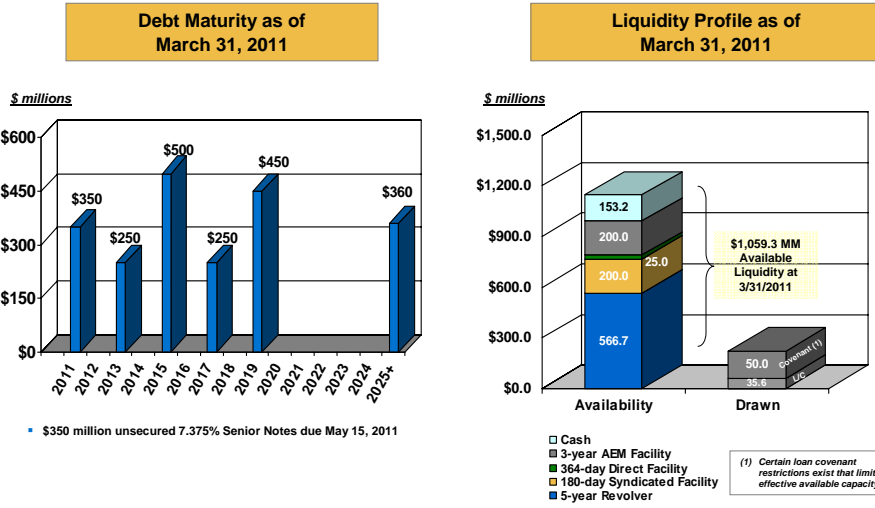
	2007	2008	2009	2010	2011E
Cash Flows from Operations	\$ 547	\$ 371	\$ 919	\$ 726	\$ 530-550
Regulated Maintenance Capital ⁽¹⁾	(196)	(197)	(213)	(212)	(230-234)
Dividends	(112)	(117)	(121)	(124)	(124)
Cash Available for Debt Reduction and Growth Projects	\$ 239	\$ 57	\$ 585	\$ 390	\$ 176-192

⁽¹⁾ Regulated maintenance capital represents capital spent that is equal to depreciation expense.

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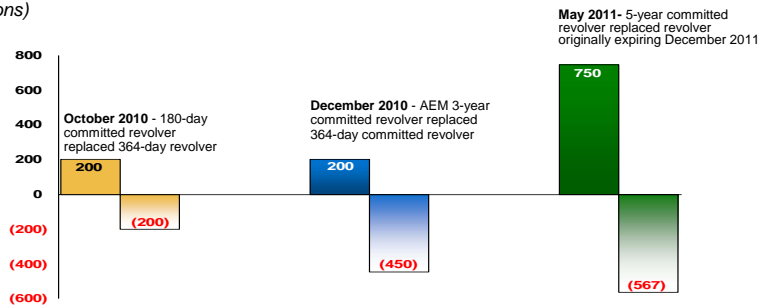
As of May 4, 2011

Long-Term Debt Maturity and Liquidity Profile



Ample Liquidity with Projected Refinancing Plans

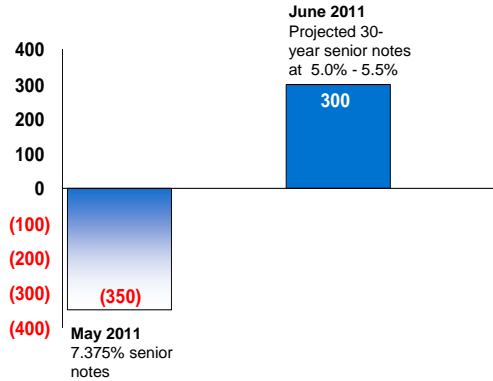
(\$ millions)



\$ in millions	Actual			Estimated	
	9/30/2010	12/31/2010	3/31/2011	5/31/2011	9/30/2011
364-day AEM facility replaced 12/8/10	450.0				
3-year AEM facility expiring 12/13		200.0	200.0	200.0	200.0
180-day committed facility expiring 4/11	200.0	200.0	200.0		
5-year revolver replaced 5/11	566.7	566.7	566.7		
5-year revolver expiring 7/16				750.0	750.0
364-day direct facility	25.0	25.0	25.0	25.0	25.0
Total Facilities	1,241.7	991.7	991.7	975.0	975.0
Projected Cash	132.0	129.9	153.2	105.0	120.0
Projected Total Liquidity	\$ 1,373.7	\$ 1,121.6	\$ 1,144.9	\$ 1,080.0	1,095.0

