Analysts Call to Review Fiscal 2018 Financial Results

November 8, 2018
10:00 a.m. Eastern
Completed 7th Year of Organic Growth Strategy

- Adjusted EPS of $4.00; 16th consecutive year of EPS growth
- FY 2018 Dividend of $1.94; 7.8% growth over FY 2017
- Capital spending of $1.47 billion
- Maintained strong balance sheet; equity capitalization of 57%

Significant Regulatory Developments

- Modified annual mechanisms for ~85% of Texas distribution customers
- Dallas Statement of Intent (SOI) settled
- Updated formula for annual mechanism in Mississippi
- 5-year renewal of infrastructure mechanism in Colorado
- Enhanced GSRS legislation in Kansas

Achieved Clarity on Implementation of Federal Tax Reform

- Among the first utilities to reduce customer bills; bills have been lowered in 7 of 8 states
- Full implementation expected to be reflected in customer bills in FY 2019
### Adjusted Net Income Increased 16% Year-over-Year

<table>
<thead>
<tr>
<th>($millions, except EPS)</th>
<th>Fiscal 2018</th>
<th>Fiscal 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Income</td>
<td>EPS ²</td>
</tr>
<tr>
<td><strong>Segment Net Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>$ 443</td>
<td></td>
</tr>
<tr>
<td>Pipeline &amp; Storage</td>
<td>160</td>
<td>114</td>
</tr>
<tr>
<td>Natural Gas Marketing</td>
<td>----</td>
<td>14</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$ 603</td>
<td>$ 5.43</td>
</tr>
<tr>
<td><strong>(Less) Discontinued Operations</strong></td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td><strong>Net Income from Continuing Operations</strong></td>
<td>$ 603</td>
<td>$ 5.43</td>
</tr>
<tr>
<td><strong>Nonrecurring benefit from the adoption of the TCJA</strong></td>
<td>(159)</td>
<td>(1.43)</td>
</tr>
<tr>
<td><strong>Adjusted Net Income from Continuing Operations</strong>¹</td>
<td>$ 444</td>
<td>$ 4.00</td>
</tr>
</tbody>
</table>

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.
## Consolidated Financial Results
### Fiscal 2018 – Q4

### Net Income – Q4 Fiscal 2018 versus Q4 Fiscal 2017

<table>
<thead>
<tr>
<th>($millions, except EPS)</th>
<th>Fiscal 2018 – Q4</th>
<th>Fiscal 2017 – Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Income</td>
<td>EPS $\uparrow$</td>
</tr>
<tr>
<td><strong>Segment Net Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>$ 13</td>
<td></td>
</tr>
<tr>
<td>Pipeline &amp; Storage</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$ 39</strong></td>
<td>$0.35</td>
</tr>
<tr>
<td>Adjustment to nonrecurring benefit from the adoption of the TCJA</td>
<td>7</td>
<td>0.06</td>
</tr>
<tr>
<td><strong>Adjusted Net Income from Continuing Operations</strong> $\uparrow$</td>
<td><strong>$ 46</strong></td>
<td><strong>$0.41</strong></td>
</tr>
</tbody>
</table>

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.

As of November 7, 2018
## Distribution Segment Financial Results

### Year Ended 9/30

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Margin</td>
<td>$1,443.2</td>
<td>$1,379.7</td>
<td>$63.5</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation &amp; Maintenance</td>
<td>465.8</td>
<td>413.1</td>
<td>52.7</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>264.9</td>
<td>249.1</td>
<td>15.8</td>
</tr>
<tr>
<td>Taxes, Other Than Income</td>
<td>231.6</td>
<td>211.9</td>
<td>19.7</td>
</tr>
</tbody>
</table>

**Operating Income**

$480.9 $505.6 ($24.7)

### Quarter Ended 9/30

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Margin</td>
<td>$269.3</td>
<td>$274.7</td>
<td>($5.4)</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation &amp; Maintenance</td>
<td>118.2</td>
<td>117.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>67.3</td>
<td>63.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Taxes, Other Than Income</td>
<td>47.4</td>
<td>46.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

**Operating Income**

$36.4 $46.9 ($10.5)

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### Key Drivers

- **Contribution margin growth:**
  - $70.7MM – Rate increases
  - $14.8MM – Pass-thru taxes
  - $12.2MM – Net consumption
  - $8.9MM – Transportation
  - $8.4MM – Customer growth
  - ($51.3MM) – Impact of TCJA

