Atmos Energy

A multi-state regulated natural gas delivery company achieving strong financial growth through infrastructure investment, enhancing the safety and reliability of our system.

Delivering clean, safe and economical energy to over 3 million homes and businesses.

March 2021
Leading Natural Gas Delivery Platform

Eight-state distribution territory

- Largest pure-play natural gas LDC with over 3 million customers in 8 states
- ~72,000 miles of distribution and transmission mains
- ~62% of distribution rate base is located in Texas
- Blended allowed ROE of 9.8%
- Constructive regulatory mechanisms reduce lag

Business Mix

- Distribution ~67%
- Pipeline & Storage ~33%

2021 Estimated Net Income

- Diversified LDC platform in 8 states
- Intrastate pipeline system

Favorably positioned pipeline spans Texas shale gas supply basins

- ~5,700 miles of intrastate pipeline
  - Spans multiple key shale gas formations
  - Connection to major market hubs
- Five storage facilities with 46 Bcf of working capacity
- Allowed ROE of 11.5%
- Margin derived from tariff-based rates primarily serving Mid-Tex and other LDCs

As of February 2, 2021
Financial Performance
- Diluted EPS of $1.71
- Capital spending of $456.8 million; 87% allocated to safety and reliability spending
- Reaffirmed Fiscal 2021 EPS guidance range of $4.90 - $5.10 on March 1, 2021
- 8.7% increase in fiscal 2021 indicated annual dividend to $2.50 per diluted share - 37th consecutive year of rising dividends

Executed Our Regulatory Strategy
- Implemented $109.8 million as of March 1, 2021
- $102.0 million currently in progress

Strong Balance Sheet
- $2.9 billion in liquidity, including $247 million available under forward agreements as of December 31, 2020
- $600 million of long-term debt financing completed in Q1 Fiscal 2021
- $216 million of equity forwards settled in Q1 Fiscal 2021
- Equity capitalization at 58% at December 31, 2020
Safety Driven, Organic Growth Strategy

Constructive Regulatory Mechanisms Support Efficient Conversion of Safety and Reliability Investments into Financial Results

~ $11 - $12 billion in capital investment through 2025; >80% allocated to safety

Constructive rate mechanisms that reduce regulatory lag

6% - 8% Consolidated EPS growth

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1. Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020. See slide 33 for additional details.
## Executing Our Strategy

### A Pure-Play, High-Growth Natural Gas Delivery Investment Proposition

<table>
<thead>
<tr>
<th>Attractive pure-play total return</th>
<th>Diversified asset base with constructive regulation</th>
<th>Strong rate base growth</th>
<th>Strong financial foundation with consistent track record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings are 100% regulated and rate base driven</td>
<td>Regulated distribution assets in 8 states serving over 3 million customers</td>
<td>Strong forecasted rate base growth through Fiscal 2025</td>
<td>18 consecutive years of EPS growth; 37 consecutive years of dividend growth</td>
</tr>
<tr>
<td>6 - 8% forecasted EPS growth through Fiscal 2025</td>
<td>Favorably positioned regulated pipeline spans Texas shale gas supply basins</td>
<td>Capital expenditures of $11-$12 billion through Fiscal 2025; &gt;80% spent on safety and reliability</td>
<td>8.7% indicated dividend increase for 2021E</td>
</tr>
<tr>
<td>Dividend per share grows commensurately with EPS</td>
<td>Constructive rate mechanisms reduce or eliminate regulatory lag</td>
<td>Earning on over 90% of annual capex within 6 months; ~99% within 12 months</td>
<td>High investment-grade credit ratings (A1, A-) with ample liquidity</td>
</tr>
</tbody>
</table>

As of February 2, 2021
Modernizing with Focus on Safety

Our Vision is to be the Safest Provider of Natural Gas Services

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System Safety</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Replacing higher risk pipe materials and equipment</td>
<td>▪ Reduced inventory of steel service lines by 356,000 since 2012</td>
</tr>
<tr>
<td>▪ Enhancing pipeline integrity assessments</td>
<td>▪ Replaced over 5,300 miles of distribution and transmission pipelines since 2012</td>
</tr>
<tr>
<td>▪ Underground storage integrity</td>
<td></td>
</tr>
<tr>
<td>▪ New technologies</td>
<td></td>
</tr>
<tr>
<td>▪ Pipeline Safety Management System</td>
<td></td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Emergency response</td>
<td>▪ Public awareness messages ~ 255 million impressions in 2020</td>
</tr>
<tr>
<td>▪ Customer and community education</td>
<td>▪ Excavation damages per 1,000 locates declined by 2.4% in 2020</td>
</tr>
<tr>
<td>▪ Public awareness</td>
<td></td>
</tr>
<tr>
<td>▪ Damage prevention</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Safety</strong></td>
<td></td>
</tr>
<tr>
<td>▪ State-of-the-art training</td>
<td>▪ Employee-driven safety culture</td>
</tr>
<tr>
<td>▪ Tools and equipment</td>
<td>▪ OSHA Recordable Incident Rate has declined by 4% since 2014</td>
</tr>
<tr>
<td>▪ Eliminate at-risk behavior</td>
<td>▪ Curriculum has evolved from classroom-based to 80% hands-on training</td>
</tr>
<tr>
<td>▪ Incident free</td>
<td>▪ Curriculum for all field positions</td>
</tr>
<tr>
<td></td>
<td>▪ Supervisor Bootcamp</td>
</tr>
</tbody>
</table>

As of March 1, 2021
Modernizing with Focus on Safety
Next Five Years

- Replace 5,000 – 6,000 miles of distribution and transmission pipe
  - 6% - 8% of total system

- Eliminate all known cast iron by end of CY2021
  - 356 miles remaining¹

- Replace 100,000-150,000 steel service lines
  - 22% reduction

- Install wireless meter reading
  - 75% system covered by WMR

- Reduce methane emissions
  - 15% - 20% reduction

¹ 2019 DOT Report

*Distribution Miles Replacement Rate*

*Transmission Miles Replacement Rate*
### Efficient Recovery of Capital Spending Supports Ongoing Modernization

<table>
<thead>
<tr>
<th>Regulatory Support Enables</th>
</tr>
</thead>
<tbody>
<tr>
<td> Pipe replacement via risk models and industry identified materials</td>
</tr>
<tr>
<td> Performance of necessary maintenance &amp; monitoring work</td>
</tr>
<tr>
<td> Employee training to improve safety</td>
</tr>
<tr>
<td> Compliance with evolving rules and regulations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory Support Provides</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Revenue excluding gas costs

