



# Analysts Call to Review Fiscal 2019 Third Quarter Financial Results

*August 8, 2019*  
*10:00 a.m. Eastern*

# Fiscal 2019 YTD Highlights

- **Solid YTD Financial Performance**

- ✓ YTD Diluted EPS of \$3.88
- ✓ 10% increase in capital spending to \$1.2 billion; 87% allocated to safety and reliability spending
- ✓ 8.2% increase in fiscal 2019 indicated annual dividend to \$2.10 per diluted share - 35th consecutive year of rising dividends
- ✓ Reaffirmed EPS guidance range of \$4.25 - \$4.35

- **Executed Our Regulatory Strategy**

- ✓ Implemented \$110.0 million of annualized regulatory outcomes
- ✓ \$87.1 million in rate proceedings in progress
- ✓ Continued to implement tax reform into customer bills

- **Strong Balance Sheet**

- ✓ \$1.1 billion of 30-year debt issuances
- ✓ \$1.0 billion equity issued; \$600 million impacts FY 2019 EPS
- ✓ Equity capitalization at 60.2% at June 30, 2019

# Consolidated Financial Results

## Fiscal 2019 – Q3

### Net Income – Q3 Fiscal 2019 versus Q3 Fiscal 2018

<i>(\$millions, except EPS)</i>	Fiscal 2019 – Q3		Fiscal 2018 – Q3	
	Net Income	Diluted EPS <sup>1</sup>	Net Income	Diluted EPS <sup>1</sup>
<b><u>Segment Net Income</u></b>				
Distribution	\$ 32		\$ 35	
Pipeline & Storage	48		36	
<b>Net Income</b>	<b>\$ 80</b>	<b>\$0.68</b>	<b>\$ 71</b>	<b>\$0.64</b>

<sup>1</sup> 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 2019 – YTD



### Net Income – YTD Fiscal 2019 versus YTD Fiscal 2018

(\$millions, except EPS)	Fiscal 2019 – YTD		Fiscal 2018 – YTD	
	Net Income	Diluted EPS <sup>2</sup>	Net Income	Diluted EPS <sup>2</sup>
<b><u>Segment Net Income</u></b>				
Distribution	\$ 319		\$ 429	
Pipeline & Storage	134		135	
<b>Net Income</b>	<b>\$ 453</b>	<b>\$3.88</b>	<b>\$ 564</b>	<b>\$5.09</b>
Adoption of the TCJA	----	----	(166)	(1.49)
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$ 453</b>	<b>\$3.88</b>	<b>\$ 398</b>	<b>\$3.60</b>

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

<sup>2</sup> 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.

# Distribution Segment Financial Results

## Key Drivers

Quarter Ended 6/30 (\$millions)	2019	2018	Change
Contribution Margin	\$ 305.4	\$ 304.6	\$ 0.8
<b><u>Operating Expenses</u></b>			
Operation & Maintenance	124.0	110.6	13.4
Depreciation & Amortization	70.6	66.5	4.1
Taxes, Other Than Income	62.1	64.4	(2.3)
<b>Operating Income</b>	<b>\$ 48.7</b>	<b>\$ 63.1</b>	<b>\$ (14.4)</b>

- **Contribution Margin increase:**
  - ✓ \$7.1MM – Increase in rates
  - ✓ \$2.9MM – Customer growth
  - ✓ (\$3.8MM) – Lower consumption
- **O&M increase:**
  - ✓ Increased pipeline maintenance expense
  - ✓ Increased employee-related expenses
- **D&A and ad valorem taxes:**
  - ✓ Increased capital investments

Nine Months Ended 6/30 (\$millions)	2019	2018	Change
Contribution Margin	\$ 1,194.1	\$ 1,173.8	\$ 20.3
<b><u>Operating Expenses</u></b>			
Operation & Maintenance	347.4	343.8	3.6
Depreciation & Amortization	210.2	197.6	12.6
Taxes, Other Than Income	189.4	184.2	5.2
<b>Operating Income</b>	<b>\$ 447.1</b>	<b>\$ 448.2</b>	<b>\$ (1.1)</b>

- **Contribution Margin increase:**
  - ✓ \$23.8MM – Increase in rates
  - ✓ \$10.6MM – Customer growth
  - ✓ (\$4.7MM) – Lower consumption
- **O&M increase:**
  - ✓ Increased pipeline maintenance expense
  - ✓ Increased employee-related expenses
- **D&A and ad valorem taxes:**
  - ✓ Increased capital investments

