



# *Analyst Call to Review*

## *Fiscal 2022 Third Quarter Financial Results*

*August 4, 2022  
10:00 a.m. Eastern*

# Fiscal Q3 2022 Review

# Q3 Fiscal 2022 Financial Performance



## Fiscal 2022 Highlights

- **Financial Performance**

- YTD Diluted EPS of \$5.12
- \$1.7 billion in capital spending; 87% allocated to safety and reliability spending
- 8.8% increase in fiscal 2022 annual dividend to \$2.72 per diluted share
  - 38th consecutive year of rising dividends

- **Executed Our Regulatory Strategy**

- Completed \$215.6 million as of August 3, 2022<sup>1,2</sup>, \$174.9 million, net of excess deferred tax amortization
- \$128.9 million currently in progress

- **Strong Balance Sheet**

- Approximately \$3.5 billion in liquidity
- \$1.5 billion of financing to support operations
  - Issued \$600 million 30-year senior notes at 2.85%
  - Issued \$200 million 2.625% senior notes
  - Settled \$675.3 million of equity forwards
- Equity capitalization at 61.7% as of June 30, 2022, excluding storm-related financing

1. \$13.2 million to be implemented on September 1, 2022

2. \$17.7 million subject to refund

# Q3 Fiscal 2022 Financial Performance



## Consolidated Financial Highlights

Segment Net Income ( <i>\$millions, except EPS</i> )	Three Months Ended June 30		Nine Months Ended June 30	
	2022	2021	2022	2021
Distribution	\$ 58	\$ 53	\$ 506	\$ 439
Pipeline & Storage	71	49	197	178
<b>Net Income</b>	<b>\$ 129</b>	<b>\$ 102</b>	<b>\$ 703</b>	<b>\$ 617</b>
<b>Diluted EPS<sup>1</sup></b>	<b>\$ 0.92</b>	<b>\$ 0.78</b>	<b>\$ 5.12</b>	<b>\$ 4.77</b>
<b>Capital Expenditures</b>	<b>\$ 536.0</b>	<b>\$ 512.2</b>	<b>\$ 1,726.0</b>	<b>\$ 1,358.0</b>

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.

# Q3 Fiscal 2022 Financial Performance



## Segment Operating Income Highlights

Three Months Ended June 30 (\$millions)	2022	2021	Change
Distribution	\$ 66.1	\$ 68.1	\$ (2.0)
Pipeline & Storage	88.5	65.3	23.2
<b>Operating Income</b>	<b>\$ 154.6</b>	<b>\$ 133.4</b>	<b>\$ 21.2</b>

### Distribution Key Drivers

- **\$30.5MM** – Net increase due to rate case outcomes
- **\$3.3MM** – Increase due to consumption
- **\$2.6MM** – Increase due to customer growth
- **\$20.8MM** – Decrease due to EDIT refunds<sup>1</sup>
- **\$1.8MM** – Net decrease in other O&M – bad debt and other administrative costs
- **\$5.0MM** – Increase in system maintenance expense
- **\$13.7MM** – Increase in D&A and property tax expense

### Pipeline & Storage Key Drivers

- **\$21.0MM** – Increase due to rate case outcomes
- **\$4.5MM** – Increase in D&A and property tax expense
- **\$6.1MM** – Decrease in system maintenance expense

<sup>1</sup> Reductions to operating income from excess deferred income tax (EDIT) refunds substantially offset by lower income tax expense by the end of the fiscal year.

# Q3 Fiscal 2022 Financial Performance



## Segment Operating Income Highlights

Nine Months Ended June 30 (\$millions)	2022	2021	Change
Distribution	\$ 567.9	\$ 580.9	\$ (13.0)
Pipeline & Storage	247.7	233.1	14.6
<b>Operating Income</b>	<b>\$ 815.6</b>	<b>\$ 814.0</b>	<b>\$ 1.6</b>

### Distribution Key Drivers

- **\$122.6MM** – Net increase due to rate case outcomes
- **\$13.2MM** – Increase due to customer growth
- **\$13.1MM** – Decrease due to consumption
- **\$89.5MM** – Decrease due to EDIT refunds<sup>1</sup>
- **\$2.9MM** – Net increase in other O&M – bad debt and other administrative costs
- **\$12.3MM** – Increase in system maintenance expense
- **\$34.8MM** – Increase in D&A and property tax expense

