

Analysts Call to Review Fiscal 2018 Third Quarter Financial Results

*August 9, 2018
10:00 a.m. Eastern*

Fiscal 2018 Highlights

■ Solid Year to Date Results

- Reaffirm FY2018 EPS guidance of \$3.85-\$4.05; FY2018 capital spending to approximate \$1.4 billion
- Successful \$400 million equity offering

■ Federal Tax Reform

- Reflected in revenues beginning in FYQ2
- Reduced customer bills in Colorado, Kansas, Kentucky, Louisiana, and Texas
- Recorded one-time benefit reflecting remeasurement of deferred tax liability

■ Significant Regulatory Developments

- Modified annual mechanisms for ~80% of Texas distribution customers
- Dallas Statement of Intent (SOI) settled
- Updated formula for annual mechanism in Mississippi
- Renewed infrastructure mechanism in Colorado
- Enhanced GSRS legislation in Kansas

Consolidated Financial Results – Fiscal 2018 Q3



Q3 Fiscal 2018 Net Income versus Q3 Fiscal 2017 Net Income

	Q3 Fiscal 2018		Q3 Fiscal 2017	
	(in \$mm)	EPS ¹	(in \$mm)	EPS ¹
Segment Net Income				
Distribution	\$ 35		\$ 37	
Pipeline & Storage	36		34	
Net Income¹	\$ 71	\$0.64	\$ 71	\$0.67

¹ 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.

Consolidated Financial Results – Fiscal 2018 YTD



YTD Fiscal 2018 Net Income versus YTD Fiscal 2017 Net Income

	YTD Fiscal 2018		YTD Fiscal 2017	
	(in \$mm)	EPS ²	(in \$mm)	EPS ²
Segment Net Income				
Distribution	\$ 429		\$ 253	
Pipeline & Storage	135		94	
Natural Gas Marketing	----		14	
Net Income	\$ 564	\$5.09	\$ 361	\$3.40
(Less) Discontinued Operations	----	----	(14)	(0.13)
Net Income from Continuing Operations	\$ 564	\$5.09	\$ 347	\$3.27
Non-Cash Benefit from adoption of the TCJA	166	1.49	----	----
Adjusted Net Income from Continuing Operations¹	\$ 398	\$3.60	\$ 347	\$3.27

¹ Adjusted Net Income and diluted EPS from Continuing Operations are non-GAAP measures defined as Net Income and diluted EPS from Continuing Operations before the one-time, non-cash income tax benefit resulting from the implementation of the Tax Cuts and Jobs Act of 2017 (TCJA).

² 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 Financial Results – Fiscal 2018 Q3



Distribution

(\$ millions)	Quarter Ended 6/30		
	2018	2017	Change
Contribution Margin	\$ 304.6	\$ 296.3	\$ 8.3
Operating Expenses			
Operation & Maintenance	111.9	99.6	12.3
Depreciation & Amortization	66.5	62.8	3.7
Taxes, other than Income	64.4	56.8	7.6
Operating Income	\$ 61.8	\$ 77.1	(\$ 15.3)

(\$ millions)	Nine Months Ended 6/30		
	2018	2017	Change
Contribution Margin	\$ 1,173.8	\$ 1,105.0	\$ 68.8
Operating Expenses			
Operation & Maintenance	347.6	296.1	51.5
Depreciation & Amortization	197.6	185.2	12.4
Taxes, other than Income	184.2	165.0	19.2
Operating Income	\$ 444.4	\$ 458.7	(\$ 14.3)

Key Drivers

QTD:

- Contribution margin growth:
 - \$11.2MM – Rate increases
 - \$2.7MM – Transportation
 - \$2.1MM – Customer growth
 - \$4.2MM – Revenue related taxes
 - (\$12.4MM) – Impact of TCJA
- O&M increase related to higher employee related expenses and system integrity spending
- D&A and ad valorem taxes reflect increased capital investments

YTD:

- Contribution margin growth:
 - \$64.4MM – Rate increases
 - \$15.4MM – Revenue related taxes
 - \$14.2MM – Net consumption
 - \$8.6MM – Transportation
 - \$5.8MM – Customer growth
 - (\$38.7MM) – Impact of TCJA
- O&M increase:
 - \$24.3MM – Planned outage
 - \$27.2MM – System maintenance and employee related expenses
- D&A and ad valorem taxes reflect increased capital investments

Segment Financial Results – Fiscal 2018 Q3



Pipeline & Storage

(\$ millions)	Quarter Ended 6/30		
	2018	2017	Change
Contribution Margin	\$ 127.1	\$ 116.0	\$ 11.1
Operating Expenses			
Operation & Maintenance	33.5	29.0	4.5
Depreciation & Amortization	24.2	17.3	6.9
Taxes, other than Income	8.2	6.1	2.1
Operating Income	\$ 61.2	\$ 63.6	(\$ 2.4)

Key Drivers

QTD:

- Contribution margin growth:
 - \$23.7MM – Rate increases
 - (\$8.0MM) – Impact of TCJA
- O&M increase:
 - System maintenance and other
- D&A and ad valorem taxes reflect increased capital investments

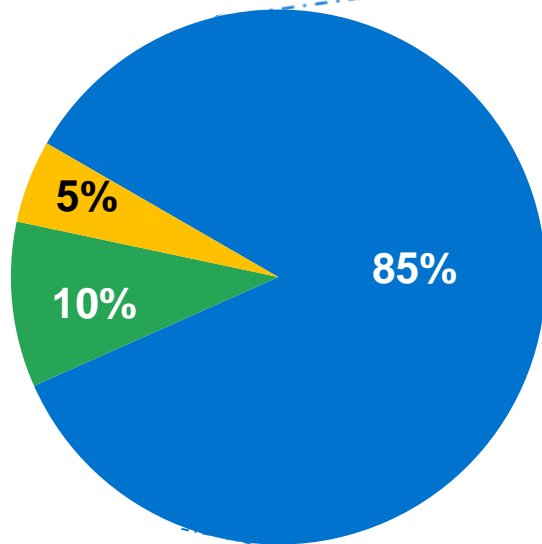
(\$ millions)	Nine Months Ended 6/30		
	2018	2017	Change
Contribution Margin	\$ 373.1	\$ 336.9	\$ 36.2
Operating Expenses			
Operation & Maintenance	89.0	89.9	(0.9)
Depreciation & Amortization	70.8	49.4	21.4
Taxes, other than Income	24.2	20.6	3.6
Operating Income	\$ 189.1	\$ 177.0	\$ 12.1