# Pipeline & Storage Segment Financial Results



## Key Drivers

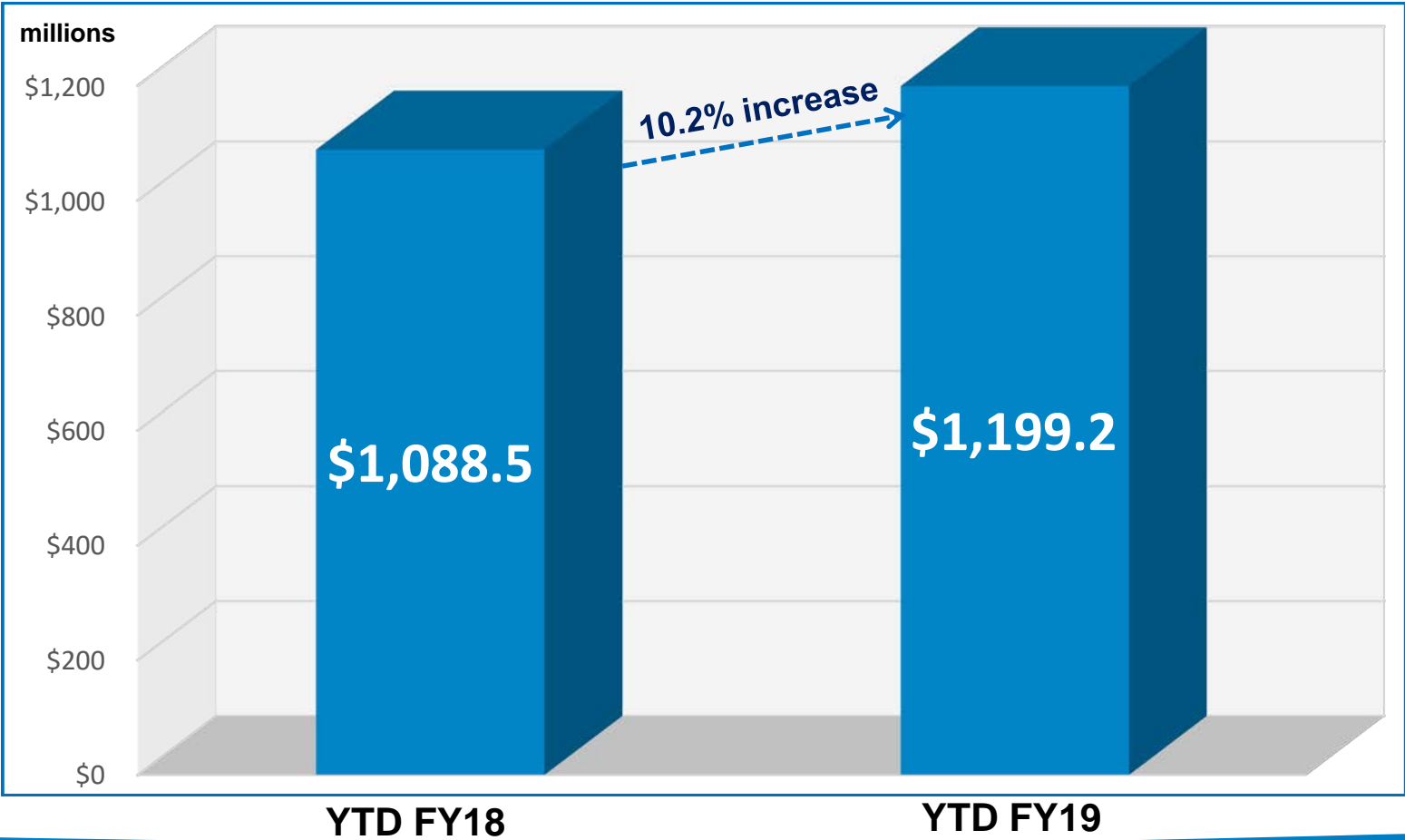
Quarter Ended 6/30 (Millions)	2019	2018	Change
Contribution Margin	\$ 149.3	\$ 127.1	\$ 22.2
<b><u>Operating Expenses</u></b>			
Operation & Maintenance	40.9	33.5	7.4
Depreciation & Amortization	27.1	24.2	2.9
Taxes, other than Income	7.8	8.2	(0.4)
<b>Operating Income</b>	<b>\$ 73.5</b>	<b>\$ 61.2</b>	<b>\$ 12.3</b>

- **Contribution Margin increase:**
  - ✓ \$16.5MM – Rate increases
  - ✓ \$4.5MM – Thru-system activities
- **O&M increase:**
  - ✓ Hydro testing and in-line inspection
- **D&A:**
  - ✓ Increased capital investments

Nine Months Ended 6/30 (Millions)	2019	2018	Change
Contribution Margin	\$ 419.9	\$ 373.1	\$ 46.8
<b><u>Operating Expenses</u></b>			
Operation & Maintenance	106.1	89.0	17.1
Depreciation & Amortization	80.3	70.8	9.5
Taxes, other than Income	24.2	24.2	----
<b>Operating Income</b>	<b>\$ 209.3</b>	<b>\$ 189.1</b>	<b>\$ 20.2</b>

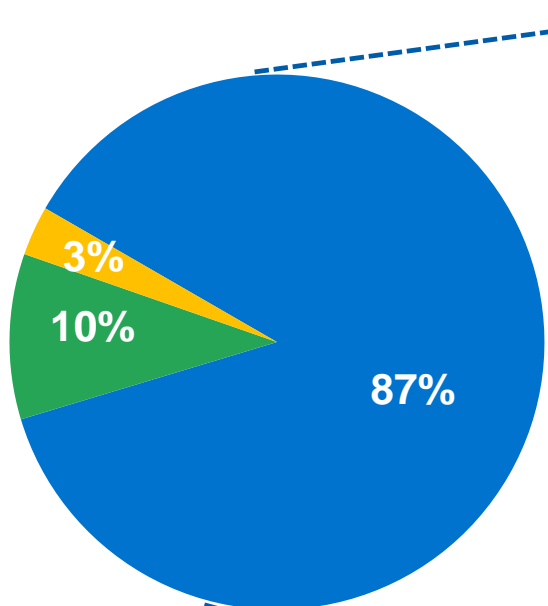
- **Contribution Margin increase:**
  - ✓ \$33.3MM – Rate increases
  - ✓ \$9.4MM – Thru-system activities
- **O&M increase:**
  - ✓ Hydro testing and in-line inspection
- **D&A:**
  - ✓ Increased capital investments