Projected Long-Term Debt Refinancing Plans

(\$ millions)



- \$350 million of senior notes mature in May 2011
 - Issue \$300 million of 30-year senior notes in June
 - Projected interest rate between 5.0% - 5.5%
- Executed treasury locks on \$300 million of 30-year treasuries on September 30, 2010 at an all-in cost of 3.89%

Investment Grade Credit Ratings

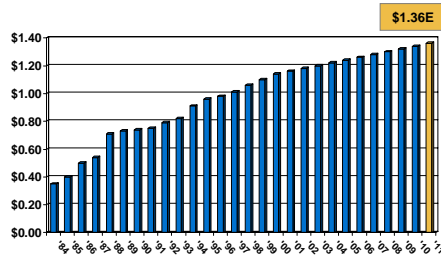
	Moody's	Standard & Poor's	Fitch
▪ Senior Unsecured	<i>Baa1</i>	<i>BBB+</i>	<i>BBB+</i>
▪ Commercial Paper	<i>P-2</i>	<i>A-2</i>	<i>F-2</i>
▪ Ratings Outlook	<i>Stable</i>	<i>Stable</i>	<i>Positive</i>

Financial Review



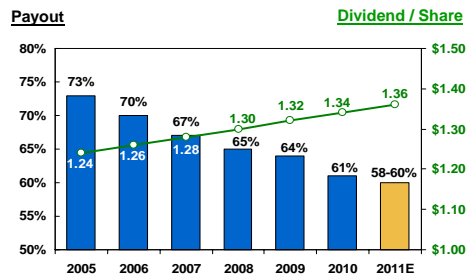
Annual Dividend Grows While Dividend Payout Ratio Improves

Common Dividend: 1984 – 2011E



Note: Amounts are adjusted for mergers & acquisitions. For fiscal 2011, \$1.36 is the indicated annual dividend.

Payout Ratio: 2005 – 2011E



Current Dividend Yield Approximately 4.0%

Summary



Company Profile

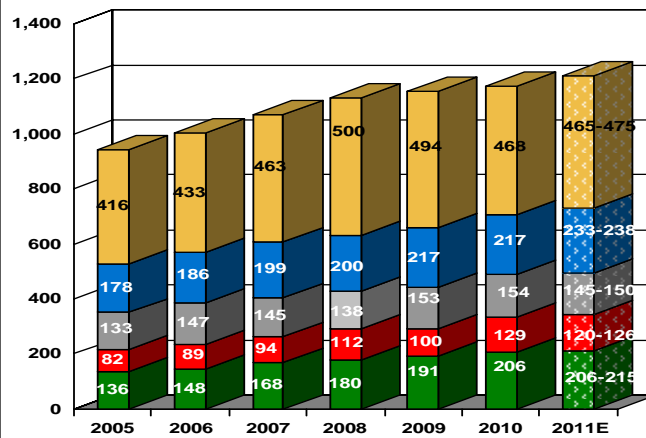
- 27 consecutive years of increasing dividends
- Investment grade credit ratings Baa1 / BBB+
- About \$1 billion of available credit
- Strong balance sheet – 48 percent Debt / 52 percent Equity
- Consistent EPS growth – with an average annual increase of 5 percent since 2005
- Focused strategy on core natural gas business
 - Maximize regulated earnings capability
 - Complement regulated businesses through select nonregulated operations
 - Grow through prudent acquisitions which enhance shareholder value

Appendix

Financial Review

Selected Income Statement Components

(\$ millions)



2011E Consolidated
(\$ millions)

O & M	\$465 - \$475
D & A	\$233 - \$238
Interest	\$145 - \$150
Income Tax	\$120 - \$126
Net Income	\$206 - \$215
Shares Out	90.7 million