YTD:

- Contribution margin growth:
 - \$54.0M – Rate increases
 - (\$16.1MM) – Impact of TCJA
- O&M decrease:
 - Timing of system maintenance expense
- D&A and ad valorem taxes reflect increased capital investments

Capital Spending Mix

Safety & Reliability Investments Enable Modernization of Infrastructure



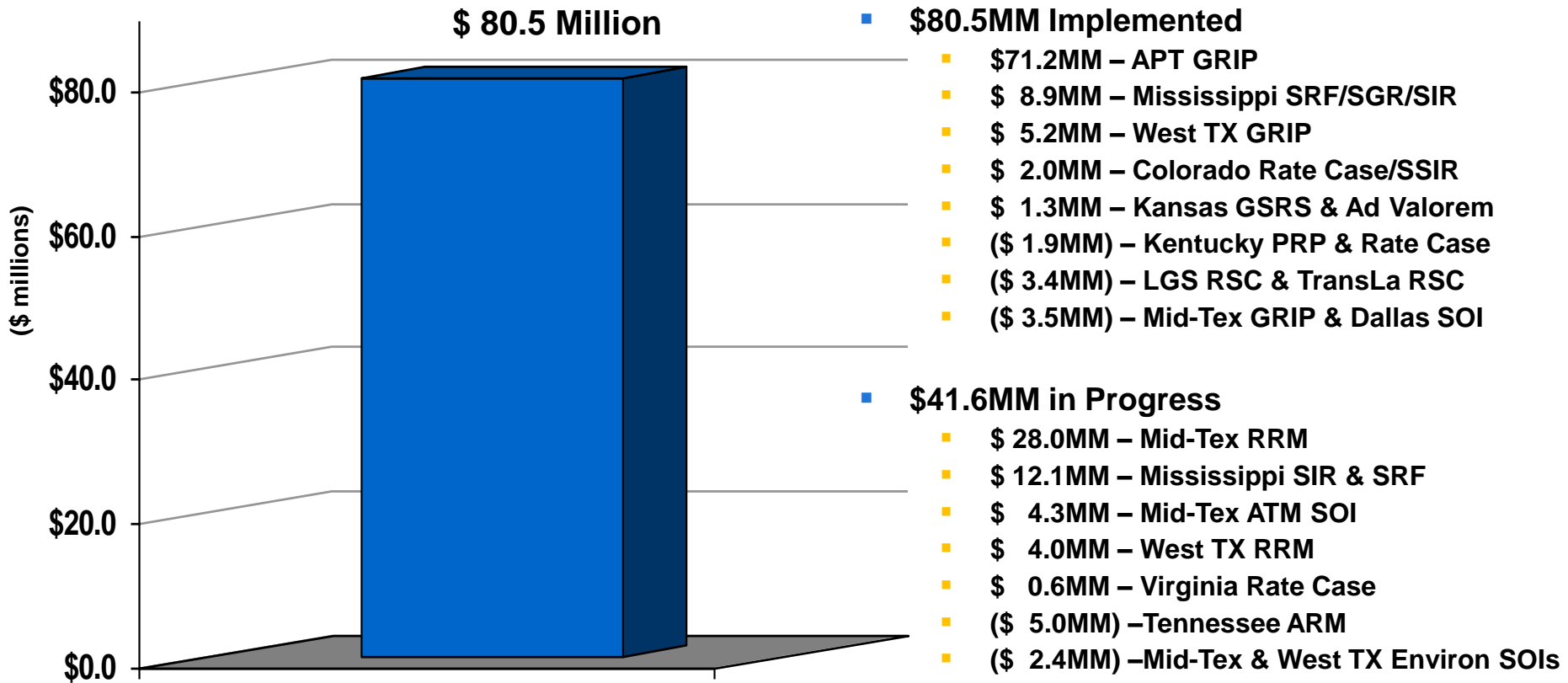
- Safety and Reliability
- Customer Expansion
- Other

FISCAL 2018 YTD CAPEX	
<i>\$ millions</i>	
\$ 499	Repair and replace transmission and distribution pipelines
\$ 120	Service line replacement
\$ 85	Fortification
\$ 85	Enhance storage and compression capabilities
\$ 81	Install & replace measurement & regulating equipment
\$ 52	Pipeline integrity management projects
\$ 922	Total Safety and Reliability Spending
\$1,088	Total Capital Spending YTD

Key Regulatory Developments - Fiscal 2018

Annualized Operating Income Increases from Implemented Rate Activity

Key Rate Activity Fiscal 2018 YTD



Mid-Tex Division

- **Mid-Tex Environ Cities:** *Filed* Statement of Intent on June 29, 2018, requesting a decrease in annual operating income of \$1.9 million, based on a 21% statutory federal income tax rate
 - Requested ROE of 10.50%; overall return of 8.39%
 - Requested capital structure of 40% debt / 60% equity
 - Requested system-wide rate base of \$2.6 billion
 - Serves about 59,000 customers
 - Test year ended December 31, 2017

- **Mid-Tex ATM Cities:** *Filed* Statement of Intent on June 1, 2018, requesting an increase in annual operating income of \$4.3 million, based on a 21% statutory federal income tax rate
 - Requested ROE of 10.50%; overall return of 8.39%
 - Requested capital structure of 40% debt / 60% equity
 - Requested system-wide rate base of \$2.6 billion
 - Serves about 163,000 customers
 - Test year ended December 31, 2017

- **Mid-Tex Cities:** *Filed* 2017 Annual Rate Review Mechanism (RRM) on April 3, 2018, requesting an increase in annual operating income of \$28.0 million, based on a 21% statutory federal income tax rate
 - Requested ROE of 9.80%; overall return of 7.97%
 - Requested capital structure of 40% debt / 60% equity
 - Requested system-wide rate base of \$2.6 billion
 - Serves about 1,168,000 customers
 - Test year ended December 31, 2017; new rates anticipated Q1 2019