**87% Allocated to Safety and Reliability**



# Capital Spending Mix

## Safety & Reliability Investments Support Infrastructure Modernization



- Safety and Reliability
- Customer Expansion
- Other

<i>\$millions</i>	Fiscal 2019 YTD CapEx
\$ 551	Repair and replace transmission and distribution pipelines
\$ 151	Service line replacement
\$ 106	Fortifications
\$ 93	Install & replace measurement & regulating equipment
\$ 73	Enhance storage and compression capabilities
\$ 64	Pipeline integrity management projects
<b>\$ 1,038</b>	<b>Total Safety and Reliability Spending</b>
<b>\$ 1,199</b>	<b>Total Capital Spending</b>



# Fiscal 2019 Financing Recap

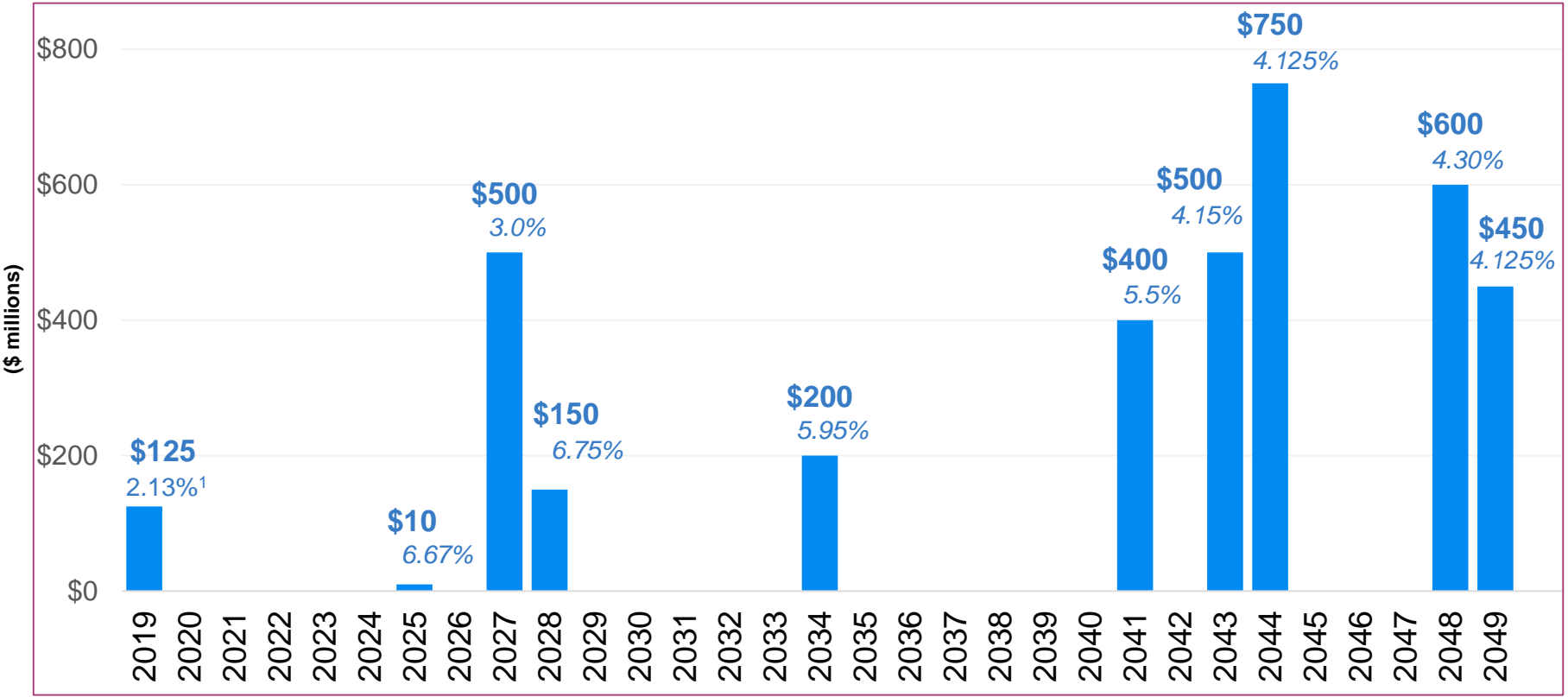
- \$2.1 billion of financing completed through June 30, 2019
  - ✓ \$1.1 billion of 30-year debt issuances
    - ✓ \$600 million 4.3% senior notes issued October 2018 to repay short-term debt
    - ✓ \$450 million 4.125% senior notes issued March 2019 to refinance \$450 million 8.5% notes
  - ✓ \$1.0 billion of equity priced in Fiscal 2019
    - ✓ \$600 million impacting EPS in Fiscal 2019
    - ✓ \$409.5 million available under forward agreements