- **O&M increase:**
  - $28.4MM – System integrity and employee related expenses
  - $24.3MM – Planned outage

- **D&A and ad valorem taxes** reflect increased capital investments

- **Contribution margin decrease:**
  - ($12.6MM) – Impact of TCJA
  - $6.3MM – Rate increases
  - $2.6MM – Customer growth

- **O&M increase -** System integrity and employee related expenses

- **D&A and ad valorem taxes** reflect increased capital investments

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As of November 7, 2018
### Year Ended 9/30 ($millions)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Margin</td>
<td>$505.7</td>
<td>$454.5</td>
<td>$51.2</td>
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<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation &amp; Maintenance</td>
<td>135.0</td>
<td>133.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>96.1</td>
<td>70.4</td>
<td>25.7</td>
</tr>
<tr>
<td>Taxes, other than Income</td>
<td>32.3</td>
<td>28.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$242.3</td>
<td>$221.9</td>
<td>$20.4</td>
</tr>
</tbody>
</table>

### Quarter Ended 9/30 ($millions)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Margin</td>
<td>$132.6</td>
<td>$117.6</td>
<td>$15.0</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation &amp; Maintenance</td>
<td>46.0</td>
<td>43.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>25.3</td>
<td>20.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Taxes, other than Income</td>
<td>8.1</td>
<td>7.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$53.2</td>
<td>$44.9</td>
<td>$8.3</td>
</tr>
</tbody>
</table>

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**Key Drivers**

- **Contribution margin growth:**
  - $74.3MM – Rate increases
  - ($24.1MM) – Impact of TCJA

- **O&M increase:**
  - Employee costs

- **D&A and ad valorem taxes**
  - reflect increased capital investments

As of November 7, 2018
Safety & Reliability Investments Enable Modernization of Infrastructure

<table>
<thead>
<tr>
<th>$millions</th>
<th>Fiscal 2018 CapEx</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 671</td>
<td>Repair and replace transmission and distribution pipelines</td>
</tr>
<tr>
<td>$ 163</td>
<td>Service line replacement</td>
</tr>
<tr>
<td>$ 122</td>
<td>Fortifications</td>
</tr>
<tr>
<td>$ 111</td>
<td>Install &amp; replace measurement &amp; regulating equipment</td>
</tr>
<tr>
<td>$ 108</td>
<td>Enhance storage and compression capabilities</td>
</tr>
<tr>
<td>$ 74</td>
<td>Pipeline integrity management projects</td>
</tr>
<tr>
<td>$ 1,249</td>
<td><strong>Total Safety and Reliability Spending</strong></td>
</tr>
<tr>
<td>$1,468</td>
<td><strong>Total Capital Spending</strong></td>
</tr>
</tbody>
</table>

As of November 7, 2018
Capitalization and Liquidity Profile

**Total Capitalization at September 30, 2018**

- Sept 30 2018: 57% Equity, 36% LT Debt, 7% ST Debt
- Sept 30 2017: 53% Equity, 41% LT Debt, 6% ST Debt

**Liquidity Profile as of September 30, 2018**

- Availability: ~$1.0 billion Available Liquidity at 9/30/2018
- Outstanding: ~$575.8

**As of November 7, 2018**

- Equity: 7%
- LT Debt: 36%
- ST Debt: 6%
- Cash: 57%
- One-year facilities: $5.6
- Undrawn term loan: $13.8
- Five-year revolver: $35.0
- One-year facilities: $35.0
- Undrawn term loan: $1,500.0
- Total Capitalization: $2,000
Key Recent Regulatory Developments

Approved Annualized Operating Income Increases

Key Rate Activity Through 11/7/2018

- **$80.1MM Implemented – FY18**
  - $ 71.2MM – APT GRIP
  - $ 8.9MM – Mississippi SRF/SGR/SIR
  - $ 5.2MM – West TX GRIP
  - $ 2.0MM – Colorado Rate Case/SSIR
  - $ 1.3MM – Kansas GSRS & Ad Valorem
  - ($ 1.9MM) – Kentucky PRP & Rate Case
  - ($ 3.4MM) – LGS RSC & TransLa RSC
  - ($ 3.5MM) – Mid-Tex GRIP & Dallas SOI