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Environs:** *Approved* 2017 Gas Reliability Infrastructure Program (GRIP) on June 5, 2018 for an increase in annual operating income of \$1.6 million, based on a 21% statutory federal income tax rate
 - Authorized ROE of 10.5%; overall return of 8.57%
 - Authorized actual capital structure: 48% debt / 52% equity
 - System-wide rate base: \$2.5 billion
 - Serves about 59,000 customers
 - Test year ended December 31, 2017

- **Mid-Tex City of Dallas:** *Settled* Statement of Intent with the City of Dallas on February 14, 2018, authorizing an annual operating income decrease of \$5.1 million based on a 21% federal income tax rate
 - New rates implemented 2/15/2018
 - Updated Dallas Annual Rate Review (DARR) mechanism terms
 - ROE 9.8%
 - Capital structure based on 13-month average of actual long-term debt and equity
 - Test year ending September 30; new rates implemented June 1
 - Serves about 230,000 customers

Distribution Operations – Regulatory Update



Mid-Tex Division

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands (1)		Requested Rate Base \$ 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 6/30/18
Mid-Tex - City of Dallas SOI		2/14/18		(\$ 5.1)		2			2		2		2		NA
Mid-Tex Cities RRM		6/1/17	4/3/18	\$ 36.2	\$28.0	\$2,362,937		\$2,587,261	8.36%	7.97%	10.50%	9.80%	45/55	40/60	1,399,127
Mid-Tex ATM Cities SOI			6/1/18		\$ 4.3			\$2,573,505		8.39%		10.50%		40/60	NA
Appealed Mid-Tex Dallas DARR (GUD 10640)		12/5/17		\$ 9.2		\$2,268,403			8.38%		10.10%		41/59		230,366
Mid-Tex Environs GRIP (GUD 10607)	3	6/5/18		\$ 1.6		\$2,511,492			8.57%		10.50%		48/52		62,105
Mid-Tex Environs SOI (GUD 10742)			6/29/18		\$ (1.9)			\$2,573,523		8.39%		10.50%		40/60	62,105

- (1) Rate base for Mid-Tex Cities, Mid-Tex ATM, Environs and Dallas represented on a “system-wide” basis
- (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

West Texas Division

- **West Texas Cities Unincorporated:** *Filed* 2018 Statement of Intent (SOI) on June 29, 2018, requesting a decrease in annual operating income of \$0.5 million, based on a 21% statutory federal income tax rate
 - Requested ROE of 10.50%; overall return of 8.39%
 - Requested capital structure of 40% debt / 60% equity
 - Serves about 23,000 customers
 - Test year ended December 31, 2017

- **West Texas Cities:** *Filed* 2017 annual Rate Review Mechanism (RRM) on April 3, 2018, requesting an increase in annual operating income of \$4.0 million, based on a 21% statutory federal income tax rate
 - Requested ROE of 9.80%; overall return of 7.97%
 - Requested capital structure of 40% debt / 60% equity
 - Requested system-wide rate base of \$505.7 million
 - Serves about 137,000 customers
 - Test year ended December 31, 2017
 - New rates anticipated Q1 2019

- **West Texas Cities of Amarillo/Lubbock/Dalhart/Channing:** *Approved* 2017 Gas Reliability Infrastructure Program (GRIP) on June 8, 2018 for an increase in annual operating income of \$4.4 million, based on a 21% statutory federal income tax rate
 - Based on return, depreciation and changes in taxes related to system-wide net investment change of \$62.3 million from January 1, 2017 to December 31, 2017
 - Authorized ROE of 10.5%; overall return of 8.57%
 - Authorized actual capital structure: 48% debt / 52% equity
 - System-wide rate base: \$507.8 million
 - Serves about 142,000 customers
 - Test year ended December 31, 2017

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas Environs:** *Approved* 2017 Gas Reliability Infrastructure Program (GRIP) on June 5, 2018 for an increase in annual operating income of \$0.8 million, based on a 21% statutory federal income tax rate
 - Based on return, depreciation and changes in taxes related to system-wide net investment change of \$62.3 million from January 1, 2017 to December 31, 2017
 - Authorized ROE of 10.5%; overall return of 8.57%
 - Authorized actual capital structure: 48% debt / 52% equity
 - System-wide rate base: \$507.8 million
 - Serves about 22,000 customers
 - Test year ended December 31, 2017

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands (1)		Requested Rate Base \$ 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 6/30/18
West Texas Division SOI		4/1/14		\$ 8.4		\$324,264			2		2		2		313,327
WTX Cities RRM		3/15/17	4/3/18	\$ 4.3	\$ 4.0	2		\$505,692	2	7.97%	10.50%	9.80%	2	40/60	NA
WTX ALDC GRIP	3,4	6/8/18		\$ 4.4		\$507,831			8.57%		10.50%		48/52		NA
WTX Environs GRIP	3	6/5/18		\$ 0.8		\$507,831			8.57%		10.50%		48/52		NA
WTX Environs SOI (GUI 10743)			6/29/18		\$ (0.5)			\$507,230		8.39%		10.5%		40/60	NA

- (1) Rate base is represented on a “system-wide” basis
- (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

Distribution Operations – Regulatory Update

Louisiana Division

- **Louisiana – LGS:** *Implemented* annual Rate Stabilization Clause (RSC) on July 1, 2018, providing a decrease in annual operating income of \$1.5 million, based on a 21% federal income tax rate
 - Authorized ROE of 9.80%; overall return of 7.55%
 - Capital structure: 44% debt / 56% equity
 - Authorized rate base: \$419 million
 - Serves about 277,000 customers
 - Test year ended December 31, 2017

- **Louisiana – TransLa:** *Implemented* annual Rate Stabilization Clause (RSC) on May 1, 2018, providing a decrease of \$1.9 million in annual operating income, based on a 21% federal income tax rate
 - Authorized ROE of 9.80%; overall return of 7.26%
 - Capital structure: 49% debt / 51% equity
 - Authorized rate base: \$169 million
 - Serves about 73,000 customers
 - Test year ended September 30, 2017

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands	Requested Rate Base \$ 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 6/30/18
Louisiana-LGS (U-34424)	7/1/18		(\$ 1.5)		\$419,080		7.55%		9.80%		44/56		284,723
Louisiana-Trans La (U-34714)	5/1/18		\$ (1.9)		\$169,120		7.26%		9.80%		49/51		76,603

Distribution Operations – Regulatory Update

Mississippi Division

Mississippi:

- Annual System Integrity Rider (SIR) – *Filed* on March 1, 2018 (updated July, 2, 2018), based on a 21% federal income tax rate
 - Requested increase in annual operating income of \$8.0 million
 - Requested ROE of 10.24%; authorized overall return of 8.19%
 - Requested actual capital structure: 40% debt / 60% equity
 - Requested rate base: \$125.9 million
 - Serves about 247,000 customers
 - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2018 - October 2019
- Annual Stable Rate Filing (SRF) – *Filed* on July 2, 2018, based on a 21% federal income tax rate
 - Requested annual increase in operating income of \$4.1 million
 - Requested rate base \$416.7 million
 - Requested ROE of 10.24%; authorized overall return of 8.19%
 - Requested actual capital structure: 40% debt / 60% equity
 - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2018 - October 2019

Mississippi: *Approved* on December 5, 2017, based on a 35% federal income tax rate

- Annual Supplemental Growth Rider (SGR)
 - Annual increase in annual operating income of \$1.2 million
 - Authorized ROE of 12.0%; authorized overall return of 8.7%
 - Authorized actual capital structure: 47.5% debt / 52.5% equity
 - Authorized rate base: \$23.7 million
- Annual System Integrity Rider (SIR) & Annual Stable Rate Filing (SRF)
 - Annual increase for SIR of \$7.7 million, no increase for SRF
 - SIR authorized rate base \$70.1 million, SRF authorized rate base \$378 million
 - SIR authorized ROE of 9.92%; authorized overall return of 7.60%
 - Authorized actual capital structure: 47.5% debt / 52.5% equity
 - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2017 - October 2018

Distribution Operations – Regulatory Update



Mississippi Division

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands	Requested Rate Base \$ 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 6/30/18
Mississippi SRF (2005-UN-0503)	12/5/17	7/2/18	\$ 0.0	\$ 4.1	\$377,954	\$416,698	7.47%	8.19%	9.67%	10.24%	47/53	40/60	269,986
Mississippi SGR (2013-UN-023)	12/5/17		\$ 1.2		\$23,718		8.70%		12.00%		47/53		NA
Mississippi SIR (2015-UN-049)	12/5/17	7/2/18	\$ 7.7	\$ 8.0	\$70,141	\$125,929	7.60%	8.19%	9.92%	10.24%	47/53	40/60	NA

Distribution Operations – Regulatory Update



New Mississippi Regulatory Framework

Attributes	Current			2018 Filings for 2019 Rates	
	SGR	SIR	SRF	SIR	SRF
Authorized ROE	12.00%	9.92%	9.67%	10.24%	10.24%
Authorized ROR	8.70%	7.60%	7.47%	8.19%	8.19%
Authorized Cap Structure Debt/Equity	47%/53%	47%/53%	47%/53%	Actual period-end cap structure	
Rate Base (\$mm) ⁽¹⁾ ⁽²⁾	\$23.7	\$70.1	\$378.0	\$125.9	\$416.7
Test Period	Nov 1, 2017 – Oct 31, 2018			Filing moved to 3/1 with rates effective 11/1	Filing moved to 7/1 with rates effective 11/1
Forward - Looking Components (PP&E, accum. depreciation, accum. deferred income tax, depreciation & ad valorem tax)	Currently apply			Continue to apply	

(1) SGR rate base will be combined into the SRF.

(2) Future SRF to include up to \$5MM/year for new industrial projects and up to \$5MM/year for new rural infrastructure.

Distribution Operations – Regulatory Update

Kentucky/Mid-States

- **Tennessee ARM Filing:** *Filed* Annual Rate Mechanism (ARM) filing on June 15, 2018, requesting an annual operating decrease of \$5.0 million, based on a 21% federal income tax rate
 - Requested ROE of 9.80% percent; ROR of 7.26%
 - Requested capital structure: 49% debt / 51% equity
 - Requested rate base: \$352 million
 - Serves about 149,000 customers
 - Forward test year ending May 2019

- **Virginia Rate Filing:** *Filed* general rate case filing on June 1, 2018, requesting an annual operating increase of \$0.6 million, based on a 21% federal income tax rate
 - Requested ROE of 11.15% percent; ROR of 8.02%
 - Requested capital structure: 42% debt / 58% equity
 - Requested rate base: \$47.8 million
 - Serves about 24,000 customers
 - Test year ending September 2017

- **Kentucky PRP Rate Filing:** *Approved* annual Pipe Replacement Program (PRP) filing on October 27, 2017, authorizing an annual operating increase of \$5.6 million, based on a 35% federal income tax rate
 - Authorized ROE of 9.80%; Authorized ROR of 7.71%
 - Authorized capital structure: 51% debt / 49% equity
 - Authorized rate base: \$80.6 million
 - Serves about 177,000 customers
 - Forward-looking test year ending September 2018

Distribution Operations – Regulatory Update

Kentucky/Mid-States

- **Kentucky Rate Filing:** *Approved* rate case on May 3, 2018, authorizing a decrease in annual operating income of \$7.5 million, based on a 21% federal income tax rate
 - Approved ROE of 9.7 percent; ROR of 7.41%
 - Approved capital structure: 47% debt / 53% equity
 - Approved rate base: \$428 million
 - Serves about 176,000 customers
 - Forward-looking test year ending March 2019

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands	Requested Rate Base \$ 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 6/30/18
Kentucky (2017-00349)	5/3/18		\$ (7.5)		\$427,646		7.41%		9.70%		47/53		182,931
Kentucky PRP (2017-00308)	10/27/17		\$ 5.6		1		7.71%		9.80%		51/49		NA
Tennessee ARM (18-00067)	6/1/17	6/15/18	\$ 6.7	\$ (5.0)	\$302,953	\$351,848	7.49%	7.26%	9.80%	9.80%	47/53	49/51	149,865
Virginia (PUE-2018-00014)	10/1/17	6/1/18	\$ 0.3	\$ 0.6	\$47,581	\$47,757	2	8.02%	2	11.15%	2	42/58	24,351

(1) PRP rate base included in Kentucky general rate case

(2) A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision

Distribution Operations – Regulatory Update

Colorado-Kansas Division

- **Colorado:** *Approved* rate case on May 3, 2018, approving a decrease in annual operating income of \$0.2 million based on a 21% federal income tax rate
 - Authorized ROE of 9.45%; overall return of 7.55%
 - Authorized capital structure: 44% debt / 56% equity
 - Authorized rate base: \$134.7 million
 - Authorized 5-year extension of the System Safety and Integrity Rider (SSIR) through 2023 (forward-looking, true-up, risk-based focused initially on specific materials)
 - Serves about 116,000 customers
 - Test year ended March 2017