As of March 1, 2021
### Aligned Regulatory Strategy
Focused on Safety

- ~90% of Annual CAPEX Begins to Earn Within Six Months

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Regulatory Mechanism</th>
<th>Recovery Method</th>
<th>Service Territory Detail</th>
<th>CapEx</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Annual Filing</td>
<td>Rate Base</td>
<td>Meters (000s)</td>
</tr>
<tr>
<td><strong>Texas</strong></td>
<td></td>
<td>General Case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Tex</td>
<td>8.209</td>
<td>RRM/DARR/GRIP</td>
<td>1,752</td>
<td>3,510</td>
</tr>
<tr>
<td>Pipeline</td>
<td>GRIP</td>
<td>GRIP ²</td>
<td>NA</td>
<td>2,700</td>
</tr>
<tr>
<td>West Texas</td>
<td>8.209</td>
<td>RRM/GRIP</td>
<td>320</td>
<td>670</td>
</tr>
<tr>
<td>Louisiana</td>
<td>RSC</td>
<td>RSC</td>
<td>368</td>
<td>750</td>
</tr>
<tr>
<td>Mississippi</td>
<td>SIR</td>
<td>SRF/SIR</td>
<td>267</td>
<td>630</td>
</tr>
<tr>
<td>Kentucky</td>
<td>PRP</td>
<td>PRP</td>
<td>183</td>
<td>450</td>
</tr>
<tr>
<td>Tennessee</td>
<td>-</td>
<td>ARM</td>
<td>157</td>
<td>390</td>
</tr>
<tr>
<td>Kansas</td>
<td>GSRS</td>
<td>GSRS</td>
<td>138</td>
<td>270</td>
</tr>
<tr>
<td>Colorado</td>
<td>SSIR</td>
<td>SSIR</td>
<td>123</td>
<td>190</td>
</tr>
<tr>
<td>Virginia</td>
<td>SAVE</td>
<td>SAVE</td>
<td>24</td>
<td>50</td>
</tr>
</tbody>
</table>

1 Represents an estimate of rate base as of September 30, 2020
2 Requires a rate case every 5 years

As of February 2, 2021
ESG Integral Part of Long-term Strategy

Board of Directors
Corporate Responsibility, Sustainability, & Safety Committee

Strong Corporate Governance
- Diverse Board & Senior Leadership
- Accountable to Shareholders

Providing Value to Customers
- Affordable, Reliable, Safe
- Customer Service Focus

Respecting the Environment
- Clean Energy Solution
- 50% Methane Reduction by 2035

Focus on Safety
Mitigation of Risk

Empowering Employees
- Training & Educational Support
- Cohesive & Empowering Culture

Supporting Communities
- Employees Live Where They Work
- Community Service

Solid Financial Performance
- Consistent, Visible EPS Growth
- Returns Attract Capital Investment

As of March 1, 2021
Focus on the Environment

Governance
- Founding Partner of EPA’s Natural Gas STAR Methane Challenge Program
- Joined ONE Future in 2020
- Voluntary methane emissions reporting through AGA

Fleet and Facilities
- 15 LEED certified facilities (4 Gold, 9 Silver); 2 more planned
  - 50-60% less water use annually
  - CO₂ emissions reduced by 600 metric tons
- Evaluating use of fuel cells in facilities
- Continue to reduce emissions from our fleet

Gas Supply
- Transport ~ 5 BCF of RNG; equivalent to removing ~60,000 cars removed annually
- Sell ~ 5 BCF of CNG; equivalent to removing ~60,000 cars removed annually
- Continue to evaluate new opportunities to expand RNG transportation and CNG sales

Operations
- Goal to reduce methane emissions 50% from 2017 to 2035 in our distribution system
- Replace up to 6,000 miles of pipe by 2025
- Continue to reduce emissions from venting, flaring, and storage and compression facilities
- Continue to recycle water used in boring and hydrotesting activities
- 45% of customers use eBill; one of the highest rates in the industry; saves ~2,100 trees annually
- Actively monitors project sites’ vegetation density

Customers
- Customer efficiency programs in four jurisdictions
- Continue to evaluate customer tariffs that offer green energy alternatives

As of March 1, 2021
Atmos Energy transports renewable natural gas from some of the largest producing landfills in Texas and Louisiana.

Atmos Energy consumes 13,870 MMBtu of RNG daily; ~5 Bcf Annually.

- Equivalent to removing ~60,000 cars from the road/yr
- Represents ~80,000 customer homes in Jackson or Columbia, Franklin, or Murfreesboro

As of March 1, 2021
Atmos Energy Partnering for the Future

CNG is Part of Clean Energy Transportation Future

Natural Gas provides energy to transport customers in a clean and safe way

- The ~5 Bcf of CNG Atmos Energy sells to customers every year is the equivalent of removing ~60,000 cars from the road annually
  - City fleets
  - Trash and waste management
  - Delivery vehicles

As of March 1, 2021
Natural Gas provides energy to grow produce and is recycled to nourish plants

- Atmos Energy provides natural gas service to boilers at Red Sun Farms located in Dublin, Virginia.
- The boilers heat water which is the heat source for their greenhouses.
- Red Sun Farms greenhouses sit on 18 acres, growing 9 million pounds of tomatoes.
- They are able to ship produce to locations all over the eastern seaboard, allowing communities access to fresh produce year-round.
- The added benefit is providing a clean source of CO2 from the flue gas to nourish the plants. This helps Red Sun Farms keep costs low for consumers.
**Key Assumptions**

- **FY21 - FY25 capital spending rising 7% - 8% annually for a total of $11 - $12 billion**
- **O&M expense inflation rate of 3.0% - 3.5% annually**
- **Maintain existing regulatory mechanisms for infrastructure investment**
- **Normal weather**
- **Approximately $6.5 - $7.5 billion of incremental long-term debt and equity financing through Fiscal 2025; excluding financing costs related to the February 2021 winter storm**

1. Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020. See slide 33 for additional details.
Average Residential Bill Remains Affordable

Average Monthly Customer Bill

2021E – 2025E Assumptions

- Normal weather and consumption
- $11 - $12 billion of CAPEX spending
- Average all-in gas cost of $4.50 to $5.50 per mcf

1. Estimates exclude storm related costs associated with the February 2021 winter storm
Monthly Household Bills

Natural Gas Bills Lowest Among Residential Utilities

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>$48</td>
</tr>
<tr>
<td>Water</td>
<td>$116</td>
</tr>
<tr>
<td>Cable/Satellite TV</td>
<td>$110</td>
</tr>
<tr>
<td>Electric</td>
<td>$115</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>$101</td>
</tr>
</tbody>
</table>

Sources:
- Natural Gas $48. FY2020 Atmos Energy enterprise-wide average monthly residential bill
- Water $116. Circle of Blue (www.circleofblue.org); 2019 average monthly residential bill of 30 major U.S. cities—does not include sewer or storm water
- Cable/Satellite TV $110. Q4 2019; Leichtman Research Group, Pay-TV in the U.S. 2019
- Electric $115. Energy Information Administration (www.eia.gov); 2019 average monthly residential bill
- Mobile Phone $101. Bureau of Labor Statistics (www.bls.gov); 2019 average monthly service bill for one line

As of March 1, 2021
Long-Term Sustainability

Aligning & Balancing All Stakeholders

Communities
- Keeping the ~1,400 communities we serve safe
- Giving back to the communities through volunteer hours and our Fueling Safe and Thriving Communities program
- Investments foster local economic development and job creation
- Responsible environmental stewardship

Customers
- Focus on safety of our customers
- Investment in technology to improve customer interactions
- Sharing the Warmth program
- LIHEAP Program
- Overall customer satisfaction score of 94%

Employees
- > 1.5 million Hours of training through the Charles K. Vaughan Center since 2010
- Recent hires were 31% women and 44% minorities
- College tuition support
- Benefits that allow employees to balance work & life

Investors
- Long-term focus
- Consistent earnings & dividend growth
- 100% regulated
- Safety-driven organic growth
- Constructive regulatory relationships
- Strong balance sheet
- Strong corporate governance