Financial Review



Accelerated Share Buyback

- Executed agreement with Goldman Sachs & Co. (GS) July 1, 2010
- Designed to offset dilutive impact of stock grants made under employee and director incentive compensation plans
- Total number of shares repurchased was based generally on the volume-weighted average share price of Atmos Energy common stock during the contract period (July 2010 – March 2011)
- Paid \$100 million to GS on July 7, 2010; received and immediately retired 2,958,580 shares of common stock
- March 4, 2011, after expiration of the contract period, GS delivered an additional 375,468 shares of common stock; thereby totaling 3,334,048 shares of common stock repurchased, at an effective repurchase price of \$29.99 per share
- Contributed approximately \$0.01 to fiscal 2010 diluted earnings per share
- Expect to contribute \$0.08 to fiscal 2011 diluted earnings per share

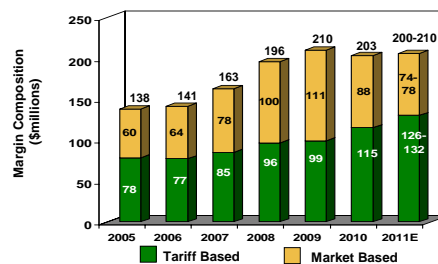
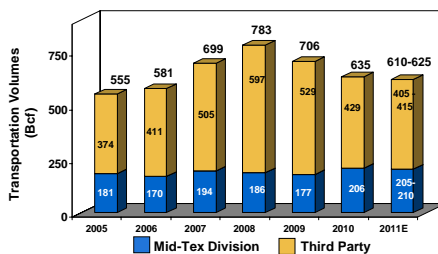
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As of May 4, 2011

Regulated Operations Regulated Transmission and Storage



Atmos Pipeline – Texas Growth Drivers



Growth Drivers

- Margin expansion through ancillary services such as parking and lending, balancing, blending and compression
- Basis differentials between Texas hubs could provide transportation revenue opportunities
- Accelerated capital recovery through annual GRIP mechanism
- Pursue capacity and compression growth opportunities via projects
- Final Order on the rate case issued by the RRC April 18, 2011, authorizing a net increase in annual operating income of \$20.4 million effective May 1, 2011

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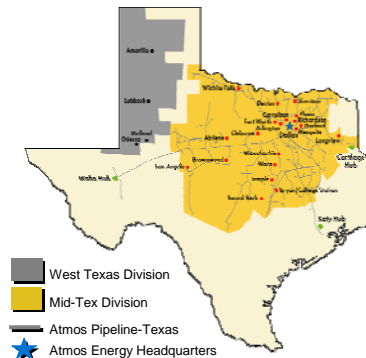
As of May 4, 2011

Regulated Operations Regulated Transmission and Storage



Atmos Pipeline - Texas

- About 6,000 miles of intrastate pipeline
- Working storage capacity of 46 Bcf
- No weather normalization
- Railroad Commission of Texas (RRC) has jurisdiction
- Rates updated annually through GRIP (Gas Reliability Infrastructure Program) for approved capital costs incurred in the prior calendar year
- Final Order issued by RRC April 18, 2011, authorizing a net increase in annual operating income of \$20.4 million



	Effective Date of Last Rate Action	Date of Last Rate Filing (pending)	Approved/Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio
APT	5/1/11		\$20.4	\$807,700		9.36%		11.80%		50/50	
APT-GRIP	4/20/10		\$13.4	\$798,841		8.26%		10.00%		50/50	

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As of May 4, 2011

Regulated Operations Regulated Transmission and Storage



Atmos Pipeline - Texas

- April 18, 2011, the Railroad Commission of Texas issued a final order authorizing an annual operating income increase of approximately \$20.4 million (GUD 10000)
 - Approved ROE of 11.80 percent; Authorized ROR of 9.36 percent
 - Approved capital structure: 49.5 percent debt / 50.5 percent equity
 - Authorized rate base: \$807.7 million
 - Effective May 1, 2011
 - Test year ended March 31, 2010
- Key Rate Design Changes Approved
 - Approved Straight Fixed Variable Rate Design, which provides recovery of all fixed costs through monthly customer charges
 - Approved three-year pilot program that decouples the nonregulated revenues by allowing an annual adjustment mechanism to regulated rates. The adjustment is 75 percent of the difference between the nonregulated annual revenues and a base credit of approximately \$84 million.