- **$22.8MM Implemented – FY19**
  - $ 20.4MM – TX RRM
  - $ 7.0MM – Mississippi SRF/SIR
  - ($ 5.0MM) – Tennessee ARM Filing

- **$13.7MM in Progress**
  - $ 14.4MM – Kentucky Rate Case
  - $ 4.3MM – Mid-Tex ATM SOI
  - $ 0.6MM – Virginia Rate Case
  - ($ 2.4MM) – Mid-Tex & West TX Environ SOIs
  - ($ 3.2MM) –Tennessee ARM True-up

As of November 7, 2018
Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Environ Cities:** *Filed* Statement of Intent (SOI) on June 29, 2018
  - Requested a decrease in annual income of $1.9 million based on 21% statutory federal income tax rate
  - Requested return on equity (ROE) of 10.50%; overall return of return (ROR) 8.39%
  - Requested capital structure of 40% debt / 60% equity
  - Requested system-wide rate base of $2.6 billion
  - Serves approximately 64,000 customers
  - Test year ended December 31, 2017

- **Mid-Tex ATM Cities:** *Filed* SOI on June 1, 2018
  - Requested an increase in annual operating income of $4.3 million based on a 21% statutory federal income tax rate
  - Requested ROE of 10.50%; ROR of 8.39%
  - Requested capital structure of 40% debt / 60% equity
  - Requested system-wide rate base of $2.6 billion
  - Serves approximately 170,000 customers
  - Test year ended December 31, 2017
  - Currently on appeal at the Texas Railroad Commission

- **Mid-Tex Cities:** *Implemented* 2017 Annual Rate Review Mechanism (RRM) on October 1, 2018
  - Authorized $17.6 million annual operating income increase based a 21% statutory federal income tax rate
  - Authorized ROE of 9.80%; ROR of 7.87%
  - Authorized capital structure of 42% debt / 58% equity
  - Authorized system-wide rate base of $2.6 billion
  - Serves approximately 1,234,000 customers
  - Test year ended December 31, 2017
Mid-Tex Environs: **Approved** 2017 Gas Reliability Infrastructure Program (GRIP) on June 5, 2018

- Authorized $1.6 million increase in annual operating income based on a 21% statutory federal income tax rate
- Authorized ROE of 10.5%; ROR of 8.57%
- Authorized actual capital structure: 48% debt / 52% equity
- System-wide rate base: $2.5 billion
- Serves approximately 64,000 customers
- Test year ended December 31, 2017

Mid-Tex City of Dallas: **Settled** SOI with the City of Dallas on February 14, 2018

- Authorized a $5.1 million decrease in annual operating income based on a 21% statutory federal income tax rate
- Updated Dallas Annual Rate Review (DARR) mechanism terms
  - Authorized ROE of 9.8%
  - Authorized capital structure based on 13-month average of actual long-term debt and equity
    - Test year ending September 30; new rates implement June 1
- Requested system-wide rate base: $2.3 billion
- Serves approximately 230,000 customers
Distribution Operations – Regulatory Update

West Texas Division

- **West Texas Environs:** *Filed* 2018 SOI on June 29, 2018
  - Requested $0.5 million decrease in operating income based on a 21% statutory federal income tax rate
  - Requested ROE of 10.50%; ROR of 8.39%
  - Requested capital structure of 40% debt / 60% equity
  - Requested system-wide rate base of $507.2 million
  - Test year ended December 31, 2017

- **West Texas Cities:** *Implemented* 2017 RRM on October 1, 2018
  - Authorized $2.8 million operating income increase based on a 21% statutory federal income tax rate
  - Authorized ROE of 9.80%; ROR of 7.87%
  - Authorized capital structure of 42% debt / 58% equity
  - Authorized system-wide rate base of $505.7 million
  - Serves approximately 143,000 customers
  - Test year ended December 31, 2017

- **Amarillo/Lubbock/Dalhart/Channing:** *Approved* 2017 GRIP on June 8, 2018
  - Authorized a $4.4 million increase in annual operating income based on a 21% statutory federal income tax rate
  - Authorized ROE of 10.5%; ROR of 8.57%
  - Authorized actual capital structure: 48% debt / 52% equity
  - System-wide rate base: $507.8 million
  - Serves approximately 146,000 customers
  - Test year ended December 31, 2017