- **Colorado:** *Approved* System Safety and Integrity Rider (SSIR) January 1, 2018, approving a net increase in annual operating income of \$2.2 million, based on a 35% federal income tax rate
 - Authorized ROE of 9.60%; overall return of 7.82%
 - Authorized capital structure: 48% debt / 52% equity
 - Rate base value: \$29.9 million
 - Serves about 111,000 customers
 - Test year ended December 31, 2018

- **Kansas:** *Approved* Gas Safety Reliability Surcharge filing (GSRs) February 27, 2018, approving a net increase in annual operating income of \$0.8 million, based on a 35% federal income tax rate
 - Kansas legislature increased the per customer monthly surcharge from \$0.40 to \$0.80
 - Submitted final plan to accelerate pipe replacement per Order 343 in April 2018

Distribution Operations – Regulatory Update

Colorado-Kansas Division

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands	Requested Rate Base \$ 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 6/30/18
Kansas GSRS (18-ATMG-218-TAR)	2/27/18		\$ 0.8		\$213,078		1		1		1		136,196
Colorado (17AL-0429G)	5/3/18		\$ (0.2)		\$134,700		7.55%		9.45%		44/56		119,844
Colorado SSIR (17AL-0728G)	1/1/18		\$ 2.2		\$29,855		7.82%		9.60%		48/52		NA

(1) A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision

Pipeline and Storage - Regulatory Update

Atmos Pipeline - Texas

- **Atmos Pipeline - Texas:** *Approved* 2017 Gas Reliability Infrastructure Program (GRIP) on May 22, 2018, receiving an annual operating income increase of \$42.2 million, based on a 21% statutory federal income tax rate
 - Authorized capital structure: 47.4% debt / 52.6% equity
 - Authorized ROE: 11.50%
 - Authorized ROR: 8.87%
 - Approved rate base: \$2.12 billion

- **Atmos Pipeline - Texas:** *Approved* 2016 Gas Reliability Infrastructure Program (GRIP) on December 5, 2017, receiving an annual operating income increase of \$29.0 million, based on a 35% federal income tax rate
 - Based on return, depreciation and changes in taxes related to net investment change of \$169.0 million from October 1, 2016 to December 31, 2016
 - Authorized capital structure: 47.4% debt / 52.6% equity
 - Authorized ROE: 11.50%
 - Authorized ROR: 8.87%
 - Approved rate base: \$1.89 billion

Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands	Requested Rate Base \$ 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 6/30/18
Atmos Pipeline-TX (GUD 10580)	8/1/17		\$ 13.0		\$1,767,600		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	5/22/18		\$ 42.2		\$2,122,194		8.87%		11.50%		47/53		NA

Active & Anticipated Rate Filing Timeline Fiscal 2018E



Q1 October – December	Q2 January – March	Q3 April – June	Q4 July – September
Kansas – Approved \$0.8 million Gas System Reliability Surcharge (GSRs); new rates effective February 8, 2018	Atmos Pipeline-Texas (APT) – Approved annual GRIP filing for \$42.2 million; new rates implemented May 22, 2018	Mid-Tex and West Texas Cities – Filed Rate Revenue Mechanism (RRM) requests of \$28.0 million for Mid-Tex and \$4.0 million for West Texas Cities in April 2018; new rates anticipated Q1 fiscal 2019	Mississippi – Filed Stable Rate Filing (SRF) request of \$4.1 million in July 2018; new rates anticipated Q1 fiscal 2019
Colorado – Approved \$2.2 million System Safety and Integrity Rider (SSIR); new rates effective January 1, 2018	Louisiana – Implemented (\$1.5) million LGS Rate Stabilization Clause filing effective July 1, 2018	Mid-Tex ATM Cities – Filed Statement of Intent (SOI) for \$4.3 million in June 2018	Kentucky – Anticipate filing rate case in 4th quarter of fiscal 2018; new rates anticipated Q3 fiscal 2019
Louisiana – Implemented (\$1.9) million TransLa jurisdiction annual Rate Stabilization Clause (RSC) effective May 1, 2018	Texas Environs Customers – Approved annual GRIP requests for Mid-Tex of \$1.6 million and West Texas for \$0.8 million; new rates effective June 2018	Texas Environs Customers- Filed a Statement of Intent in June 2018 for Mid-Tex of (\$1.9) million and West Texas of (\$0.5) million; new rates anticipated in fiscal 2019	
Mississippi – Approved SGR, SIR & SRF for a total of \$8.9 million	West Texas ALDC – Approved annual GRIP request for \$4.4 million; new rates effective June 2018	Virginia – Filed \$0.6 million rate case on June 1, 2018; new rates anticipated in fiscal 2019	
Atmos Pipeline – Texas (APT) – \$29 million GRIP filing approved December 5, 2017	Mississippi – Filed \$8.0 million System Integrity Rider (SIR) in March 2018; new rates anticipated Q1 fiscal 2019	Tennessee – Filed annual mechanism in June 2018 for (\$5.0) million; new rates anticipated Q1 fiscal 2019	

- **Balance Sheet Re-Measurement Reduced Net Deferred Tax Liability By \$904MM**
 - \$738MM increase in regulatory liabilities; future reduction to customer bills
 - \$166MM one-time, non-cash income tax benefit to the Company

- **Earnings and Cash Consequences of Tax Reform**
 - Supports our ability to grow earnings per share and dividends 6% - 8% annually
 - Accretive to Five Year Plan
 - FY 2022E EPS guidance increased to \$5.00 - \$5.40
 - Reduced cash flow drives manageable incremental financing need of \$500MM - \$600MM through FY 2022
 - Lower tax collections
 - Refund of regulatory liabilities to customers
 - Modest reduction in credit metrics still supports strong investment grade credit ratings

- **Key Tax Attributes**
 - \$271MM federal net operating loss carryforwards; cash tax benefit through mid-2020s
 - \$10MM AMT credit carry-forwards to be received by 2022