Maturity	Shares	Forward Share Price	Net Proceeds Available (\$MM) June 30, 2019
March 31, 2020	3,249,273	\$93.34	\$303.3
September 30, 2020	1,050,563	\$101.11	\$106.2
	4,299,836	\$95.24	\$409.5

- *Financing activities support current credit metrics and are reflected in Fiscal 2019 earnings guidance and earnings outlook through Fiscal 2023*

# Strong Financial Foundation

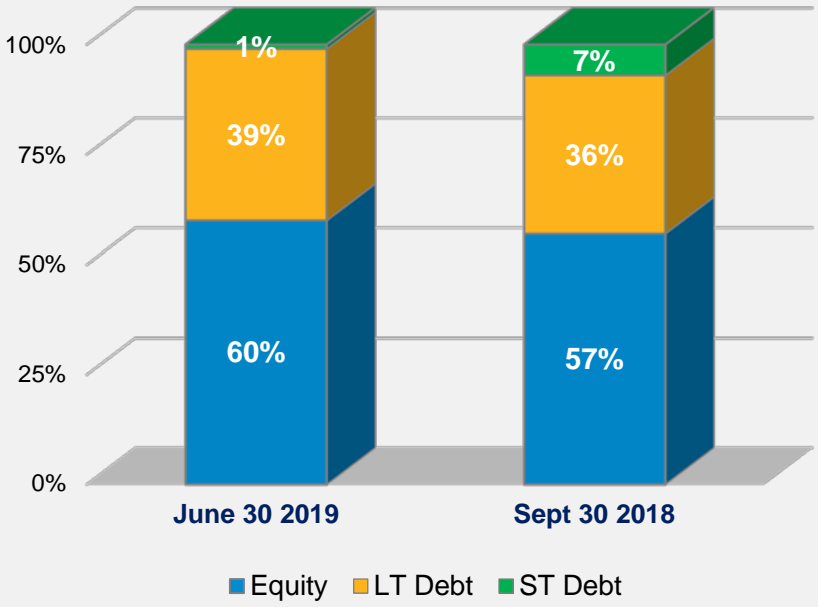
**Weighted Average Maturity ~22 Years**



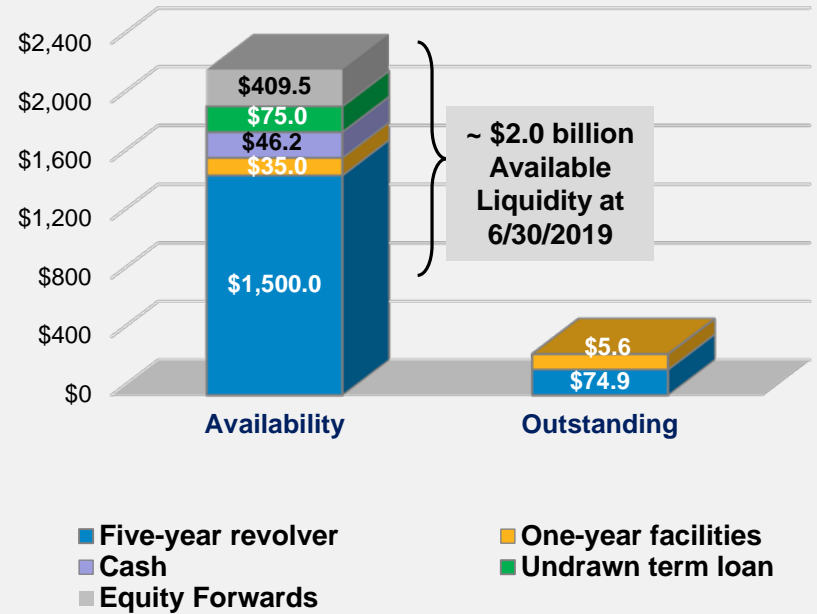
<sup>1</sup> Drawn under a 3-year \$200 million multi-draw floating rate term loan.

## Capitalization and Liquidity Profile

Total Capitalization



Liquidity Profile as of June 30, 2019



# Fiscal 2019E Guidance

<i>(\$millions, except EPS)</i>	<b>FY 2018 Adjusted Net Income <sup>2</sup></b>	<b>FY 2019E*</b>
Distribution	\$ 305	\$ 325 - 335
Pipeline & Storage	139	170 - 180
<b>Total Net Income</b>	<b>\$ 444</b>	<b>\$ 495 - 515</b>
Average Diluted Shares	111.0	117.0 - 118.0
<b>Diluted EPS<sup>1</sup></b>	<b>\$ 4.00</b>	<b>\$ 4.25 - \$ 4.35</b>

\* Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2019 significantly above or below this outlook.

<sup>1</sup> 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.

<sup>2</sup> Adjusted Net Income and diluted EPS are non-GAAP measures defined as Net Income and diluted EPS before the one-time, non-cash income tax benefit resulting from the implementation of TCJA.