As of November 7, 2018
West Texas Environ: Approved 2017 GRIP on June 5, 2018

- Authorized a $0.8 million increase in operating income based on a 21\% statutory federal income tax rate
- Authorized ROE of 10.5\%; ROR of 8.57\%
- Authorized actual capital structure: 48\% debt / 52\% equity
- System-wide rate base: $507.8 million
- Serves approximately 24,000 customers
- Test year ended December 31, 2017

As of November 7, 2018
### Distribution Operations – Regulatory Update

#### Louisiana Division

- **Louisiana – LGS: Implemented annual Rate Stabilization Clause (RSC) on July 1, 2018**
  - Authorized a $1.5 million decrease in annual operating income based on a 21% statutory federal income tax rate
  - Authorized ROE of 9.80%; ROR of 7.55%
  - Capital structure: 44% debt / 56% equity
  - Authorized rate base: $419.1 million
  - Serves approximately 286,000 customers
  - Test year ended December 31, 2017

- **Louisiana – TransLa: Implemented annual RSC on May 1, 2018**
  - Authorized a $1.9 million decrease in annual operating income based on a 21% statutory federal income tax rate
  - Authorized ROE of 9.80%; ROR of 7.26%
  - Capital structure: 49% debt / 51% equity
  - Authorized rate base: $169.1 million
  - Serves approximately 77,000 customers
  - Test year ended September 30, 2017
**Mississippi:** Approved on October 23, 2018, Annual System Integrity Rider (SIR) and Annual Stable Rate Filing (SRF)

- Authorized annual increase in operating income of $7.1 million for SIR; $0.1 million decrease for SRF
- Both filings based on 21% statutory federal income tax rate
- Authorized ROE of 10.24%; ROR of 7.81%
- Authorized actual capital structure: 45% debt / 55% equity
- Authorized rate base: $126.0 million (SIR); $415.6 million (SRF)
- Serves approximately 269,000 customers
- 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, Annual SGR, SIR & SRF based on a 35% federal income tax rate

- **Annual SGR Filing**
  - Authorized annual increase in annual operating income of $1.2 million
  - Authorized ROE of 12.0%; ROR of 8.7%
  - Authorized actual capital structure: 47.5% debt / 52.5% equity
  - Authorized rate base: $23.7 million
- **Annual SIR & Annual SRF Filings**
  - Authorized 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%; ROR 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
Tennessee ARM Filing: *Approved* Annual Rate Mechanism (ARM) filing on October 15, 2018
- Authorized $5.0 million decrease in annual operating income based on a 21% statutory federal income tax rate
- Authorized ROE of 9.80%; ROR of 7.26%
- Authorized capital structure: 49% debt / 51% equity
- Authorized rate base: $351.8 million
- Serves approximately 151,000 customers
- Forward test year ending May 2019

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

Kentucky Rate Filing: *Filed* general rate case on September 28, 2018
- Requested a $14.4 million increase in annual operating income based on a 21% statutory federal income tax rate
- Requested ROE of 10.40%; ROR of 7.95%
- Requested capital structure: 42% debt / 58% equity
- Requested rate base: $496.1 million
- Serves approximately 183,000 customers
- Forward-looking test year ending March 2020
Kentucky/Mid-States Division

Kentucky Rate Filing: Approved rate case on May 3, 2018
- Authorized a $7.5 million decrease in annual operating income based on a 21% statutory federal income tax rate
- Authorized ROE of 9.7%; ROR of 7.41%
- Authorized capital structure: 47% debt / 53% equity
- Authorized rate base: $427.6 million
- Serves approximately 183,000 customers
- Forward-looking test year ending March 2019

Kentucky PRP Rate Filing: Approved annual Pipe Replacement Program (PRP) filing on October 27, 2017
- Authorized an annual operating income increase of $5.6 million based on a 35% statutory federal income tax rate
- Authorized ROE of 9.80%; ROR of 7.71%
- Authorized capital structure: 51% debt / 49% equity
- Authorized rate base: $80.6 million
- Serves approximately 183,000 customers
- Forward-looking test year ending September 2018
Colorado - Kansas Division

- **Colorado:** Approved rate case on May 3, 2018
  - Authorized a $0.2 million decrease in annual operating income based on a 21% statutory federal income tax rate
  - Authorized ROE of 9.45%; ROR 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 approximately 120,000 customers
  - Test year ended March 2017

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

- **Kansas:** Approved Gas Safety Reliability Surcharge filing (GSRS) February 27, 2018
  - Authorized an annual operating income increase of $0.8 million based a 35% statutory 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