Federal Tax Reform – Regulatory Progress

Jurisdiction	Note	Implement 21% in Rates	Refund Regulatory Liability	Refund Excess Deferred Taxes Approved	Years
APT - Base rates	2	X	X		
Colorado (Includes SSIR)	1	X	X	X	18
Kansas	2	X	X		
Kentucky	1	X		X	24
Louisiana - LGS	1	X		X	23
Louisiana - TransLa	1	X		X	40
Mississippi (SIR & SRF)	2				
Tennessee	2				
Texas - ACSC/WTX Cities	2	X			
Texas - ATM/MTX Cities	2	X			
Texas - Dallas/MTX	2	X			
Texas - WTX and MTX Environs	2	X			
Virginia	2				

X – Indicates that TCJA adjustment has been reflected in rates

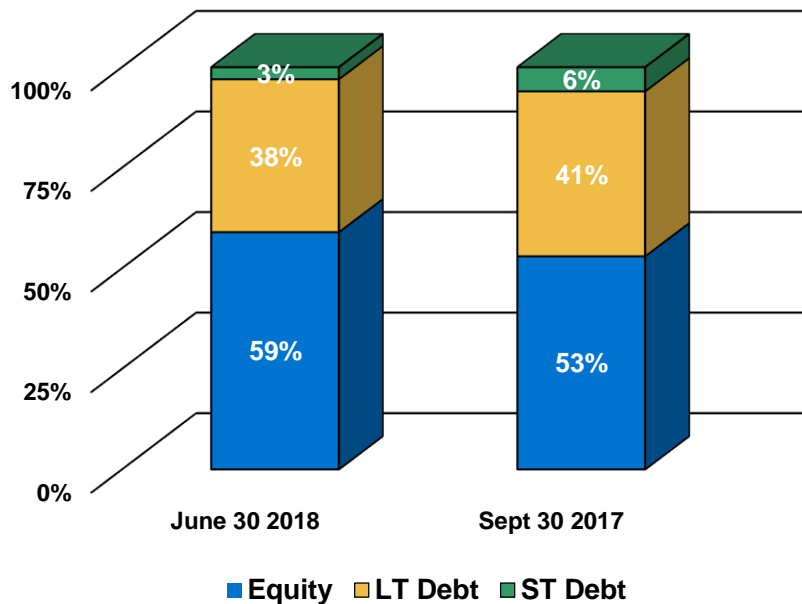
Notes:

- (1) EDTL amortization period is provisional and is subject to final true-up
- (2) The effect of the TCJA that is not already reflected in rates is expected to be addressed in future filings

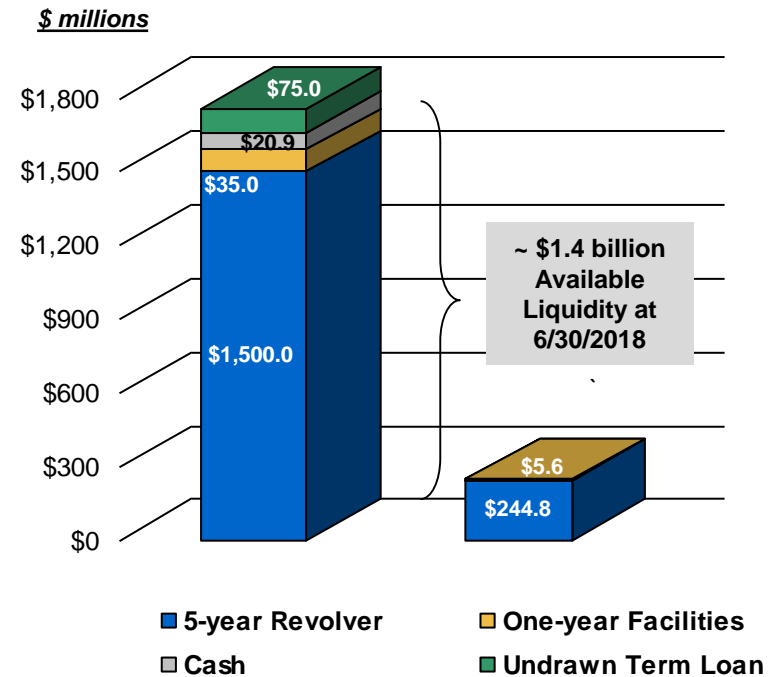
Strong Financial Foundation

Capitalization and Liquidity Profile

Total Capitalization at June 30, 2018



Liquidity Profile as of June 30, 2018



Consolidated Earnings Guidance – Fiscal 2018E



Atmos Energy expects 2018 fiscal year earnings from adjusted income from continuing operations to still be in the range of \$3.85 to \$4.05 per diluted share

Earnings from Continuing Operations

Selected Expenses from Continuing Operations

<i>(\$ millions, except EPS)</i>	Fiscal 2018E¹
Distribution	\$ 285 – 300
Pipeline & Storage	\$ 135 – 150
Net Income	\$ 420 – 450
Avg. Diluted Shares	110 – 111
Earnings Per Share ²	\$ 3.85 – 4.05

<i>(\$ millions)</i>	Fiscal 2018E¹
Operations & Maintenance Expense	\$ 570 – 600
Depreciation & Amortization Expense	\$ 350 – 370
Interest Expense	\$ 100 – 110
Income Tax Expense ³	\$ 150 – 175

¹ Expected results for fiscal 2018 are from continuing operations. Changes in events or circumstances that the Company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2018 significantly above or below this outlook