As of March 1, 2021
Safety Investments
Distribution System

Miles of Pipe by Decade of Installation

- ~71,000 Miles of Distribution Main
- ~1,000 Miles of Transmission Main
- ~38% Installed Pre-1970
- Comprehensive Pipe Replacement Program Risk Assessment Factors Include:
  - Legacy construction practices
  - Material type
  - Leak history
  - Age
  - Location
  - Soil type

Source: 2019 DOT Report
Atmos Pipeline Texas Transmission System

- ~ 5,700 Miles of Total Transmission System
- 43% Installed Pre-1970
- Comprehensive Pipe Replacement Program Risk Assessment Factors Include:
  - Population density
  - Pipe coating
  - Leak history
  - Age
  - Location
  - Soil type
  - Corrosion data

Source: 2019 DOT Report

APT Miles by Decade of Installation

- Pre-40's: 164 miles
- 40's: 1,095 miles
- 50's: 360 miles
- 60's: 660 miles
- 70's: 1,132 miles
- 80's: 959 miles
- 90's: 653 miles
- 00's: 428 miles
- 10's: 229 miles

As of March 1, 2021
Risk-Based Replacements - Distribution

Inventory of Pre-1970 Materials

Source: 2019 DOT Report

As of March 1, 2021
Focused Steel Service Lines Replacement

Replacing ~ 20,000 – 30,000 Steel Service Lines Annually

Inventory of Steel Service Lines

- New service lines use state of the art material, construction and joining practices
- Service lines are in close proximity to customer residence and business locations
- Approximately 70% of leaks occur on service lines

Source: 2019 DOT Report

Note: Pipeline replacement due to changes in state or federal regulations is not projected in this 5-year replacement estimate. Year over year variances in mileage replacement are driven by factors including: construction resources, project type and permitting.
Distribution Investment Outlook

- Anticipated CAPEX spend of ~$9 billion over 5 years

- More than 80% of CAPEX is focused on safety and reliability
  - System safety
  - Enhance capacities
  - Service reliability

- ~90% of capex earns within 6 months

- ~8% annual growth rate

- Key anticipated targets by 2025
  - Remove last 356 miles of cast iron by December 2021
  - Replace all bare steel outside of our MidTex Division
  - Replace 5,000-6,000 Miles of Pipe
  - Replace 100,000-150,000 steel service lines

As of February 2, 2021
Atmos Pipeline-Texas Investment Outlook

- Anticipated CAPEX spend of ~$3 billion over five years

- All CAPEX is focused on serving APT’s regulated customers
  - System modernization and versatility
  - Integrity management
  - Supply flexibility
  - Market growth

- 8% annual growth rate

- All CAPEX is GRIP eligible

- Key initiatives through 2025
  - Partial Line X replacement near Abilene
  - Line S-2 east of Dallas
  - WA Loop – West of Forth Worth
  - Bethel to Groesbeck line
  - Bethel Cavern upgrade

As of February 2, 2021
2015-2025 APT Integrity, Fortification & Growth Projects

As of March 1, 2021
Bethel Salt Caverns

- Development of a third cavern at Bethel provides storage capacity to meet projected growth.
- Third cavern is designed to add 5-6 Bcf of working gas capacity and 2 Bcf of withdrawal. In service late 2022.
- Timing covers required outages of existing two caverns to be completed by 2025.
Pipeline Integrity Management drives CapEx investments

- Upgrading lines with pigging facilities
- Replacing valves, fittings, and pipe to allow ILI tool to travel through pipeline
- Assessing and repairing abnormalities by installing weldover sleeves, composite wraps, or replacement of pipe
- Prioritization of pipe replacement based on ILI results
- Installation of remote-control valves

As of March 1, 2021
Financial Metrics & Outlook
Strong Financial Foundation

Weighted Average Maturity ~19 Years

As of February 2, 2021
Improved Weighted Average Cost of Long-Term Debt
Credit Metrics Remain Strong

As of March 1, 2021

Strong Financial Foundation

Improved Weighted Average Cost of Long-Term Debt
Credit Metrics Remain Strong

As of March 1, 2021

Strong Investment Grade Credit Ratings

<table>
<thead>
<tr>
<th></th>
<th>Moody’s</th>
<th>Standard &amp; Poor’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Unsecured</td>
<td>A1</td>
<td>A-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>P-1</td>
<td>A-2</td>
</tr>
<tr>
<td>Ratings Outlook</td>
<td>Negative</td>
<td>Negative</td>
</tr>
</tbody>
</table>

- Improved weighted average cost of long-term debt
- Credit metrics remain strong
- Strong financial foundation
- As of March 1, 2021

Net Long-Term Debt vs. Interest Rate %

FY2017: $5,500, Interest Rate: 5.2%
FY2018: $5,500, Interest Rate: 5.2%
FY2019: $4,500, Interest Rate: 4.7%
FY2020: $4,200, Interest Rate: 4.2%
FY2021E: $4,000, Interest Rate: 4.0%
Strong Financial Foundation Further Enhanced

Capitalization and Liquidity Profile

**Total Capitalization**

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2020</th>
<th>Sep 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td>LT Debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST Debt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Liquidity Profile as of February 28, 2021**

- **Availability**
  - Five-year revolver: $1,440.0
  - One-year facilities: $700.0
  - Cash: $246.8

- **Outstanding**
  - LT Debt: $1,500
  - ST Debt: $2,000
  - Equity Forwards: $5.6

~ $2.8 billion available liquidity at 2/28/21

As of March 1, 2021
Since Atmos Energy has non-vested share-based payments with a nonforfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.
## Segment Operating Income Results

<table>
<thead>
<tr>
<th>Three Months Ended December 31 ($millions)</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>$ 209.5</td>
<td>$ 180.3</td>
<td>$ 29.2</td>
</tr>
<tr>
<td>Pipeline &amp; Storage</td>
<td>89.3</td>
<td>72.5</td>
<td>16.8</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$ 298.8</td>
<td>$ 252.8</td>
<td>$ 46.0</td>
</tr>
</tbody>
</table>

### Distribution Key Drivers
- $37.0MM – Increase in rates
- $5.7MM – Increase in customer growth
- $9.8MM – Net decrease in consumption and service order revenues
- $5.6MM – Decrease in O&M
  - Decrease in T&E spending
  - Decrease in employee costs
  - Increase in bad debt expense
- $9.8MM – Increase in D&A and property tax expense
  - Increased capital investments

### Pipeline & Storage Key Drivers
- $13.3MM – Increase in rates
- $8.2MM – Decrease in system maintenance
  - Nonrecurring well integrity costs
- $4.6MM – Increase in D&A and property tax expense
  - Increased capital investments

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As of February 2, 2021
Capital Spending Mix

Safety & Reliability Investments Support Infrastructure Modernization

<table>
<thead>
<tr>
<th>$millions</th>
<th>Fiscal 2021 Q1 CapEx</th>
</tr>
</thead>
<tbody>
<tr>
<td>$246</td>
<td>Repair and replace transmission and distribution pipelines</td>
</tr>
<tr>
<td>50</td>
<td>Service line replacement</td>
</tr>
<tr>
<td>41</td>
<td>Pipeline integrity management projects</td>
</tr>
<tr>
<td>34</td>
<td>Install &amp; replace measurement &amp; regulating equipment</td>
</tr>
<tr>
<td>16</td>
<td>Fortifications</td>
</tr>
<tr>
<td>11</td>
<td>Enhance storage and compression capabilities</td>
</tr>
</tbody>
</table>