### Pipeline & Storage Key Drivers

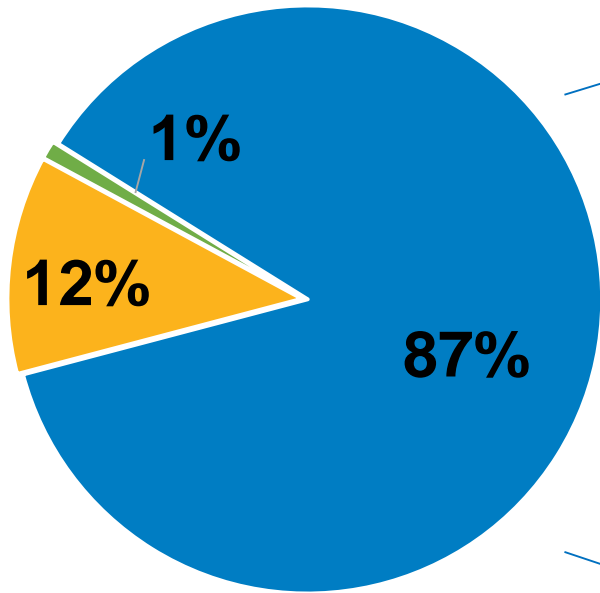
- **\$49.4MM** – Increase due to rate case outcomes
- **\$2.4MM** – Net decrease due to spread tightening and increased competing takeaway capacity
- **\$13.3MM** – Decrease due to EDIT refunds<sup>1</sup>
- **\$7.3MM** – Increase in system maintenance expense
- **\$11.1MM** – Increase in D&A and property tax expense

<sup>1</sup> Reductions to operating income from excess deferred income tax (EDIT) refunds substantially offset by lower income tax expense by the end of the fiscal year.

# Q3 Fiscal 2022 Financial Performance



## Capital Spending Highlights



- Safety and Reliability
- Customer Expansion
- Other

<i>Millions</i>	Fiscal 2022 YTD CapEx
\$ 790	Repair and replace transmission and distribution pipelines
193	Install & replace measurement & regulating equipment
183	Pipeline integrity management projects
175	Service line replacement
111	Fortifications
47	Enhance storage and compression capabilities
<b>\$ 1,499</b>	<b>Total Safety and Reliability Spending</b>
<b>\$ 1,726</b>	<b>Total Capital Spending</b>