# Fiscal 2019E Guidance

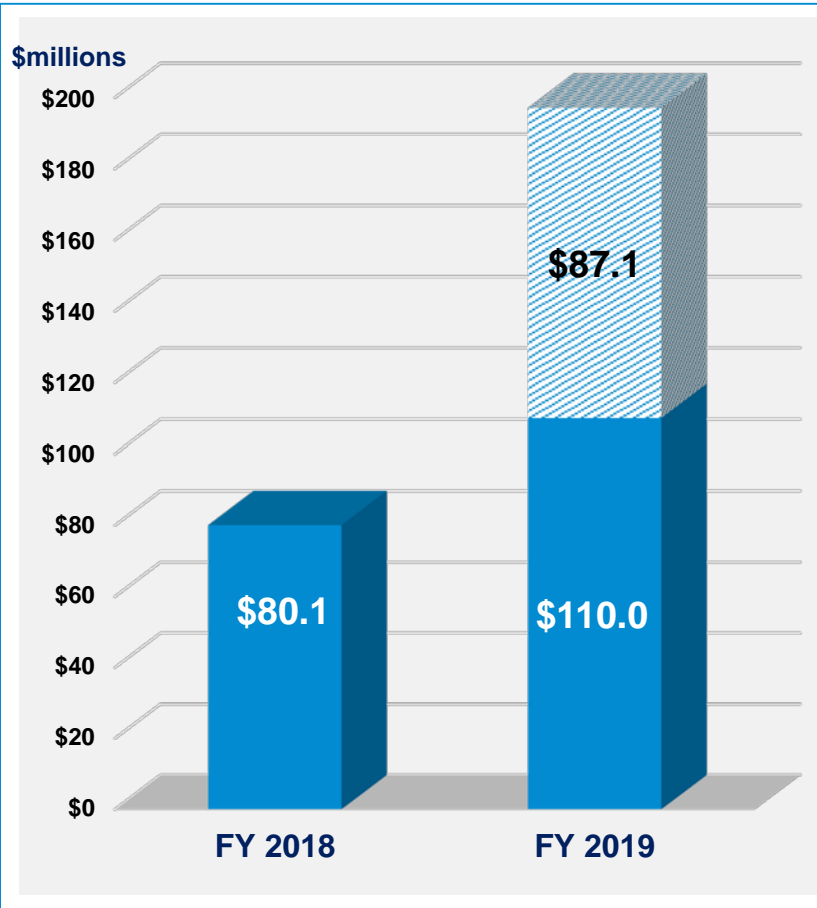
Selected Expenses ( <i>\$millions</i> )	FY 2018	FY 2019E*
O&M	\$ 600	\$ 620 - 630
D&A	\$ 361	\$ 385 - 405
Interest	\$ 107	\$ 85 - 95
Income Tax	\$ 8	\$ 135 - 145
Effective Tax Rate	27.3%	21% - 23%**

\* Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2019 significantly above or below this outlook.

\*\* Inclusive of amortization of tax gross-up on excess deferred tax liability; 23% - 25% effective rate excluding this amortization.

# Recent Regulatory Developments

## Approved Annualized Operating Income Increases



## Key Rate Activity Through 8/7/2019

- \$110.0MM Completed– FY19**
  - ✓ \$ 49.2MM – APT GRIP
  - ✓ \$ 20.4MM – Mid-Tex & West-TX RRM
  - ✓ \$ 11.8MM – Louisiana RSCs
  - ✓ \$ 9.5MM – Mid-Tex DARR \*
  - ✓ \$ 7.0MM – Mississippi SRF/SIR
  - ✓ \$ 5.7MM – ALDC GRIP
  - ✓ \$ 3.4MM – Kentucky Rate Case
  - ✓ \$ 3.4MM – TX Environs GRIP Filings
  - ✓ \$ 2.4MM – Tennessee ARM
  - ✓ \$ 2.1MM – Colorado SSIR
  - ✓ \$ 2.1MM – Mid-Tex ATM SOI
  - ✓ \$ 1.6MM – Kansas GSRS
  - ✓ (\$ 0.4MM) – Virginia Rate Case
  - ✓ (\$ 3.5MM) – TX Environs SOIs
  - ✓ (\$ 5.0MM) – Tennessee ARM Filing
  
- \$87.1MM in Progress**
  - ✓ \$ 53.9MM – Mid-Tex & West TX RRM
  - ✓ \$ 20.0MM – Mississippi SRF/SIR
  - ✓ \$ 6.6MM – Mid-Tex ATM GRIP
  - ✓ \$ 3.7MM – Kansas Rate Case
  - ✓ \$ 2.9MM – Kentucky PRP

\* Implemented, but subject to appeal at the Texas Railroad Commission

## Mid-Tex Division

- **Mid-Tex ATM Cities: *Filed* 2018 GRIP on June 13, 2019**
  - ✓ Requested an annual operating income increase of \$6.6 million
  - ✓ Requested ROE: 9.80%; ROR: 7.97%
  - ✓ Requested capital structure: 40% debt / 60% equity
  - ✓ Requested rate base: \$3.0 billion
  - ✓ Test year ending December 31, 2018
  
- **Mid-Tex Environs: *Implemented* 2018 GRIP on June 4, 2019**
  - ✓ Authorized an annual operating income increase of \$2.4 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized rate base: \$3.0 billion
  - ✓ Test year ending December 31, 2018
  