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As of May 4, 2011

Mid-Tex Division

- Largest Atmos Energy division; serves about 550 communities
- Largest natural gas distributor in Texas
- Approximately 29,000 miles of distribution pipe
- Weather normalization in place from November - April
- Each municipality has original jurisdiction
- Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over environs customers
- Annual Rate Review Mechanism to update rates and replaces GRIP filings for 80% of customers – “Settled Cities”
- Remaining 20% customers’ rates updated through annual GRIP filings and periodic formal rate proceedings
 - Includes City of Dallas and Environs
- Systemwide steel service line replacement program effective October 1, 2010



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Approved/Requested Operating Income \$ millions	Rate Base \$ in thousands (1)	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Settled Cities RRM	10/1/10	4/1/11	\$13.2	\$1,327,816 (3)	\$1,389,187	8.19%	8.29%	9.60%	9.70%	52/48	50/50	1,254,854
Dallas & Environs GRIP	9/1/10	2/25/11	\$3.5	\$1,283,357	\$1,268,601	8.60%	8.60%	10.40%	10.4%	51/49	51/49	
Dallas & Environs	1/26/10		\$3.0 (2)	\$1,279,647		8.60%		10.40%		51/49		313,713

(1) Rate base for Settled Cities and Dallas both represented on a "system-wide" basis
 (2) Net of GRIP 2008 rates that will be superceded, operating income should increase \$0.2 million
 (3) Rate base per the last filing was not included in settlement; however, the amount presented represents the filed rate base included in the latest filing.

Mid-Tex RRM & Infrastructure Replacement

- April 1, 2011, rates *filed* under the fourth RRM with “Settled Cities”, requesting an increase in annual operating income of \$13.2 million, which includes \$5.5 million for steel service line replacement program
 - Requested ROE of 9.70 percent; overall return of 8.29 percent
 - Requested capital structure: 50 percent debt / 50 percent equity
 - Requested rate base: \$1.39 billion
 - Test year ended December 31, 2010
 - Serves about 1.3 million customers
 - Expect implementation of new rates August 15, 2011
- Steel service line replacement program
 - Commenced cost recovery of 50,000 lines on October 1, 2010; total of 100,000 lines to be replaced over a 2-year time period
 - Authorized ROE of 9.0 percent; use of actual capital structure with equity capped at 50 percent

Mid-Tex RRM & Infrastructure Replacement

- October 2010, rates *implemented* for third RRM with “Settled Cities” resulting in an increase in annual operating income of \$23.1 million, which includes \$3.2 million for steel service line replacement program
 - Authorized ROE of 9.60 percent; overall return of 8.19 percent
 - Authorized capital structure: 52 percent debt / 48 percent equity
 - Authorized rate base not specified; Requested rate base: \$1.33 billion
 - Serves about 1.3 million customers
 - Authorized system-wide steel service line replacement program
 - Total of 100,000 lines to be replaced over a 2-year time period
 - Authorized ROE of 9.0 percent; use of actual capital structure with equity capped at 50 percent
- Two-cycle extension of RRM
 - Eliminated true-up provision
 - Allowed ROE will be 9.7 percent
 - Authorized use of actual capital structure with equity capped at 50 percent
 - General rate case must be filed on or before June 2013

GRIP Filing – Mid-Tex Division

- February 25, 2011, *filed* Mid-Tex Division 2010 GRIP, seeking an increase of \$3.5 million for the City of Dallas and Mid-Tex Environs customers
 - Based on return, depreciation and changes in taxes related to system-wide increase in net investment of \$93.2 million during calendar 2010 (GRIP does not apply to Settled Cities under the RRM)
 - Requested capital structure: 51.1 percent debt / 48.9 percent equity
 - Requested ROE: 10.4 percent; Requested ROR: 8.6 percent
 - Requested system-wide Rate base of \$1.269 billion
 - Affects approximately 270,000 customers
 - Expected rate implementation in August 2011

Regulated Operations



West Texas Division

- Serves about 80 communities
- Approximately 7,700 miles of distribution pipe
- Weather normalization in place from October - May
- Each municipality has original jurisdiction
- Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over Environs customers
- Annual Rate Review Mechanism to update rates and replaces GRIP filings