$ 398  Total Safety and Reliability Spending

$ 457  Total Capital Spending

As of February 2, 2021
**Fiscal 2021 Q1 Financing Recap**

- **$600 million of long-term debt financing issued**
  - 1.50% 10-year senior notes issued in October 2020

- **Equity needs satisfied through our ATM program**
  - $122 million of equity priced in Q1 fiscal 2021
  - $216 million in settled equity forward arrangements
  - $247 million net proceeds available under forward agreements at December 31, 2020
    - **Maturity:** June 30, 2021 to September 30, 2021
    - **Shares:** 2,452,177
    - **Forward Share Price:** $100.66
  - $430 million available for issuance as of December 31, 2020
Volume by Customer Class

### Fiscal 2021 Budget

- **Oct – Mar**: ~70% of Total Year Revenue
- **Apr – Sep**: ~30% of Total Year Revenue

### Base Charge as a % of Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>65%</td>
</tr>
<tr>
<td>Commercial</td>
<td>44%</td>
</tr>
<tr>
<td>Industrial</td>
<td>24%</td>
</tr>
<tr>
<td>Transport/Other</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58%</td>
</tr>
</tbody>
</table>

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### FY21 Estimated Revenue by Customer Class

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Nonresidential</strong></td>
<td></td>
</tr>
<tr>
<td>• Commercial</td>
<td>27%</td>
</tr>
<tr>
<td>• Industrial</td>
<td>2%</td>
</tr>
<tr>
<td>• Transport/Other</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total Nonresidential</strong></td>
<td><strong>34%</strong></td>
</tr>
</tbody>
</table>

**Total**: 100%

---

### FY21 Estimated EPS Sensitivity

- **1% change in volumes**

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Sensitivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$0.0235</td>
</tr>
<tr>
<td>Nonresidential</td>
<td></td>
</tr>
<tr>
<td>• Commercial</td>
<td>$0.0117</td>
</tr>
<tr>
<td>• Industrial</td>
<td>$0.0008</td>
</tr>
<tr>
<td>• Transport/Other</td>
<td>$0.0038</td>
</tr>
<tr>
<td><strong>Total Nonresidential</strong></td>
<td><strong>$0.0163</strong></td>
</tr>
</tbody>
</table>

**Total**: $0.0398

---

\(^{(1)}\) Revenue excluding gas costs
## COVID-19 Key Financial Factors

### Revenue
- 58% of distribution revenue\(^1\) is included in base charge
- >80% of APT revenues earned from LDC customers via demand charge
- 25% of APT through system revenue retained through Rider Rev

### Bad Debt Expense
- Regulatory asset treatment in 6 states\(^2\)

### O&M
- Regulatory asset treatment for COVID-19 related costs in 5 states\(^2\)

### Capital Spending
- No material supply chain issues

---

1. Revenue excluding gas costs
2. As of December 31, 2020, no amounts have been recorded as regulatory assets or liabilities for expenses related to COVID-19.
<table>
<thead>
<tr>
<th>State</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>Order received 9/3/20 Authorized deferral of incremental bad debt expense</td>
</tr>
<tr>
<td>Kansas</td>
<td>Order received 7/9/20 Authorized deferral of incremental bad debt expenses and foregone fee revenue that may arise from customer protections</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Order received 9/21/20 Authorized deferral of carrying charges on arrearages</td>
</tr>
<tr>
<td>Louisiana</td>
<td>Order received 4/29/20 Authorized deferral of expenses incurred from the suspension of disconnections and collection of late fees imposed by the 3/13/20 executive order</td>
</tr>
<tr>
<td>Mississippi</td>
<td>Order received 4/14/20 Authorized deferral of incremental bad debt expenses and all associated credit and collection costs</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Tracking COVID related costs for possible future recovery</td>
</tr>
<tr>
<td>Texas</td>
<td>Order received 4/8/20 Authorized deferral of expenses incurred to address the impact on utilities and their customers that otherwise would not have been incurred during the normal course of business, including incremental bad debt and associated credit and collection costs</td>
</tr>
<tr>
<td>Virginia</td>
<td>Order received 4/29/20 Authorized deferral of incremental bad debt, late payment fees suspended, reconnection costs, carrying costs and other incremental incurred costs</td>
</tr>
</tbody>
</table>
## Fiscal 2021E Guidance

<table>
<thead>
<tr>
<th>($millions, except EPS)</th>
<th>FY 2020</th>
<th>FY 2021E¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>$</td>
<td>$ 395</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 425 - $440</td>
</tr>
<tr>
<td>Pipeline &amp; Storage</td>
<td>206</td>
<td>205 - 220</td>
</tr>
<tr>
<td>Total Net Income</td>
<td>$</td>
<td>$ 601</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 635 - $665</td>
</tr>
<tr>
<td>Average Diluted Shares</td>
<td>122.9</td>
<td>129.0 - 131.5</td>
</tr>
<tr>
<td>Adjusted Diluted EPS²</td>
<td>$</td>
<td>$ 4.72³</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 4.90 - $5.10</td>
</tr>
<tr>
<td>Capital Spending</td>
<td>$</td>
<td>$ 1,936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 2,000 - $2,200</td>
</tr>
</tbody>
</table>

1. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2021 significantly above or below this outlook.

2. Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.

3. Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020.
## Fiscal 2021E Guidance

<table>
<thead>
<tr>
<th>Selected Expenses ($millions)</th>
<th>FY 2020</th>
<th>FY 2021E&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M</td>
<td>$ 630</td>
<td>$ 660 - 690</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>$ 430</td>
<td>$ 470 - 480</td>
</tr>
<tr>
<td>Interest</td>
<td>$ 84</td>
<td>$ 75 - 85</td>
</tr>
<tr>
<td>Adjusted Income Tax</td>
<td>$ 166&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 175 - 185</td>
</tr>
<tr>
<td>Adjusted Effective Tax Rate</td>
<td>22.2%&lt;sup&gt;3&lt;/sup&gt;</td>
<td>20% - 23%&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

1. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2021 significantly above or below this outlook.

2. Adjusted Income Tax is a Non-GAAP measure defined as Income Taxes of $145 million before a $21 million one-time, non-cash income tax benefit recognized in Q3 2020.

3. Adjusted Effective Tax Rate is a Non-GAAP measure calculated using Income before Income Taxes and Adjusted Income Tax, which excludes the $21 million one-time, non-cash income tax benefit recognized in Q3 2020.

4. Excluding the amortization of excess deferred tax liabilities, the effective rate is expected to be 23% - 25%.

As of February 2, 2021
Consolidated 2021E Capital Expenditures of $2.0 billion - $2.2 billion
~90% of annual CAPEX begins to earn within 6 months from end of test year

As of February 2, 2021
Capital Spending Drives Rate Base Growth

Focused on enhancing system safety and reliability

*Estimated rate base at the end of each fiscal year*
Constructive Rate Outcomes Support Continued Investment

Annualized Increases From Implemented Rate Activity

- Customers and investors benefit from fair and reasonable regulation
- Earning on ~90% of annual CAPEX within 6 months of test year end
- Distribution features:
  - 97% Weather normalization stabilizes rates and revenue
  - 78% Bad Debt Recovery insulates revenue from the commodity portion of bad debt expense

* Includes the impact of lower rates to reflect implementation of TCJA

As of February 2, 2021
Sustainable and Growing Dividend

37 Consecutive Years of Dividend Increases

- Dividend increased 8.7% for Fiscal 2021
- The indicated annual dividend rate for Fiscal 2021 is $2.50
- Long-term targeted payout ratio of 50%

Note: Amounts are adjusted for mergers and acquisitions.