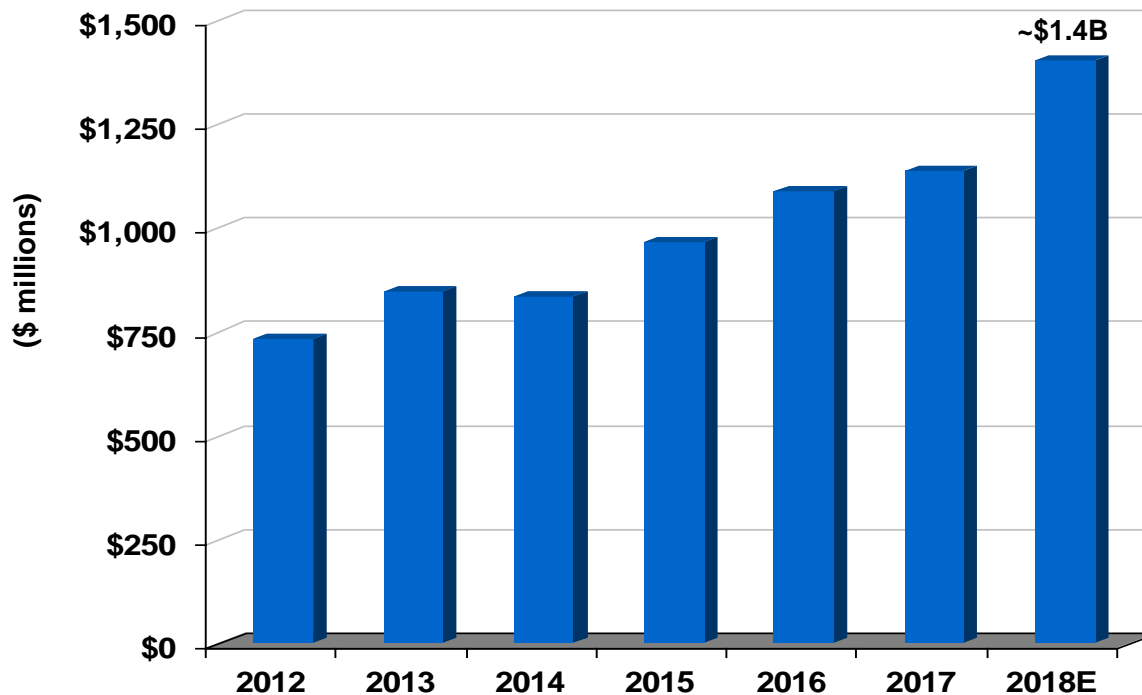
² Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement

³ Effective Tax Rate is expected to be 26% to 28%, before the effect of the return of excess deferred tax liability and one-time income tax benefit

Capital Expenditures Drive Rate Base Growth

Consolidated 2018E Capital Expenditures Approximating \$1.4 Billion

Over 85% of annual CAPEX begins to earn a return within 6 months from end of test year



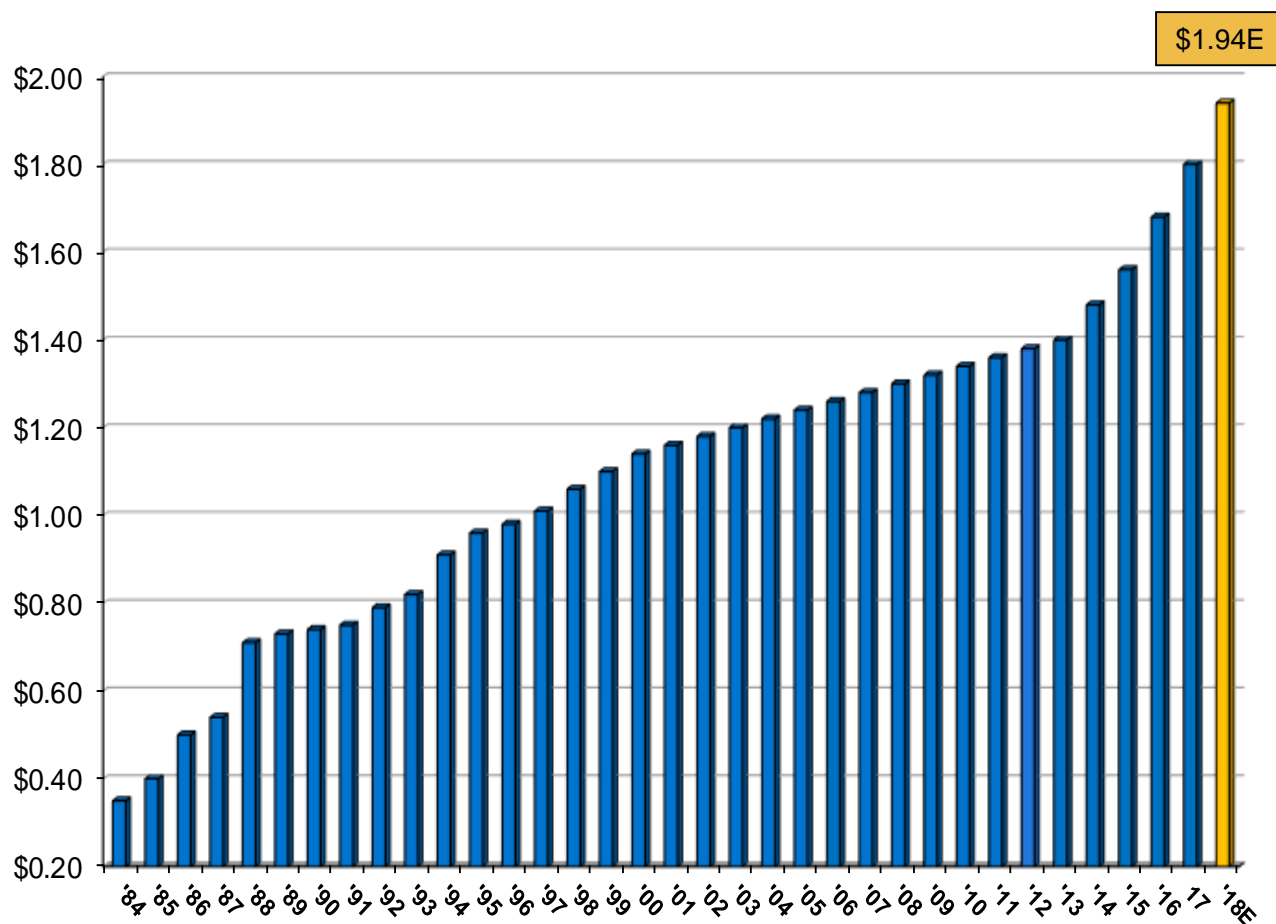
Fiscal 2018 Safety & Reliability ~\$1.2B

- **System integrity**-replacement of pipe, leak repairs and cathodic protection
- **Pipeline integrity**-includes replacement of pipelines, installation of pigging facilities, and other state and federal integrity management compliance costs
- **Other system improvements**-system enhancements and AMI

Consolidated Financial Results – Fiscal 2018E



34 Consecutive Years of Dividend Increases



Quarterly Dividend

- On August 7, 2018, the Board of Directors declared a quarterly dividend of \$0.485 per share
- 139th consecutive quarterly dividend declared
- To be paid on September 10, 2018, to shareholders of record on August 27, 2018
- Indicated annual dividend increased 7.8% for fiscal 2018

Note: Amounts are adjusted for mergers and acquisitions.