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Approved/ Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Lubbock RRM	9/1/10	4/1/11	\$2.1	\$57,074	60,892	8.19%	8.19%	9.60%	9.60%	52/48	52/48	73,854
West Texas Cities RRM	8/15/10	4/1/11	\$2.6	\$135,565	146,039	8.19%	8.19%	9.60%	9.60%	52/48	52/48	156,089
Amarillo RRM	8/1/10		\$1.2	\$55,537		8.19%		9.60%		52/48		70,349

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As of May 4, 2011

Regulated Operations



West Texas Division – Rate Review Mechanism (RRM) Filings

West Texas Cities

- April 1, 2011, rates *filed* under the fourth RRM, requesting an increase in annual operating income of \$2.6 million
 - Requested Capital structure: 51.9 percent Debt / 48.1 percent Equity
 - Requested ROE: 9.60 percent; Requested ROR: 8.19 percent
 - Requested Rate Base: \$146.0 million
 - Serves about 150,000 customers
 - Test year ended December 31, 2010

City of Lubbock

- April 1, 2011, rates *filed* under the third RRM, requesting an increase in annual operating income of \$2.1 million
 - Requested Capital structure: 51.9 percent Debt / 48.1 percent Equity
 - Requested ROE: 9.60 percent; Requested ROR: 8.19 percent
 - Requested Rate Base: \$60.9 million
 - Serves about 73,000 customers
 - Test year ended December 31, 2010

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Regulated Operations



Louisiana Division

- Serves about 300 communities
- Over 8,300 miles of distribution pipe
- Weather normalization in place from December - March
- Rates updated annually through stable rate filings - Rate Stabilization Clause (RSC)



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing	Approved/ Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Trans La	4/1/11		\$0.4	\$93,260		8.37%		10.00%		52/48		76,430
LGS	7/1/10	3/31/11	\$4.6	\$251,591	\$273,977	8.54%	8.61%	10.40%	10.40%	52/48	52/48	277,985

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As of May 4, 2011

Regulated Operations



Mississippi Division

- Serves about 110 communities
- Over 6,500 miles of distribution pipe
- Weather normalization in place from November - April
- Rates updated annually through required stable rate filings for capital and expenses



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Approved/ Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Mississippi	4/5/11		\$0.0	\$239,197		*		9.86%		50/50		267,140

* Not included in the respective state commission's final decision.

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As of May 4, 2011

Regulated Operations



Colorado-Kansas Division

- Serves about 170 communities
- Over 7,100 miles of distribution pipe
- Weather normalization in Kansas from October – May
- Governed by each state's public service commission
- Effective January 2010, gas cost portion of bad debt expense in Colorado is recoverable through a GCA for 2-year pilot period



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Approved/ Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Colorado	1/4/10		\$1.9	\$86,189		8.57%		10.25%		50/50		110,123
Kansas	8/1/10		\$3.9	\$144,583 **		*		*		*		128,562

* Not included in the respective state commission's final decision.

** The rate base per the last filing was not included in the state commission's final decision; however, the amount presented represents the filed rate base included in the latest filing.

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As of May 4, 2011

Regulated Operations



Kentucky/Mid-States Division

- Serves over 420 communities in 7 states
- Over 12,000 miles of distribution pipe
- Weather normalization in 4 states
 - Georgia from October - May
 - Kentucky from November - April
 - Tennessee from November - April
 - Virginia from January - December
- Governed by each state's public service commission



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Approved/ Requested Operating Income \$ millions	Rate Base \$ in thousands	Requested Rate Base \$ in thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/11
Georgia	3/31/10		\$2.9	\$88,583		8.61%		10.70%		52/48		65,106
Illinois	11/1/00			\$24,564		9.18%		11.56%		67/33		23,033
Iowa	3/1/01			\$5,000		*		11.00%		57/43		4,332
Kentucky	8/1/10		\$6.6	\$184,697 **		*		*		*		177,788
Missouri	9/1/10		\$4.0	\$66,459 **		*		*		49/51		56,960
Tennessee	4/1/09		\$2.5	\$190,100		8.24%		10.30%		52/48		133,406
Virginia	11/23/09		\$1.4	\$36,861		8.48%		10.00%		51/49		23,307

* Not included in the respective state commission's final decision.