As of February 2, 2021
Anticipated Financing Plans
Fiscal 2021 – Fiscal 2025

- Currently anticipate incremental long-term financing of $6.5 billion - $7.5 billion through fiscal 2025;
  - As of March 1, 2021 we are evaluating alternatives to finance incremental natural gas purchases related to a historic weather event that began on February 11, 2021
- Issuance of debt and equity securities to maintain a balanced capital structure with an equity-to-capitalization ratio in a target range of 50 to 60 percent, inclusive of short-term debt
- Short-term debt utilized to provide cost-effective financing until it can be replaced with a mix of long-term debt and equity financing

Financing plans are reflected in our earnings and EPS growth estimates for Fiscal 2021 through Fiscal 2025 and are expected to support current credit metrics
Regulatory Developments
FY2021 Regulatory Accomplishments

Approved Annualized Operating Income Increases

- **FY2020**: $160.2MM
- **FY2021**: $109.8MM

**Key Rate Activity**

- **$109.8MM Implemented**
  - $82.6MM – Mid-Tex RRM
  - $10.6MM – Mississippi SIR
  - $5.9MM – Mississippi SRF
  - $5.6MM – West TX RRM
  - $2.4MM – Colorado SSIR
  - $1.7MM – Kansas GSRS
  - $1.6MM – Kentucky PRP

- **$102.0MM In Progress**
  - $44.0MM – APT GRIP
  - $15.9MM – Mid-Tex DARR
  - $15.7MM – Mid-Tex GRIPs
  - $8.6MM – Mississippi SIR
  - $8.4MM – West TX ALDC SOI
  - $7.7MM – Tennessee ARM
  - $1.7MM – West TX GRIPs
## Regulatory Mechanisms To Support Recovery

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Annual Rate Stabilization</th>
<th>Infrastructure</th>
<th>Pension and Retirement Cost Trackers</th>
<th>WNA</th>
<th>Bad Debt in GCA</th>
<th>Recovery of Certain COVID-19 Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kansas</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kentucky</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tennessee</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Virginia</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Louisiana</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mississippi</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mid-Tex</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>West Texas</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>APT</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Key Regulatory Filings – Fiscal 2021E

**Rate Filing Planned Timing**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>October → December</strong></td>
<td><strong>January → March</strong></td>
<td><strong>April → June</strong></td>
<td><strong>July → September</strong></td>
</tr>
<tr>
<td>Mid-Tex and WTX Cities – Completed Rate Review Mechanism (RRM) of $88.2 million with new rates implemented December 1, 2020</td>
<td>Colorado – Implemented SSIR filing of $2.4 million</td>
<td>Mid-Tex and WTX Cities – Anticipate Rate Review Mechanism (RRM) filing in April 2021; new rates implemented Q1 fiscal 2022</td>
<td>Mississippi – Anticipate Stable Rate Filing (SRF) in July 2021; new rates anticipated Q1 fiscal 2022</td>
</tr>
<tr>
<td>Mississippi – Implemented Stable Rate Filing (SRF) and System Integrity Rider (SIR) of $16.5 million</td>
<td>Kansas – Implemented GSRS of $1.7 million</td>
<td>Louisiana – Anticipate annual Rate Stabilization Clause filing in April 2021; new rates anticipated Q4 fiscal 2021</td>
<td>Kentucky – Anticipate PRP filing in August 2021; new rates anticipated Q1 2022</td>
</tr>
<tr>
<td>Kentucky – Implemented PRP filing of $1.6 million</td>
<td>Mid-Tex (Dallas) – Filed Dallas Annual Rate Review (DARR) in January 2021; new rates anticipated Q3 fiscal 2021</td>
<td>Virginia – Anticipate SAVE Annual filing in June 2021; new rates anticipated in Q1 fiscal 2022</td>
<td>WTX ALDC – Anticipate filing GRIP in September 2021; new rates anticipated Q1 fiscal 2022</td>
</tr>
<tr>
<td>Virginia – Implemented SAVE filing of $0.3 million</td>
<td>Atmos Pipeline Texas (APT) – Filed GRIP in February 2021; new rates anticipated Q3 fiscal 2021</td>
<td>Kentucky – Anticipate filing General Rate Case in June 2021; new rates anticipated Q1 fiscal 2022</td>
<td></td>
</tr>
<tr>
<td>WTX ALDC – Filed Statement of Intent (SOI) of $8.4 million in September 2020; new rates anticipated Q4 fiscal 2021</td>
<td>Tennessee – Filed Annual Review Mechanism (ARM) in February 2021; new rates anticipated Q3 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Tex ATM, WTX Triangle and Texas Environs – Filed GRIP in February 2021; new rates anticipated Q3 fiscal 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mississippi – Filed System Integrity Rider (SIR) in March 2021; new rates anticipated Q1 fiscal 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of March 1, 2021
Kansas: **Implemented** Gas Safety Reliability Surcharge (GSRS) filing on January 26, 2021

- Authorized an annual operating income increase of $1.7 million
- Authorized ROE: 9.10%; ROR: 7.03%
- Authorized capital structure: 44% debt / 56% equity
- Authorized rate base: $16.9 million
- Test year ended September 30, 2020

Colorado: **Implemented** System Safety and Integrity Rider (SSIR) on January 1, 2021

- Authorized an annual operating income increase of $2.4 million
- Authorized ROE: 9.45%; ROR: 7.55%
- Authorized capital structure: 44% debt / 56% equity
- Authorized rate base: $78.3 million
- Test year ended December 31, 2020
Tennessee ARM Filing: Filed Annual Review Mechanism (ARM) on February 1, 2021
- Requested an increase in annual operating income of $7.7 million
- Requested ROE of 9.80%; ROR of 7.62%
- Requested capital structure of 40% debt / 60% equity
- Requested system-wide rate base of $421 million
- Test year ended September 30, 2020

Kentucky PRP Rate Filing: Implemented annual Pipe Replacement Program (PRP) filing on October 1, 2020
- Authorized an annual operating income increase of $1.6 million
- Authorized ROE of 9.65%; ROR of 7.49%
- Authorized capital structure: 42% debt / 58% equity
- Authorized rate base: $39.4 million
- Forward-looking test year ending September 2021

Virginia Rate Filing: Implemented SAVE Infrastructure Program on October 1, 2020
- Authorized an annual operating income increase of $0.3 million
- Authorized ROE: 9.20%; ROR: 7.43%
- Authorized capital structure: 42% debt / 58% equity
- Authorized rate base: $3.5 million
Mid-Tex Environs: Filed GRIP on February 26, 2021
- Requested an increase in annual operating income of $4.6 million
- Requested ROE of 9.80%; ROR of 7.97%
- Requested capital structure of 40% debt / 60% equity
- Requested system-wide rate base of $4.3 billion
- Test year ended December 31, 2020

Mid-Tex ATM Cities: Filed GRIP of February 26, 2021
- Requested an increase in annual operating income of $11.1 million
- Requested ROE of 9.80%; ROR of 7.97%
- Requested capital structure of 40% debt / 60% equity
- Requested system-wide rate base of $4.3 billion
- Test year ended December 31, 2020