- **Mid-Tex City of Dallas: *Implemented, subject to appeal at Railroad Commission of Texas, Dallas Annual Rate Review (DARR) on June 1, 2019***
  - ✓ \$9.5 million increase in annual operating income
  - ✓ Authorized ROE: 9.8%; ROR of 7.96%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of \$2.9 billion
  - ✓ Serves approximately 231,000 customers
  - ✓ Test year ended September 30, 2018

## Mid-Tex Division

- **Mid-Tex ATM Cities: *Implemented* Statement of Intent (SOI) on June 1, 2019**
  - ✓ Authorized an increase in annual operating income of \$2.1 million
  - ✓ Authorized ROE: 9.8%; ROR of 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of \$2.6 billion
  - ✓ Serves approximately 173,000 customers
  - ✓ Test year ended December 31, 2017
  
- **Mid-Tex Cities: *Filed* 2019 Annual Rate Review Mechanism (RRM) on March 29, 2019**
  - ✓ Requested an annual operating income increase of \$47.7 million
  - ✓ Requested ROE: 9.80%; ROR: 7.90%
  - ✓ Requested capital structure: 40% debt / 60% equity
  - ✓ Requested rate base: \$3.1 billion
  - ✓ Test year ending December 31, 2018
  
- **Mid-Tex Environs: *Implemented* Statement of Intent (SOI) on January 1, 2019**
  - ✓ Authorized a decrease in annual operating income of \$2.7 million
  - ✓ Authorized ROE: 9.8%; ROR of 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of \$2.6 billion
  - ✓ Serves approximately 69,000 customers
  - ✓ Test year ended December 31, 2017



## *West Texas Division*

- **West Texas Environs: *Implemented* 2018 GRIP on June 4, 2019**
  - ✓ Authorized an annual operating income increase of \$1.0 million
  - ✓ Authorized ROE: 9.8%; ROR: 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized rate base: \$592.9 million
  - ✓ Test year ending December 31, 2018
  
- **Amarillo/Lubbock/Dalhart/Channing: *Implemented* 2018 GRIP on May 1, 2019**
  - ✓ Authorized an annual operating income increase of \$5.7 million
  - ✓ Authorized ROE: 10.5%; ROR: 8.57%
  - ✓ Authorized capital structure: 48% debt / 52% equity
  - ✓ Authorized rate base: \$594.5 million
  - ✓ Test year ending December 31, 2018
  
- **West Texas Cities: *Filed* 2018 RRM on April 1, 2019**
  - ✓ Requested an annual operating income increase of \$6.2 million
  - ✓ Requested ROE: 9.8%; ROR: 7.90%
  - ✓ Requested capital structure: 40% debt / 60% equity
  - ✓ Requested rate base: \$591.5 million
  - ✓ Test year ending December 31, 2018

## *West Texas Division*

- **West Texas Environs: *Implemented* 2018 SOI on January 1, 2019**
  - ✓ Authorized \$0.8 million decrease in operating income
  - ✓ Authorized ROE: 9.8%; ROR: 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of \$507 million
  - ✓ Serves approximately 24,000 customers
  - ✓ Test year ended December 31, 2017

## *Louisiana Division*

- **LGS: *Implemented* Annual RSC on July 1, 2019**
  - ✓ Authorized \$7.1 million increase in annual operating income
  - ✓ Authorized ROE: 9.8%; ROR: 7.79%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base of \$469.0 million
  - ✓ Serves approximately 288,000 customers
  - ✓ Test year ended December 31, 2018
  
- **TransLa: *Implemented* Annual RSC Filing on April 1, 2019**
  - ✓ Authorized \$4.7 million increase in annual operating income
  - ✓ Authorized ROE: 9.8%; ROR: 7.81%
  - ✓ Authorized capital structure: 41% debt / 59% equity
  - ✓ Authorized rate base of \$192.6 million
  - ✓ Serves approximately 77,000 customers
  - ✓ Test year ended September 30, 2018

## Mississippi Division

- **Mississippi: *Filed* Annual System Integrity Rider (SIR) on July 1, 2019**
  - ✓ Requested a net increase in annual operating income of \$8.6 million
  - ✓ Requested ROE: 10.60%; ROR: 8.14%
  - ✓ Requested actual capital structure: 40% debt / 60% equity
  - ✓ Requested rate base: \$185.7 million
  - ✓ Serves approximately 268,000 customers
  - ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2019 - October 2020
  
- **Mississippi: *Filed* Annual Stable Rate Filing (SRF) on July 1, 2019**
  - ✓ Requested annual increase in operating income of \$11.4 million
  - ✓ Requested ROE: 10.6%; ROR: 8.14%
  - ✓ Requested actual capital structure: 40% debt / 60% equity
  - ✓ Requested rate base: \$449.5 million
  - ✓ Serves approximately 268,000 customers
  - ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2019 - October 2020

## *Kentucky/Mid-States Division*

- **Kentucky PRP Rate Filing: *Filed* annual Pipe Replacement Program (PRP) filing on July 31, 2019**
  - ✓ Requested an annual operating income increase of \$2.9 million
  - ✓ Requested ROE of 9.65%; ROR of 7.49%
  - ✓ Requested capital structure: 42% debt / 58% equity
  - ✓ Requested rate base: \$27.3 million
  - ✓ Serves approximately 184,000 customers
  - ✓ Forward-looking test year ending September 2019
  