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 credit and capital markets and the other factors discussed in our reports filed 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, 2017. 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 2018 and beyond that appear in this presentation are current as of August 8, 2018.

Appendix

Regulatory and Recovery Mechanisms

~ 85% of Annual CapEx Begins to Earn a Return Within Six Months from End of Test Year

Jurisdiction	Regulatory Mechanism		Recovery Method		Service Territory Detail			CapEx
	Infrastructure Program	Deferral/Forward-Looking	Annual Filing	General Case	Meters (thousands) @ 6/30/18	Rate Base (\$ millions)	% of Total	F2018E (\$ millions)
Texas								
▪ Mid-Tex	8.209	✓	RRM/DARR/GRIP	-	1,692	2,511	34	465 - 485
▪ Pipeline	GRIP	-	GRIP *	-	NA	2,122	29	375 - 450
▪ West Texas	8.209	✓	RRM/GRIP	-	313	508	7	95 - 105
Louisiana	RSC	✓	RSC	-	362	588	8	100 - 110
Mississippi	SIR	✓	SRF/SGR/SIR	-	270	472	6	90 - 100
Kentucky	PRP	-	PRP	✓	183	428	6	70 - 80
Tennessee	-	✓	ARM	-	150	303	4	50 - 60
Kansas	GSRS	-	GSRS	✓	136	213	3	15 - 20
Colorado	SSIR	✓	SSIR	✓	120	165	2	20 - 25
Virginia	-	-	-	✓	24	48	1	6 - 8

* Requires a rate case every 5 years

Regulatory Activities

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands (1)		Requested Rate Base \$ 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 6/30/18
Atmos Pipeline-TX (GUD 10580)		8/1/17		\$ 13.0		\$1,767,600			8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP		5/22/18		\$ 42.2		\$2,122,194			8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas SOI		2/14/18		\$ (5.1)		2		2			2		2		NA
Mid-Tex Cities RRM		6/1/17	4/3/18	\$ 36.2	\$ 28.0	\$2,362,937	3	\$2,587,261	8.36%	7.97%	10.50%	9.80%	45/55	40/60	1,399,127
Mid-Tex ATM Cities SOI			6/1/18		\$ 4.3		3	\$2,573,505		8.39%		10.50%		40/60	NA
Appealed Mid-Tex Dallas DARR (GUD 10640)		12/5/17		\$ 9.2		\$2,268,403	3		8.38%		10.10%		41/59		230,366
Mid-Tex Environs GRIP (GUD 10607)	5	6/5/18		\$ 1.6		\$2,511,492	3		8.57%		10.50%		48/52		62,105
Mid-Tex Environs SOI (GUD 10742)			6/29/18		\$ (1.9)			\$2,573,523		8.39%		10.50%		40/60	62,105
West Texas Division SOI		4/1/14		\$ 8.4		\$324,264			2		2		2		313,327
WTX Cities RRM		3/15/17	4/3/18	\$ 4.3	\$ 4.0	2		\$505,692	2	7.97%	10.50%	9.80%	2	40/60	NA
WTX ALDC GRIP	5,6	6/8/18		\$ 4.4		\$507,831			8.57%		10.50%		48/52		NA
WTX Environs GRIP	5	6/5/18		\$ 0.8		\$507,831			8.57%		10.50%		48/52		NA
WTX Environs SOI (GUI 10743)			6/29/18		\$ (0.5)			\$507,230		8.39%		10.5%		40/60	NA
Louisiana-LGS (U-34424)		7/1/18		\$ (1.5)		\$419,080			7.55%		9.80%		44/56		284,723

(See Next Page for Footnote Explanations)

Regulatory Activities *(continued)*

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ thousands (1)	Requested Rate Base \$ 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 as of 6/30/18
Louisiana-Trans La (U-34714)	5/1/18		\$ (1.9)		\$169,120		7.26%		9.80%		49/51		76,603
Mississippi SRF (2005-UN-0503)	12/5/17	7/2/18	\$ 0.0	\$ 4.1	\$377,954	\$416,698	7.47%	8.19%	9.67%	10.24%	47/53	40/60	269,986
Mississippi SGR (2013-UN-023)	12/5/17		\$ 1.2		\$23,718		8.70%		12.00%		47/53		NA
Mississippi SIR (2015-UN-049)	12/5/17	7/2/18	\$ 7.7	\$ 8.0	\$70,141	\$125,929	7.60%	8.19%	9.92%	10.24%	47/53	40/60	NA
Kentucky (2017-00349)	5/3/18		\$ (7.5)		\$427,646		7.41%		9.70%		47/53		182,931
Kentucky PRP (2017-00308)	10/27/17		\$ 5.6		4		7.71%		9.80%		51/49		NA
Tennessee ARM (18-00067)	6/1/17	6/15/18	\$ 6.7	\$ (5.0)	\$302,953	\$351,848	7.49%	7.26%	9.80%	9.80%	47/53	49/51	149,865
Kansas GSRS (18-ATMG-218-TAR)	2/27/18		\$ 0.8		\$213,078		2		2		2		136,196
Colorado (17AL-0429G)	5/3/18		\$ (0.2)		\$134,700		7.55%		9.45%		44/56		119,844
Colorado SSIR (17AL-0728G)	1/1/18		\$ 2.2		\$29,855		7.82%		9.60%		48/52		NA
Virginia (PUE-2018-00014)	10/1/17	6/1/18	\$ 0.3	\$ 0.6	\$47,581	\$47,757	2	8.02%	2	11.15%	2	42/58	24,351

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. Division rate base is represented on a 'system-wide' basis.
4. PRP rate base included in Kentucky general rate case.
5. GRIP filings are based on existing returns and the change in net utility plant investment.
6. Includes the cities of Amarillo, Lubbock, Dalhart and Channing.

Other: Annual Rate Filing Mechanisms allowed in Mid-Tex Cities RRM, Mid-Tex Dallas DARR, West Texas Cities RRM, Louisiana, Mississippi and Tennessee; Bad Debt Rider allowed in all jurisdictions except Colorado, Louisiana and Mississippi; WNA allowed in all jurisdictions except Colorado.