Mid-Tex City of Dallas: Filed Dallas Annual Rate Review (DARR) on January 15, 2021
- Requested an increase in annual operating income of $15.9 million
- Requested ROE of 9.80%; ROR of 7.57%
- Requested capital structure of 41% debt / 59% equity
- Requested system-wide rate base of $4.2 billion
- Test year ended September 30, 2020
Mid-Tex Cities: **Implemented** 2019 Annual Rate Review Mechanism (RRM) on December 1, 2020

- Authorized an increase in annual operating income of $82.6 million
- Authorized ROE of 9.80%; ROR of 7.53%
- Authorized capital structure of 42% debt / 58% equity
- Authorized system-wide rate base of $3.7 billion
- Test year ended December 31, 2019
Mississippi: Filed Annual System Integrity Rider (SIR) on March 1, 2021
- Requested an annual operating income increase of $8.6 million
- Requested ROR: 7.81%
- Requested rate base: $325.8 million
- Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2021 - October 2022

Mississippi: Implemented Annual Stable Rate Filing (SRF) on November 1, 2020
- Authorized an annual operating income increase of $5.9 million
- Authorized ROR: 7.81%
- Authorized rate base: $474.2 million
- Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2020 - October 2021

Mississippi: Implemented Annual System Integrity Rider (SIR) on November 1, 2020
- Authorized an annual operating income increase of $10.6 million
- Authorized ROR: 7.81%
- Authorized rate base: $247.4 million
- Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2020 - October 2021
West Texas Triangle: Filed 2020 GRIP on February 26, 2021
- Requested an annual operating income increase of $0.4 million
- Requested ROE: 9.80%; ROR: 7.71%
- Requested capital structure: 40% debt / 60% equity
- Requested rate base: $40.0 million
- Test year ending December 31, 2020

West Texas Environs: Filed 2020 GRIP on February 26, 2021
- Requested an annual operating income increase of $1.3 million
- Requested ROE: 9.80%; ROR: 7.97%
- Requested capital structure: 40% debt / 60% equity
- Requested rate base: $765.1 million
- Test year ending December 31, 2020

West Texas ALDC: Filed 2020 Statement of Intent (SOI) on September 30, 2020
- Requested an annual operating income increase of $8.4 million
- Requested ROE: 10.50%; ROR: 7.94%
- Requested capital structure: 41% debt / 59% equity
- Requested rate base: $751.9 million
- Test year ending June 30, 2020
- West Texas Cities: **Implemented** 2019 Annual Rate Review Mechanism (RRM) on December 1, 2020
  - Authorized an annual operating income increase of $5.6 million
  - Authorized ROE: 9.80%; ROR: 7.53%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: $660.9 million
  - Test year ending December 31, 2019
Atmos Pipeline: Filed 2020 GRIP on February 12, 2021

✓ Requested an annual operating income increase of $44.0 million
✓ Requested ROE: 11.5%; ROR: 8.87%
✓ Requested capital structure: 47% debt / 53% equity
✓ Requested rate base: $2,935 million
✓ Test year ended December 31, 2020
## Regulatory Summary

<table>
<thead>
<tr>
<th>Jurisdictions</th>
<th>Effective Date of Last Rate Action</th>
<th>Date of Last Rate Filing (Pending)</th>
<th>Authorized Operating Income $ millions</th>
<th>Requested Operating Income $ millions</th>
<th>Rate Base $ millions (1)</th>
<th>Requested Rate Base $ millions</th>
<th>Authorized Rate of Return (1)</th>
<th>Requested Rate of Return</th>
<th>Authorized Return on Equity (1)</th>
<th>Requested Return on Equity</th>
<th>Authorized Debt/Equity Ratio</th>
<th>Requested Debt/Equity Ratio</th>
<th>Meters at 12/31/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmos Pipeline-TX (GUD 10580)</td>
<td>8/1/17</td>
<td></td>
<td>$13.0</td>
<td>$1,767</td>
<td>8.87%</td>
<td></td>
<td>11.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
</tr>
<tr>
<td>Atmos Pipeline-TX GRIP</td>
<td>3</td>
<td>9/1/20</td>
<td>$49.3</td>
<td>$44.0</td>
<td>$2,698</td>
<td>$2,925</td>
<td>8.87%</td>
<td>8.87%</td>
<td>11.50%</td>
<td>11.50%</td>
<td>47/53</td>
<td>47/53</td>
<td>NA</td>
</tr>
<tr>
<td>Mid-Tex - City of Dallas DARR</td>
<td>9/1/20</td>
<td>1/15/21</td>
<td>$14.7</td>
<td>$15.9</td>
<td>$3,511</td>
<td>$4,237</td>
<td>7.83%</td>
<td>7.57%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>40/60</td>
<td>41/59</td>
<td>235,124</td>
</tr>
<tr>
<td>Mid-Tex Cities RRM</td>
<td>5</td>
<td>12/1/20</td>
<td>$82.6</td>
<td>$3,733</td>
<td>7.53%</td>
<td></td>
<td>9.80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,278,904</td>
</tr>
<tr>
<td>Mid-Tex ATM Cities SOI/GRIP (GUD 10779)</td>
<td>3</td>
<td>9/1/20</td>
<td>$11.1</td>
<td>$11.1</td>
<td>$3,655</td>
<td>$4,307</td>
<td>7.97%</td>
<td>7.97%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>40/60</td>
<td>40/60</td>
<td>180,624</td>
</tr>
<tr>
<td>Mid-Tex Environs SOI/GRIP (GUD 10844)</td>
<td>3</td>
<td>9/1/20</td>
<td>$4.4</td>
<td>$4.6</td>
<td>$3,655</td>
<td>$4,307</td>
<td>7.97%</td>
<td>7.97%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>40/60</td>
<td>40/60</td>
<td>78,172</td>
</tr>
<tr>
<td>WTX Cities RRM</td>
<td>5</td>
<td>12/31/20</td>
<td>$5.6</td>
<td>$661</td>
<td>7.53%</td>
<td></td>
<td>9.80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>148,125</td>
</tr>
<tr>
<td>WTX ALDC SOI</td>
<td>4</td>
<td>4/1/14</td>
<td>$8.4</td>
<td>$8.4</td>
<td>$324</td>
<td>$752</td>
<td>2</td>
<td>7.94%</td>
<td>2</td>
<td>10.50%</td>
<td>2</td>
<td>41/59</td>
<td>NA</td>
</tr>
<tr>
<td>WTX ALDC GRIP</td>
<td>3, 4</td>
<td>9/1/20</td>
<td>$5.9</td>
<td>$672</td>
<td>8.57%</td>
<td></td>
<td>10.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>151,311</td>
</tr>
<tr>
<td>WTX Environs SOI/GRIP (GUD 10945)</td>
<td>3</td>
<td>9/1/20</td>
<td>$1.0</td>
<td>$1.3</td>
<td>$668</td>
<td>$765</td>
<td>7.97%</td>
<td>7.97%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>40/60</td>
<td>40/60</td>
<td>24,224</td>
</tr>
<tr>
<td>WTX Triangle (GUD 10900)</td>
<td>4/21/20</td>
<td>2/26/21</td>
<td>($0.8)</td>
<td>$0.4</td>
<td>$37</td>
<td>$40</td>
<td>7.71%</td>
<td>7.71%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>40/60</td>
<td>40/60</td>
<td>NA</td>
</tr>
<tr>
<td>Louisiana RSC (U-35525)</td>
<td>6</td>
<td>7/1/20</td>
<td>$14.8</td>
<td>$747</td>
<td>7.57%</td>
<td></td>
<td>9.80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>370,943</td>
</tr>
<tr>
<td>Mississippi SRF (2005-UN-0503)</td>
<td>11/1/20</td>
<td></td>
<td>$5.9</td>
<td>$474</td>
<td>7.81%</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>272,607</td>
</tr>
<tr>
<td>Mississippi SIR (2015-UN-049)</td>
<td>11/1/20</td>
<td>3/1/21</td>
<td>$10.6</td>
<td>$8.6</td>
<td>$247</td>
<td>$326</td>
<td>7.81%</td>
<td>7.81%</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>NA</td>
</tr>
</tbody>
</table>