- **Tennessee ARM Filing: *Implemented* Annual Rate Mechanism (ARM) filing on June 1, 2019**
  - ✓ Authorized annual operating income increase of \$2.4 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.79%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: \$389.1 million
  - ✓ Serves approximately 153,000 customers
  - ✓ Forward-looking test year ending May 2020
  
- **Kentucky Rate Filing: *Implemented* general rate case on May 8, 2019**
  - ✓ Authorized a \$3.4 million increase in annual operating income
  - ✓ Authorized ROE: 9.65%; ROR: 7.49%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: \$424.9 million
  - ✓ Serves approximately 184,000 customers
  - ✓ Forward-looking test year ending March 2020
  - ✓ Reinstated the Pipeline Replacement Program (PRP) on a forward-looking basis to be filed in August 2019 with new rates to be implemented in October 2019

## *Kentucky/Mid-States Division*

- **Virginia Rate Filing: *Filed* New SAVE Infrastructure Program on April 1, 2019**
  - ✓ Requested an annual operating income increase of \$0.1 million
  - ✓ Requested ROE: 9.20%; ROR: 7.43%
  - ✓ Requested capital structure: 42% debt / 58% equity
  - ✓ Requested rate base: \$0.7 million
  - ✓ Serves approximately 24,000 customers
  
- **Virginia Rate Filing: *Implemented* general rate case filing on April 1, 2019**
  - ✓ Authorized an annual operating income decrease of \$0.4 million
  - ✓ Authorized ROE: 9.20%; ROR: 7.43%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: \$47.8 million
  - ✓ General rate case incorporates a portion of the impact of the TCJA
  - ✓ Serves approximately 24,000 customers
  - ✓ Test year ending September 2017

## Colorado - Kansas Division

- **Kansas: *Filed* rate case with Annual Mechanism and Integrity Mechanism on June 28, 2019**
  - ✓ Requested a \$3.7 million increase in annual operating income
  - ✓ Requested ROE: 10.25%; ROR: 7.98%
  - ✓ Requested capital structure: 40% debt / 60% equity
  - ✓ Rate base value: \$248.7 million
  - ✓ Test year ended March 31, 2019
  
- **Kansas: *Implemented* Gas Safety Reliability Surcharge filing (GSRs) on May 1, 2019**
  - ✓ Authorized an annual operating income increase of \$1.6 million
  - ✓ First filing to reflect new customer monthly surcharge of \$0.80
  - ✓ Serves approximately 136,000 customers
  
- **Colorado: *Implemented* System Safety and Integrity Rider (SSIR) on January 1, 2019**
  - ✓ Authorized a \$2.1 million increase in annual operating income
  - ✓ Authorized ROE: 9.45%; ROR: 7.55%
  - ✓ Authorized capital structure: 44% debt / 56% equity
  - ✓ Rate base value: \$40.0 million
  - ✓ Test year ended December 31, 2019

## *Atmos Pipeline - Texas*

- **Atmos Pipeline - Texas: *Implemented* 2018 GRIP on May 7, 2019**
  - ✓ Authorized an annual operating income increase of \$49.2 million
  - ✓ Authorized ROE: 11.50%; ROR: 8.87%
  - ✓ Authorized capital structure: 47.4% debt / 52.6% equity
  - ✓ Authorized rate base: \$2.4 billion
  - ✓ Test year ending December 31, 2018



# Federal Tax Reform – Regulatory Progress

Jurisdiction	Note	Implement 21% in Rates	Refund Regulatory Liability	Refund Excess Deferred Taxes	
				Approved	Period (Yrs)
APT – Base rates	2	✓	✓		
Colorado (Includes SSIR)	1	✓	✓	✓	13-51
Kansas	1	✓	✓		
Kentucky	1	✓		✓	24-30
Louisiana – LGS	1	✓	✓	✓	23
Louisiana – TransLa	1	✓	✓	✓	28
Mississippi (SIR & SRF)	1	✓	N/A	✓	26-39
Tennessee	1	✓	N/A	✓	28
Texas – ACSC/WTX Cities	1	✓	✓	✓	24
Texas – ATM/MTX Cities	1	✓	✓	✓	24
Texas – Dallas/MTX	1	✓		✓	24
Texas – WTX and MTX Environs	1	✓	✓	✓	24
Virginia	1	✓	✓	✓	24



Indicates that TCJA adjustment has been reflected in rates



EDTL amortization period is provisional and is subject to final true-up



The effect of the TCJA that is not already reflected in rates is expected to be addressed in future filings