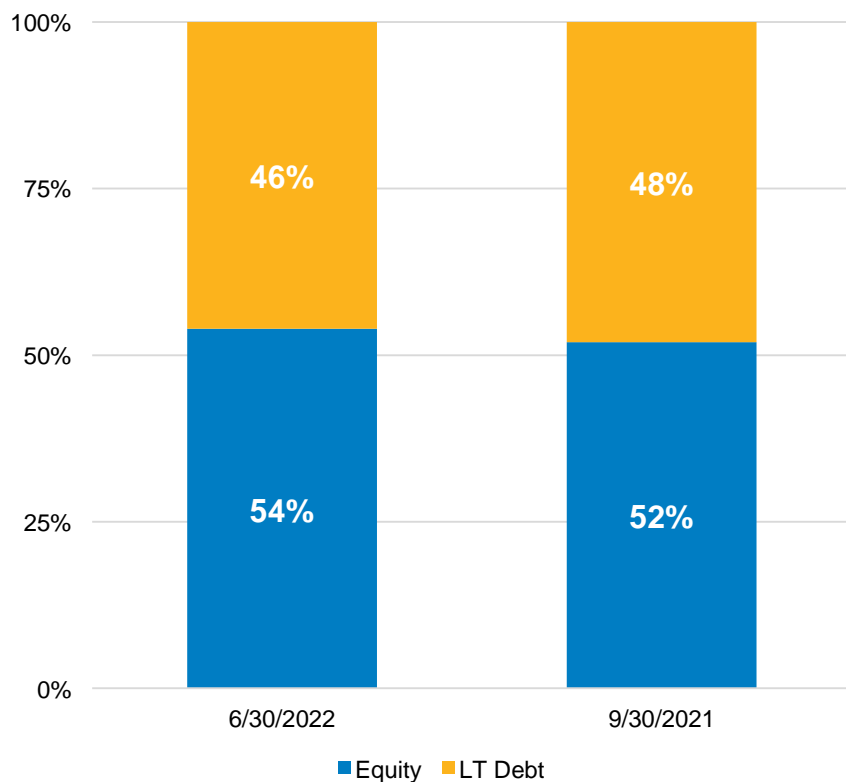
# Q3 Fiscal 2022 Financial Performance



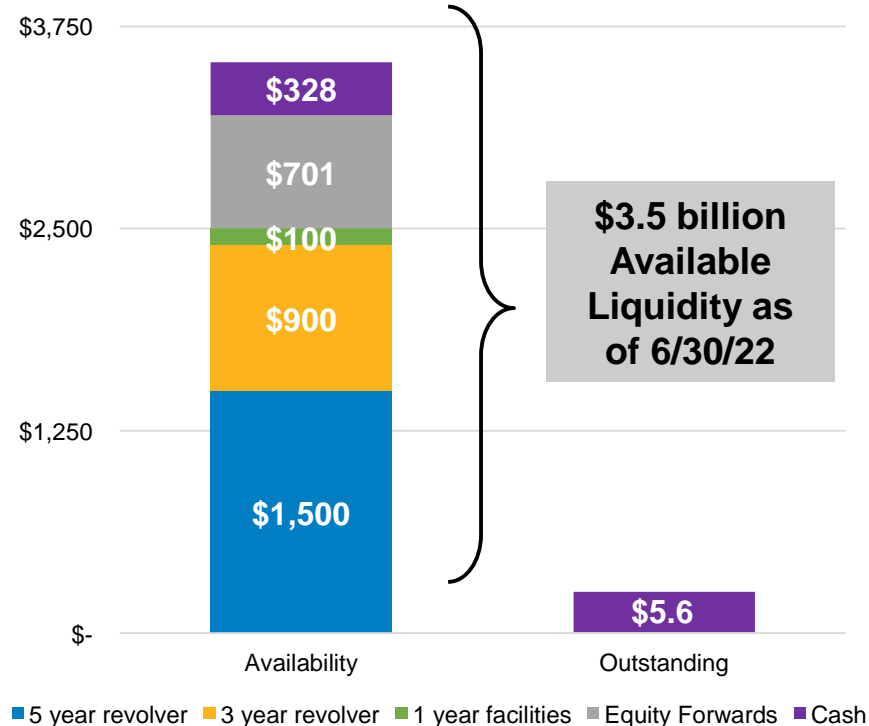
Strong Financial Foundation Supports Capital Spending Program

## Capitalization and Liquidity Profile

### Total Capitalization<sup>1</sup>



### Liquidity Profile as of June 30, 2022



1. Excluding the \$2.2 billion of incremental Winter Storm Uri financing, the equity capitalization rate is 61.7% as of June 30, 2022 and 60.6% as of September 30, 2021