(See Next Page for Footnote Explanations)

As of March 1, 2021
## Regulatory Summary (continued)

<table>
<thead>
<tr>
<th>Jurisdictions</th>
<th>Effective Date of Last Rate Action</th>
<th>Date of Last Rate Filing (Pending)</th>
<th>Authorized Operating Income $millions</th>
<th>Requested Operating Income $millions</th>
<th>Rate Base $millions(1)</th>
<th>Requested Rate Base $millions</th>
<th>Authorized Rate of Return (1)</th>
<th>Requested Rate of Return</th>
<th>Authorized Return on Equity (1)</th>
<th>Requested Return on Equity</th>
<th>Authorized Debt/Equity Ratio</th>
<th>Requested Debt/Equity Ratio</th>
<th>Meters at 12/31/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kentucky PRP (2019-00253)</td>
<td>10/1/20</td>
<td></td>
<td>$1.6</td>
<td>$39</td>
<td>7.49%</td>
<td>9.65%</td>
<td>42/58</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kentucky (2018-00281)</td>
<td>5/7/19</td>
<td></td>
<td>$3.4</td>
<td>$425</td>
<td>7.49%</td>
<td>9.65%</td>
<td>42/58</td>
<td></td>
<td>183,697</td>
<td></td>
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</tr>
<tr>
<td>Tennessee ARM (19-00067)</td>
<td>6/1/19</td>
<td>2/1/21</td>
<td>$2.4</td>
<td>$7.7</td>
<td>$389</td>
<td>$421</td>
<td>7.79%</td>
<td>7.62%</td>
<td>9.80%</td>
<td>9.80%</td>
<td>42/58</td>
<td>40/60</td>
<td>157,770</td>
</tr>
<tr>
<td>Kansas (19-ATMG-525-RTS)</td>
<td>4/1/20</td>
<td></td>
<td>($0.2)</td>
<td>$242</td>
<td>7.03%</td>
<td>9.10%</td>
<td>44/56</td>
<td></td>
<td>138,986</td>
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<tr>
<td>Kansas GSRS</td>
<td>1/26/20</td>
<td></td>
<td>$1.7</td>
<td>$17</td>
<td>7.03%</td>
<td>9.10%</td>
<td>44/56</td>
<td></td>
<td>NA</td>
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<tr>
<td>Colorado (17AL-0429G)</td>
<td>5/3/18</td>
<td></td>
<td>($0.2)</td>
<td>$135</td>
<td>7.55%</td>
<td>9.45%</td>
<td>44/56</td>
<td></td>
<td>124,424</td>
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<tr>
<td>Colorado SSIR (20AL-0471G)</td>
<td>1/1/21</td>
<td></td>
<td>$2.4</td>
<td>$78</td>
<td>7.55%</td>
<td>9.45%</td>
<td>44/56</td>
<td></td>
<td>NA</td>
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<tr>
<td>Colorado GIS (18A-0765G)</td>
<td>4/1/19</td>
<td></td>
<td>$0.1</td>
<td>$1</td>
<td>7.55%</td>
<td>9.45%</td>
<td>44/56</td>
<td></td>
<td>NA</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Virginia (PUR-2018-00014)</td>
<td>4/1/19</td>
<td></td>
<td>($0.4)</td>
<td>$48</td>
<td>7.43%</td>
<td>9.20%</td>
<td>42/58</td>
<td></td>
<td>24,711</td>
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<tr>
<td>Virginia SAVE (PUR-2020-00107)</td>
<td>10/1/20</td>
<td></td>
<td>$0.3</td>
<td>$4</td>
<td>7.43%</td>
<td>9.20%</td>
<td>42/58</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. 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 final decision.
3. GRIP filings are based on existing returns and the change in net utility plant investment.
4. Includes the cities of Amarillo, Lubbock, Dalhart and Channing.
5. The implementation date of the approved rates is December 1, 2020.
6. Louisiana RSC rates were implemented July 1, 2020 subject to refund.
Jurisdictional Information
Regulated Operations in Texas

Scope of Texas Operations Distribution and Pipeline
~ 71% of operating income and ~ 72% of asset base are concentrated in Texas

- Constructive regulatory framework supports investment in system reliability and safety, while reducing lag
  - Rule 8.209
  - GRIP (Gas Reliability Infrastructure Program)

- Between $1.6 billion - $1.7 billion or 79% of projected annual consolidated capital expenditures in Fiscal 2021 deployed in Texas
  - Distribution $1,060 - $1,100 million
  - APT $565 - $590 million

- Texas has advanced pipeline safety regulations that exceed federal standards
- Texas has one of the strongest energy economies in the U.S.
Largest Natural Gas Distributor in Texas

- Regulated by the Railroad Commission of Texas
- Over 2.0 million gas distribution meters and more than 39,000 miles of distribution pipe in Texas
- Constructive regulatory mechanisms reduce or eliminate lag
- $1,060 - $1,100 million Fiscal 2021 estimated CapEx
- 93% of customers are at a 9.8% allowed ROE
Favorably Positioned Intrastate Pipeline
Spans Texas Shale Gas Supply Basins

- Regulated by the Railroad Commission of Texas
  - Established to provide gas supply service to Mid-Tex and other LDCs
  - 100% of margin derived from tariff-based rates
- $565-$590MM estimated annual CapEx spend
  - 11.5% ROE
  - Gas Reliability Infrastructure Program (GRIP)
    - 100% recovery through GRIP
- Transported approximately 822 Bcf in Fiscal 2020
- Average throughput of 2.3 Bcf/d
- Demonstrated peak day total throughput of approximately 4.4 Bcf
- Five storage facilities with 46 Bcf of working gas capacity
- 5,700 mile intrastate pipeline with connections at all 3 Texas Hubs - Waha, Katy & Carthage

Pipeline spans multiple gas formations: Barnett Shale, Haynesville/Bossier Shale, Permian Basin, Eagle Ford Shale
Mid-Tex Division - Overview

Key Regulatory Features:
- Each municipality has original jurisdiction
- Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over environs customers
- Weather normalization from November - April
- Rule 8.209 – System safety and reliability capital deferral mechanism
- Bad debt gas cost & pension post-retiree expense deferral