** The rate base per the last filing was not included in the state commission's final decision; however, the amount presented represents the filed rate base included in the latest filing.

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As of May 4, 2011

Regulatory Filings Outlook – Fiscal 2011

Q3 April – June	Q4 July –September
Atmos Pipeline Texas – Anticipate filing GRIP for capital spent from 4/1/10 – 12/31/10. Test year for last case as of March 31, 2010.	Kentucky – Anticipate filing surcharge for infrastructure replacement; new rates anticipated in Q1 fiscal 2012
Amarillo – Anticipate filing Rate Review Mechanism in May 2011; new rates anticipated Q4 fiscal 2011	Kentucky – Anticipate filing a rate case in Q4; new rates anticipated in Q3 fiscal 2012
Georgia – Anticipate filing either an annual mechanism or full rate case; new rates anticipated in Q1 fiscal 2012	Mississippi – Anticipate stable rate filing in September 2011
Tennessee – Anticipate filing rate case in Q3 fiscal 2011; new rates anticipated in Q1 fiscal 2012	Illinois – Anticipate filing rate case in September 2011; new rates anticipated Q4 fiscal 2012

Ft. Necessity Gas Storage Project

- As announced on March 9th, Atmos Energy evaluated its strategic alternatives and concluded that the project’s returns no longer met the threshold returns required by the company. As a result, during the fiscal 2011 second quarter, \$19.3 million of capitalized costs associated with the project were written off and a corresponding pretax noncash loss of \$19.3 million was recognized. (\$0.12 per diluted share)
- March 2010, a subsidiary of the company entered into an exclusive option and acquisition agreement with a third party storage developer to develop the proposed Ft. Necessity salt-dome gas storage facility.
- In January 2011, the third-party developer notified Atmos Energy that it would not commence the activities required to allow it to exercise the option by March 2011 and the option was terminated.
- Project initially included development of three 5 Bcf caverns of working gas storage for a total of 15 Bcf, with six-turn injection and withdrawal capabilities of the entire capacity; four additional storage caverns potentially could have been developed, if market demand existed.

Treasury Lock Unwind

- March 7, 2011, Atmos Energy Corporation unwound two Treasury lock agreements with a cumulative notional amount of \$250 million, generating a pretax cash gain of \$27.8 million (\$0.19 per diluted share)
 - Original financing plans included the issuance of \$250 million of 30-year unsecured senior notes in November 2011 primarily to fund the company's capital expenditure program. In September 2010, Atmos Energy entered into two Treasury lock agreements to fix the Treasury yield component of interest associated with the anticipated issuance.
 - After the extension of the Bush tax cuts in December 2010, which allowed for the continued use of bonus depreciation, Atmos Energy projected stronger cash flows in fiscal years 2011 and 2012. As a result, the need to issue the incremental \$250 million of debt in November 2011 has been eliminated and the related Treasury lock agreements have been unwound.