As of November 7, 2018
### Atmos Pipeline - Texas: Approved 2017 GRIP on May 22, 2018

- Authorized 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%; ROR: 8.87%
- Authorized rate base: $2.12 billion
- Test year ending December 31, 2017

### Atmos Pipeline - Texas: Approved 2016 GRIP on December 5, 2017

- Authorized an annual operating income increase of $29.0 million based on a 35% statutory federal income tax rate
- Authorized capital structure: 47.4% debt / 52.6% equity
- Authorized ROE: 11.50%; ROR: 8.87%
- Authorized rate base: $1.89 billion
- Test period of October 1, 2016 to December 31, 2017
Federal Tax Reform Summary

- Reduced FY 2018 effective tax rate to 27.3%; 36.6% in FY 2017

- Balance Sheet Re-Measurement Reduced Net Deferred Tax Liability By $905MM
  - $746MM increase in regulatory liabilities; future reduction to customer bills
  - $159MM one-time, non-cash income tax benefit to the Company

- Key Tax Attributes
  - $430MM federal net operating loss carry forwards; cash tax benefit through mid-2020s
  - $10MM AMT credit carry-forwards to be received by 2022

- Achieved Clarity on Implementation of Federal Tax Reform
  - Reduced customer bills in 7 of 8 states (Virginia pending)
  - Started to return excess deferred taxes in 6 states on a provisional basis
  - Final amortization period subject to regulatory approval of protected and unprotected components of the Excess Deferred Tax Liability
# Federal Tax Reform – Regulatory Progress

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Note</th>
<th>Implement 21% in Rates</th>
<th>Refund Regulatory Liability</th>
<th>Refund Excess Deferred Taxes Approved</th>
<th>Period (Yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>APT – Base rates</td>
<td>2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Colorado (Includes SSIR)</td>
<td>1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>18</td>
</tr>
<tr>
<td>Kansas</td>
<td>2</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>1</td>
<td>✓</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Louisiana – LGS</td>
<td>1</td>
<td>✓</td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Louisiana – TransLa</td>
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<td>✓</td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Mississippi (SIR &amp; SRF)</td>
<td>1</td>
<td>✓</td>
<td>N/A</td>
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<td>26-39</td>
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<tr>
<td>Tennessee</td>
<td>1</td>
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<td>28</td>
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<tr>
<td>Texas – ACSC/WTX Cities</td>
<td>1</td>
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<td>24</td>
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<tr>
<td>Texas – ATM/MTX Cities</td>
<td>2</td>
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<tr>
<td>Texas – Dallas/MTX</td>
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<td>✓</td>
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<tr>
<td>Texas – WTX and MTX Environs</td>
<td>2</td>
<td>✓</td>
<td></td>
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</tr>
<tr>
<td>Virginia</td>
<td>2</td>
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</tr>
</tbody>
</table>

- ✓ Indicates that TCJA adjustment has been reflected in rates
- 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 to be addressed in currently pending or future filings

As of August 8, 2018

As of November 7, 2018
35 Consecutive Years of Dividend Increases

- Dividend increased 8.2% for Fiscal 2019
- The indicated annual dividend rate for Fiscal 2019 is $2.10