## Rate Filing Outlook

<b>Q1</b> <b>October → December</b>	<b>Q2</b> <b>January → March</b>	<b>Q3</b> <b>April → June</b>	<b>Q4</b> <b>July → September</b>
Mississippi – Implemented Stable Rate Filing (SRF) and System Integrity Rider (SIR) of \$7.0 million	Tennessee – Implemented Annual Rate Mechanism of \$2.4 million	WTX Cities – Filed Rate Review Mechanism (RRM) filing in April 2019; new rates anticipated Q1 fiscal 2020	Mississippi – Filed Stable Rate Filing in July 2019; new rates anticipated Q1 fiscal 2020
Tennessee – Implemented Annual Rate Mechanism (ARM) of \$(5.0) million	Atmos Pipeline Texas (APT) – Implemented 2018 GRIP of \$49.2 million	Virginia – Filed Annual SAVE of \$0.1 million in April 2019, new rates anticipated Q1 fiscal 2020	Kentucky – Filed PRP in August 2019; new rates anticipated Q1 fiscal 2020
Colorado – Implemented System Safety and Integrity Rider (SSIR) of \$2.1 million	Texas Environs Customers – Implemented annual GRIP of \$3.4 million	Mid-Tex ATM– Filed annual GRIP of \$6.6 million	
Louisiana – Implemented TransLa jurisdiction annual Rate Stabilization Clause in December 2018 of \$4.7 million	West Texas ALDC – Implemented annual GRIP of \$5.7 million	Kansas – Filed Rate Case of \$3.7 million in June 2019; new rates anticipated Q2 fiscal 2020	
Mid-Tex (Dallas) – Filed Dallas Annual Rate Review (DARR) in January 2019; rates implemented subject to refund June 1, 2019	Mississippi – Filed System Integrity Rider (SIR) of \$8.6 million in July 2019; new rates anticipated Q1 fiscal 2020		
Kansas – Implemented Gas System Reliability Surcharge (GSRs) of \$1.6 million	Mid-Tex Cities – Filed Rate Review Mechanism (RRM) filing in March 2019; new rates anticipated Q1 fiscal 2020		
	Louisiana – Implemented LGS annual Rate Stabilization Clause of \$7.1 million		

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 Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and in subsequent filings with the Security and Exchange Commission. 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 August 7, 2019.

# Appendix

# Regulatory Summary

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ millions (1)	Requested Rate Base \$ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 6/30/19
Atmos Pipeline-TX (GUD 10580)	8/1/17		\$ 13.0		\$ 1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	5/7/19		\$ 49.2		\$ 2,388		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR	6/1/19		\$ 9.5		\$2,862		7.96%		9.80%		40/60		231,240
Mid-Tex Cities RRM	10/1/18	3/29/19	\$ 17.6	\$ 47.7	\$ 2,587	\$ 3,053	7.87%	7.90%	9.80%	9.80%	42/58	40/60	1,243,580
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	6/1/19	6/13/19	\$2.1	\$6.6	\$2,573	2,976	7.97%	7.97%	9.80%	9.80%	40/60	40/60	172,917
Mid-Tex Environs SOI/GRIP (GUD 10742)	6/4/19		\$2.4		\$2,976		7.97%		9.80%		40/60		68,959
West Texas Division SOI	4/1/14		\$ 8.4		\$ 324		2		2		2		NA
WTX Cities RRM	10/1/18	4/1/19	\$ 2.8	\$ 6.2	\$ 506	\$ 592	7.87%	7.90%	9.80%	9.80%	42/58	40/60	144,631
WTX ALDC GRIP	3,4 5/1/19		\$ 5.7		\$ 595		8.57%		10.50%		48/52		147,519
WTX Environs SOI/GRIP (GUI 10743)	6/4/19		\$1.0		\$ 593		7.97%		9.80%		40/60		24,233
Louisiana-LGS (U-34424)	7/1/19		\$7.1		\$469		7.79%		9.80%		42/58		287,648
Louisiana-Trans La (U-35106)	4/1/19		\$ 4.7		\$ 193		7.81%		9.80%		41/59		77,030
Mississippi SRF (2005-UN-0503)	10/23/18	7/1/19	\$ (0.1)	\$ 11.4	\$ 416	\$ 450	7.81%	8.14%	10.24%	10.60%	45/55	40/60	267,641

(See Next Page for Footnote Explanations)

# Regulatory Summary *(continued)*

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ millions (1)	Requested Rate Base \$ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 6/30/19
Mississippi SIR (2015-UN-049)	10/23/18	7/1/19	\$ 7.1	\$ 8.6	\$ 126	\$186	7.81%	8.14%	10.24%	10.60%	45/55	40/60	NA
Kentucky PRP		7/31/19		\$ 2.9		\$27.3		7.49%		9.65%		42/58	NA
Kentucky (2018-00281)	5/7/19		\$ 3.4		\$ 425		7.49%		9.65%		42/58		183,550
Tennessee ARM (19-00067)	6/1/19		\$2.4		\$389		7.79%		9.80%		42/58		153,337
Kansas GSRS (18-ATMG-218-TAR)	4/23/19		\$ 1.6		\$ 26		9.54%		2		2		136,418
Kansas (19-ATMG-525-RTS)		6/28/19		\$ 3.7		\$ 249		7.98%		10.25%		40/60	NA
Colorado (17AL-0429G)	5/3/18		\$ (0.2)		\$ 135		7.55%		9.45%		44/56		121,499
Colorado SSIR (18AL-0770G)	1/1/19		\$ 2.1		\$ 40		7.55%		9.45%		44/56		NA
Colorado GIS (18A-0765G)	4/1/19		\$0.1		\$0.6		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00013)	4/1/19		(\$0.4)		\$48		7.43%		9.20%		42/58		24,519

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.

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.