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As of May 4, 2011

Economic Value vs. GAAP Reported Results

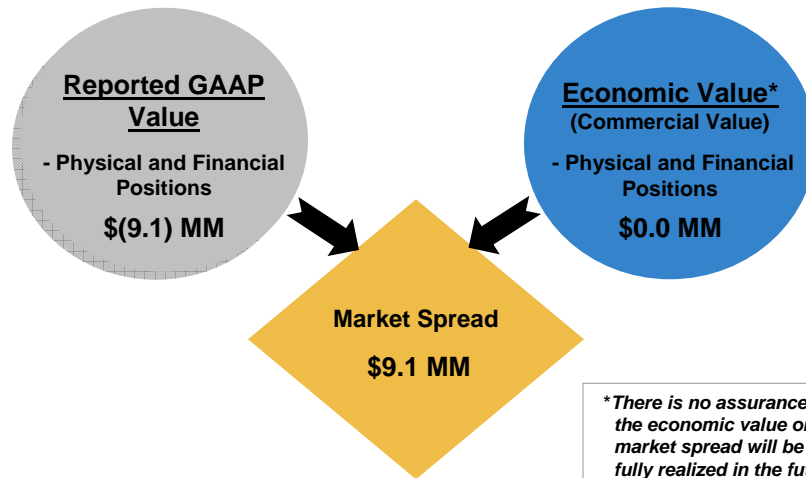
- We commercially manage our storage assets by capturing arbitrage value through optimization strategies that create embedded (forward) value in the portfolio. We report the transactions for external financial reporting purposes in accordance with generally accepted accounting principles ("GAAP").
- **GAAP Reported Value** is the period to period net change in fair value of the portfolio reported in the income statement that results from the process of marking to market the physical storage volumes and corresponding financial instruments in an interim period.
- **Economic Value** is the period to period forward margin of our storage portfolio that results from the process of calculating our historical weighted average cost of inventory (WACOG), and our weighted average sales price of our forward financials (WASP), then multiplying the difference times inventory volumes. This margin should be realized in cash when the hedged transaction is executed or when financials are settled and then reset to stay hedged against physical volumes.
 - **Economic Value** represents the "forward" economic margin of the transactions, while GAAP reported results reflect that portion of our "forward" margin that has been recorded in the income statement.
 - **Volatility** in earnings includes the impact of the accounting treatment of our storage portfolio in accordance with GAAP and is reflective of relatively high price volatility of the prompt month, and the relatively low volatility of the offsetting forward months.

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Nonregulated Operations



Economic Value vs. GAAP Reported Results



At March 31, 2011

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Nonregulated Operations



Economic Value vs. GAAP Reported Results Three Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) (\$ per mcf)			Total (\$ in millions)	GAAP Reported Value - MTM (\$ per mcf)		Market Spread (\$ per mcf)	
		WASP	WACOG	EV		Total (\$ in millions)	Total (\$ in millions)	Total (\$ in millions)	
12/31/2009	19.0	6.9027	5.5497	1.3530	25.7	1.4297	27.2	(0.0767)	(1.5)
3/31/2010	23.7	5.2744	5.2416	0.0328	0.8	(0.4029)	(9.5)	0.4357	10.3
2010 Variance	4.7	\$ (1.6283)	\$ (0.3081)	\$ (1.3202)	\$ (24.9)	\$ (1.8326)	\$ (36.7)	\$ 0.5124	\$ 11.8
12/31/2010	19.6	4.4769	4.6103	(0.1334)	(2.6)	(0.5200)	(10.2)	0.3866	7.6
3/31/2011	17.7	4.3730	4.3741	(0.0011)	(0.0)	(0.5144)	(9.1)	0.5133	9.1
2011 Variance	(1.9)	\$ (0.1039)	\$ (0.2362)	\$ 0.1323	\$ 2.6	\$ 0.0056	\$ 1.1	\$ 0.1267	\$ 1.5

WASP: Weighted average sales price for gas held in storage

WACOG: Historical weighted average cost of AEM's gas in storage

EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis

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Nonregulated Operations



Economic Value vs. GAAP Reported Results

Six Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) (\$ per mcf)			Total (\$ in millions)	GAAP Reported Value - MTM (\$ per mcf)		Market Spread (\$ per mcf)		Total (\$ in millions)
		WASP	WACOG	EV		Total (\$ in millions)	Total (\$ in millions)	Total (\$ in millions)		
9/30/2009	15.9	7.8995	5.9370	1.9625	31.2	(0.9294)	(14.8)	2.8919	46.0	
3/31/2010	23.7	5.2744	5.2416	0.0328	0.8	(0.4029)	(9.5)	0.4357	10.3	
2010 Variance	7.8	\$ (2.6251)	\$ (0.6954)	\$ (1.9297)	\$ (30.4)	\$ 0.5265	\$ 5.3	\$ (2.4562)	\$ (35.7)	
9/30/2010	15.7	4.8276	5.3041	(0.4765)	(7.5)	(0.9100)	(14.3)	0.4335	6.8	
3/31/2011	17.7	4.3730	4.3741	(0.0011)	(0.0)	(0.5144)	(9.1)	0.5133	9.1	
2011 Variance	2.0	\$ (0.4546)	\$ (0.9300)	\$ 0.4754	\$ 7.5	\$ 0.3956	\$ 5.2	\$ 0.0798	\$ 2.3	