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 2019 and beyond that appear in this presentation are current as of November 7, 2018.
Appendix
## 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>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 9/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmos Pipeline-TX (GUD 10580)</td>
<td>8/1/17</td>
<td>$13.0</td>
<td>$1,767</td>
<td>8.87%</td>
<td>11.50%</td>
<td>47/53</td>
<td>NA</td>
<td></td>
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</tr>
<tr>
<td>Atmos Pipeline-TX GRIP</td>
<td>5/22/18</td>
<td>$42.2</td>
<td>$2,122</td>
<td>8.87%</td>
<td>11.50%</td>
<td>47/53</td>
<td>NA</td>
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</tr>
<tr>
<td>Mid-Tex - City of Dallas SOI</td>
<td>2/14/18</td>
<td>$(5.1)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>NA</td>
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</tr>
<tr>
<td>Mid-Tex Cities RRM</td>
<td>10/1/18</td>
<td>$17.6</td>
<td>$2,587</td>
<td>7.87%</td>
<td>9.80%</td>
<td>42/58</td>
<td>1,233,710</td>
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<tr>
<td>Mid-Tex ATM Cities SOI (GUD 10779)</td>
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<td>10.50%</td>
<td>40/60</td>
<td>169,862</td>
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<td>Appealed Mid-Tex Dallas DARR (GUD 10640)</td>
<td>12/5/17</td>
<td>$9.2</td>
<td>$2,268</td>
<td>8.38%</td>
<td>10.10%</td>
<td>41/59</td>
<td>230,020</td>
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<tr>
<td>Mid-Tex Environ GRIP (GUD 10607)</td>
<td>6/5/18</td>
<td>$1.6</td>
<td>$2,511</td>
<td>8.57%</td>
<td>10.50%</td>
<td>48/52</td>
<td>63,579</td>
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<tr>
<td>Mid-Tex Environ SOI (GUD 10742)</td>
<td>6/29/18</td>
<td>$(1.9)</td>
<td>$2,574</td>
<td>8.39%</td>
<td>10.50%</td>
<td>40/60</td>
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<td>West Texas Division SOI</td>
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<td>$324</td>
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<tr>
<td>WTX Cities RRM</td>
<td>10/1/18</td>
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<td>$506</td>
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<td>42/58</td>
<td>143,301</td>
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<tr>
<td>WTX ALDC GRIP</td>
<td>6/8/18</td>
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<td>$508</td>
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<td>10.50%</td>
<td>48/52</td>
<td>146,384</td>
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<tr>
<td>WTX Environ GRIP</td>
<td>6/5/18</td>
<td>$0.8</td>
<td>$508</td>
<td>8.57%</td>
<td>10.50%</td>
<td>48/52</td>
<td>24,143</td>
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<tr>
<td>WTX Environ SOI (GUI 10743)</td>
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<td>$(0.5)</td>
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<td>8.39%</td>
<td>10.5%</td>
<td>40/60</td>
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<tr>
<td>Louisiana-LGS (U-34424)</td>
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<td>$419</td>
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<td>9.80%</td>
<td>44/56</td>
<td>285,634</td>
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</tbody>
</table>

(See Next Page for Footnote Explanations)

As of November 7, 2018
### Regulatory Summary (continued)

<table>
<thead>
<tr>
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<th>Date of Last Rate Filing (Pending)</th>
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<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 9/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana-Trans La (U-34714)</td>
<td>5/1/18</td>
<td>5/1/18</td>
<td>(1.9)</td>
<td>$169</td>
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<td>9.80%</td>
<td>49/51</td>
<td>76,599</td>
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<td>45/55</td>
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<td>Mississippi SRF (2005-UN-0503)</td>
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<td>10/23/18</td>
<td>(0.1)</td>
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<td>269,333</td>
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<td>45/55</td>
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<td>Mississippi SGR (2013-UN-023)</td>
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<td>12/5/17</td>
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<td>$24</td>
<td>8.70%</td>
<td>12.00%</td>
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<td>Mississippi SIR (2015-UN-049)</td>
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<td>$14.4</td>
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<td>10.40%</td>
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<td>42/58</td>
<td>182,510</td>
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<td>Tennessee ARM (18-00067)</td>
<td>10/15/18</td>
<td>9/28/18</td>
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<td>9.80%</td>
<td>49/51</td>
<td>150,661</td>
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<td>44/56</td>
<td>120,384</td>
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<td>Kansas GSRS (18-ATMG-218-TAR)</td>
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<tr>
<td>Colorado (17AL-0429G)</td>
<td>5/3/18</td>
<td>5/3/18</td>
<td>(0.2)</td>
<td>$135</td>
<td>7.55%</td>
<td>9.45%</td>
<td>44/56</td>
<td>120,384</td>
<td></td>
<td>44/56</td>
<td>120,384</td>
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<tr>
<td>Colorado SSIR (17AL-0728G)</td>
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<td>1/1/18</td>
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<td>$30</td>
<td>7.82%</td>
<td>9.60%</td>
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<td>24,396</td>
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<td>48/52</td>
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<td>24,396</td>
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<tr>
<td>Virginia (PUE-2018-00014)</td>
<td>10/1/17</td>
<td>6/1/17</td>
<td>0.3</td>
<td>$0.6</td>
<td>$48</td>
<td>$48</td>
<td>2</td>
<td>8.02%</td>
<td>2</td>
<td>42/58</td>
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</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. Division rate base is represented on a 'system-wide' basis.
4. GRIP filings are based on existing returns and the change in net utility plant investment.
5. 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.