Largest Natural Gas Distributor in Texas

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Regulator</th>
<th>Cities %</th>
<th>Cust. %</th>
<th>ROE</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Rate Review</td>
<td>Cities</td>
<td>72%</td>
<td>72%</td>
<td>9.8%</td>
<td>58% Cap</td>
</tr>
<tr>
<td>ACSC</td>
<td>City</td>
<td>0.2%</td>
<td>13%</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
<tr>
<td>Dallas</td>
<td>RRC</td>
<td>19%</td>
<td>5%</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
<tr>
<td>ATM</td>
<td>Cities</td>
<td>9%</td>
<td>10%</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
</tbody>
</table>
Key Regulatory Features:

- Each municipality has original jurisdiction
- Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over environs customers
- Weather normalization from October – May
- Rule 8.209 – System safety and reliability capital deferral mechanism
- Bad debt gas cost & pension post-retiree expense deferral

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Regulator</th>
<th>Cities %</th>
<th>Cust. %</th>
<th>ROE</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRM Cities</td>
<td>Cities</td>
<td>85%</td>
<td>45%</td>
<td>9.8%</td>
<td>58% Cap</td>
</tr>
<tr>
<td>GRIP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALDC</td>
<td>RRC</td>
<td>5%</td>
<td>47%</td>
<td>10.5%</td>
<td>Actual</td>
</tr>
<tr>
<td>Environs</td>
<td>RRC</td>
<td>10%</td>
<td>8%</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
</tbody>
</table>

Communities Served: 80
Customers Served: 320,000
Miles of Distribution Pipe: 7,900
Louisiana Division - Overview

<table>
<thead>
<tr>
<th>Communities Served</th>
<th>270</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Served</td>
<td>368,000</td>
</tr>
<tr>
<td>Miles of Distribution Pipe</td>
<td>8,700</td>
</tr>
</tbody>
</table>

**Key Regulatory Features:**

- Public Service Commission – 5 elected commissioners, serve staggered 6-year terms
- Rates updated annually through the Rate Stabilization Clause (RSC), which contains a safety and reliability mechanism (SIIP) that includes deferral of carrying costs
- Weather normalization in place from December – March
- Post-retiree expense averaging

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Regulator</th>
<th>ROE</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>LPSC</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
</tbody>
</table>
Key Regulatory Features:

- Public Service Commission – 3 elected commissioners with 4-year terms
- Rates updated annually through Stable Rate Filing (SRF) for capital and expenses; forward-looking capital and associated costs
  - System Integrity Rider (SIR) is a separate safety and reliability mechanism that includes capital spending and associated costs
- Weather normalization in place from November – April
Kentucky/Mid-States Division - Overview

<table>
<thead>
<tr>
<th>Communities Served</th>
<th>230</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Served</td>
<td>364,000</td>
</tr>
<tr>
<td>Miles of Distribution Pipe</td>
<td>8,400</td>
</tr>
</tbody>
</table>

**Key Regulatory Features:**

- **KY:** 3 appointed commissioners, 4-year staggered terms
  - Traditional ratemaking, on a forward-looking basis, for the total cost of service
  - Weather normalization from November – April
  - Bad debt gas cost recovery

- **TN:** 5 appointed commissioners, 4-year terms
  - Annual rate making mechanism with forward-looking costs of service and true-up filing
  - Weather normalization from November – April
  - Bad debt gas cost recovery, pension cash contributions recovered as incurred

- **VA:** 3 appointed commissioners, 6-year staggered terms
  - Annual forward-looking infrastructure mechanism - SAVE
  - Weather normalization January – December
  - Bad debt gas cost recovery

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Regulator</th>
<th>ROE</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kentucky</td>
<td>PSC</td>
<td>9.65%</td>
<td>Actual</td>
</tr>
<tr>
<td>Tennessee</td>
<td>TPUC</td>
<td>9.8%</td>
<td>Actual</td>
</tr>
<tr>
<td>Virginia</td>
<td>VSCC</td>
<td>9.2%</td>
<td>Actual</td>
</tr>
</tbody>
</table>

1 Not included in final decision
Colorado-Kansas Division - Overview

<table>
<thead>
<tr>
<th>Communities Served</th>
<th>170</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Served</td>
<td>261,000</td>
</tr>
<tr>
<td>Miles of Distribution Pipe</td>
<td>7,300</td>
</tr>
</tbody>
</table>

Key Regulatory Features:
- **CO**: 3 appointed commissioners, 4-year staggered terms
  - Forward-looking system infrastructure rider (SSIR)
- **KS**: 3 appointed commissioners, 4-year staggered terms
  - Annual infrastructure mechanism – Gas Safety and Reliability Surcharge (GSRS)
  - Weather normalization from November – April
  - Bad debt gas cost recovery
  - Property tax deferral
  - Post-retiree pension expense deferral

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Regulator</th>
<th>ROE</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas</td>
<td>KCC</td>
<td>9.10%</td>
<td>56%</td>
</tr>
<tr>
<td>Colorado</td>
<td>CPUC</td>
<td>9.45%</td>
<td>Actual</td>
</tr>
</tbody>
</table>

¹ Not included in final decision
Pipeline and Storage Operations

Atmos Pipeline – Texas Overview

<table>
<thead>
<tr>
<th>Miles of Gas Transmission Pipeline</th>
<th>5,700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Storage Capacity</td>
<td>46 Bcf</td>
</tr>
</tbody>
</table>

Key Regulatory Features:

- Railroad Commission of Texas (RRC): 3 elected commissioners, with six-year staggered terms
- Rates updated annually through GRIP (Gas Reliability Infrastructure Program)
  - Approved change in net utility plant investment incurred in the prior calendar year; based on existing returns
  - Requires general rate case every 5 years
- Straight fixed/variable rates
- Rider Rev margin normalization credited to tariff-based customers; $69.4 million benchmark
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 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 presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the credit and capital markets, and the other factors discussed in our reports filed with the Securities and Exchange Commission. These risks and uncertainties include the following: federal, state and local regulatory and political trends and decisions, including the impact of rate proceedings before various state regulatory commissions; increased federal regulatory oversight and potential penalties; possible increased federal, state and local regulation of the safety of our operations; the impact of greenhouse gas emissions or other legislation or regulations intended to address climate change; possible significant costs and liabilities resulting from pipeline integrity and other similar programs and related repairs; the inherent hazards and risks involved in distributing, transporting and storing natural gas; the availability and accessibility of contracted gas supplies, interstate pipeline and/or storage services; increased competition from energy suppliers and alternative forms of energy; adverse weather conditions, including impacts from the February 2021 winter storm; the impact of climate change; the inability to continue to hire, train and retain operational, technical and managerial personnel; increased dependence on technology that may hinder the Company's business if such technologies fail; the threat of cyber-attacks or acts of cyber-terrorism that could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee or Company information; natural disasters, terrorist activities or other events and other risks and uncertainties discussed herein, all of which are difficult to predict and many of which are beyond our control; the capital-intensive nature of our business; our ability to continue to access the credit and capital markets to execute our business strategy; market risks beyond our control affecting our risk management activities, including commodity price volatility, counterparty performance or creditworthiness and interest rate risk; the concentration of our operations in Texas; the impact of adverse economic conditions on our customers; changes in the availability and price of natural gas, including the impacts from the February 2021 winter storm; increased costs of providing health care benefits, along with pension and postretirement health care benefits and increased funding requirements; and the outbreak of COVID-19 and its impact on business and economic conditions. Accordingly, while 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. Further, we undertake no obligation to update or revise any of our 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 2021 and beyond that appear in this presentation are current as of February 2, 2021.