WASP: Weighted average sales price for gas held in storage

WACOG: *Historical* weighted average cost of AEM's gas in storage

EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis

Atmos Energy Corporation
Jurisdictional Rate Data
as of May 4, 2011

Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (pending)	Authorized Operating Income (in millions)	Requested Operating Income (in millions)	Rate Base (in thousands) ¹	Requested Rate Base (in thousands)	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Annual Revenue Stabilization	Bad debt Rider ³	WNA	3/31/2011 Meters
Atmos Pipeline-Texas	5/1/11		\$20.4		807,700		9.36%		11.80%		50/50			n/a	n/a	n/a
Atmos Pipeline-Texas - GRIP	7 4/20/10		\$13.4		799,841		8.26%		10.00%		50/50			n/a	n/a	n/a
Mid-Tex - Settled Cities RRM	10/1/10	4/1/11	\$23.1	\$13.2	2	5 1,389,187	8.19%	8.29%	9.60%	9.70%	52/48	50/50	Y	Y	Y	1,254,854
Mid-Tex - Dallas Appeal & Environs	1/26/10		\$3.0	8	1,279,647		8.60%		10.40%		51/49			Y	Y	313,713
Mid-Tex - Dallas & Environs GRIP	7 9/1/10	2/25/11	\$3.0	\$3.5	1,283,357		8.60%	8.60%	10.40%	10.40%	51/49	51/49		n/a	n/a	n/a
Lubbock RRM	9/1/10	4/1/11	-\$0.9	\$2.1	57,074	6 60,892	8.19%	8.19%	9.60%	9.60%	52/48	52/48	Y	Y	Y	73,854
West Texas Cities RRM	8/15/10	4/1/11	\$0.7	\$2.6	135,565		8.19%	8.19%	9.60%	9.60%	52/48	52/48	Y	Y	Y	156,089
Amarillo RRM	8/1/10		\$1.2		55,537	6	8.19%		9.60%		52/48		Y	Y	Y	70,349
Colorado	1/4/10		\$1.9		86,189		8.57%		10.25%		50/50			Y ⁹	N	110,123
Kansas	8/1/10		\$3.9		144,583	4	2		2		2			Y	Y	128,562
Georgia	3/31/10		\$2.9		88,583		8.61%		10.70%		52/48			N	Y	65,106
Illinois	11/1/00				24,564		9.18%		11.56%		67/33			N	N	23,033
Iowa	3/1/01				5,000		2		11.00%		57/43			N	N	4,332
Kentucky	6/1/10		\$6.6		184,697	4	2		2		2			Y	Y	177,788
Missouri	9/1/10		\$4.0		66,459	4	2		2		49/51			N	N	56,960
Tennessee	4/1/09		\$2.5		190,100		8.24%		10.30%		52/48			Y	Y	133,406
Virginia	11/23/09		\$1.4		36,861		8.48%		10.00%		51/49			Y	Y	23,307
TransLa	4/1/11		\$0.4		93,260		8.37%		10.00%		52/48		Y	N	Y	76,430
LGS	7/1/10	3/31/11	\$3.9	\$4.6	251,591		8.54%	8.61%	10.40%	10.40%	52/48	52/48	Y	N	Y	277,985
Mississippi	4/5/11		\$0.0		239,197		2		9.86%		50/50		Y	N	Y	267,140

¹ The rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.

² A rate base, rate of return, return on equity or debt/equity ratio was not included in the respective state commission's final decision.

³ The bad debt rider allows us to recover from ratepayers the gas cost portion of uncollectible accounts.

⁴ The rate base per the last filing was not included in the respective state commission's final decision; however, the amount presented represents the filed rate base included in the latest filing.

⁵ Mid-Tex rate base for settled cities and Dallas both represented on a 'system-wide' basis.

⁶ The Amarillo and Lubbock City Councils approved three year RRM plans for their respective cities in the spring of 2009.

⁷ GRIP filings are based on existing returns and the change in net utility plant investment.

⁸ Net of GRIP 2008 rates that will be superceded, operating income should increase \$0.2 million

⁹ Recovery of gas portion of uncollectible accounts through GCA approved for a two year pilot