# Q3 Fiscal 2022 Financial Performance



## Financing Highlights

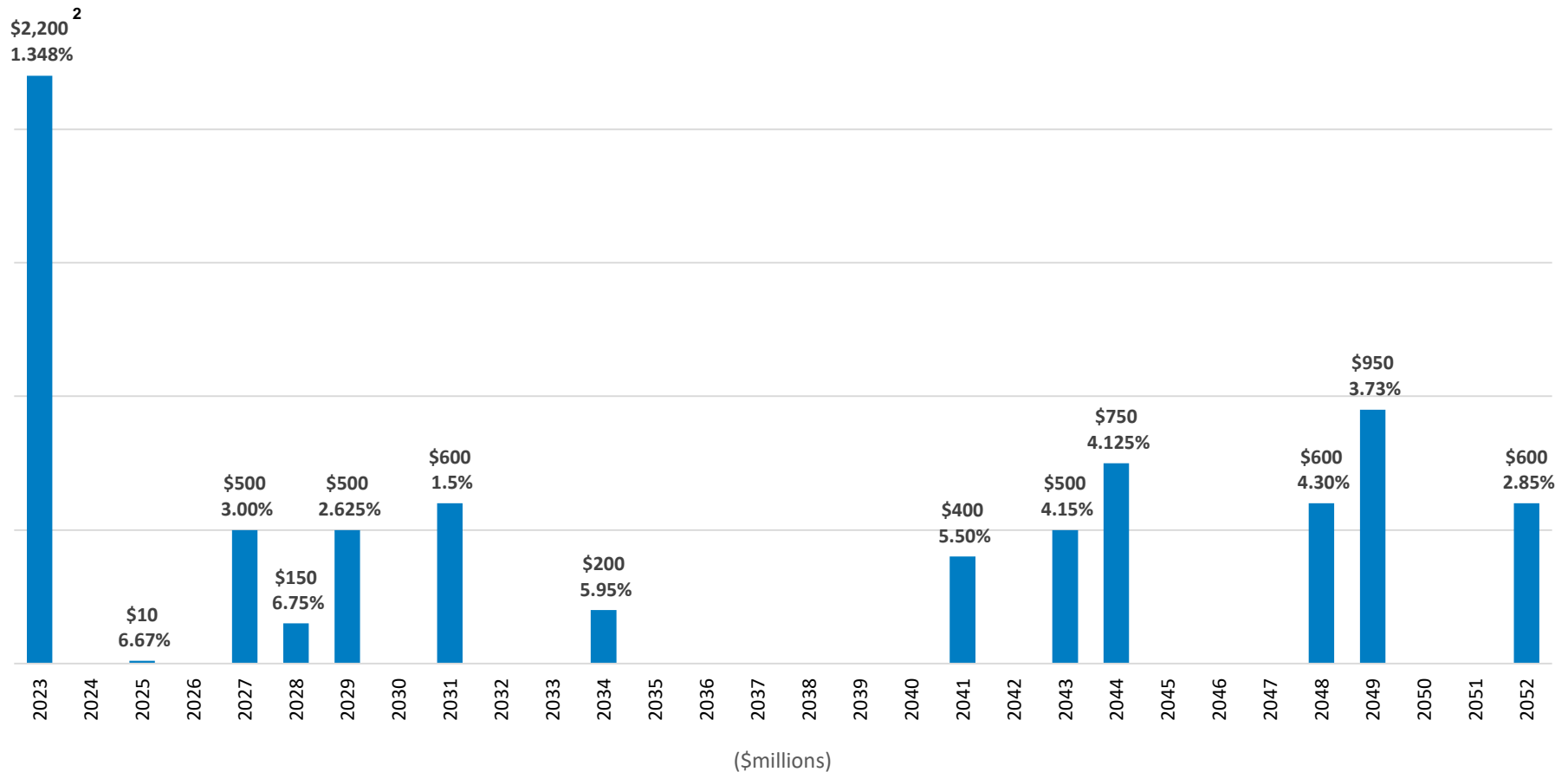
- **\$800 million of long-term debt financing issued YTD**
  - \$600 million 2.85% 30-year senior notes issued in October 2021
  - \$200 million 2.625% senior notes issued in January 2022 due September 2029
- **Equity needs satisfied through our ATM program**
  - \$ 1.1 billion of equity forward arrangements priced YTD fiscal 2022
  - \$ 675.3 million in settled equity forward arrangements
  - \$ 700.9 million available under equity forward agreements as of June 30, 2022
    - Maturity: September 29, 2023 through December 29, 2023
    - Shares: 6,447,216
    - Forward Share Price: \$108.71
  - \$ 663.0 million available for issuance through our ATM program as of June 30, 2022
- **\$2.2 billion currently available under existing shelf registration statement**

# Q3 Fiscal 2022 Financial Performance



## Manageable Debt Maturity Schedule Supports Capital Spending Program

Weighted Average Maturity ~18.8 Years<sup>1</sup>



1. Excluding the \$2.2 billion of incremental Winter Storm Uri financing. Weighted average maturity is 13.8 years including the incremental financing.

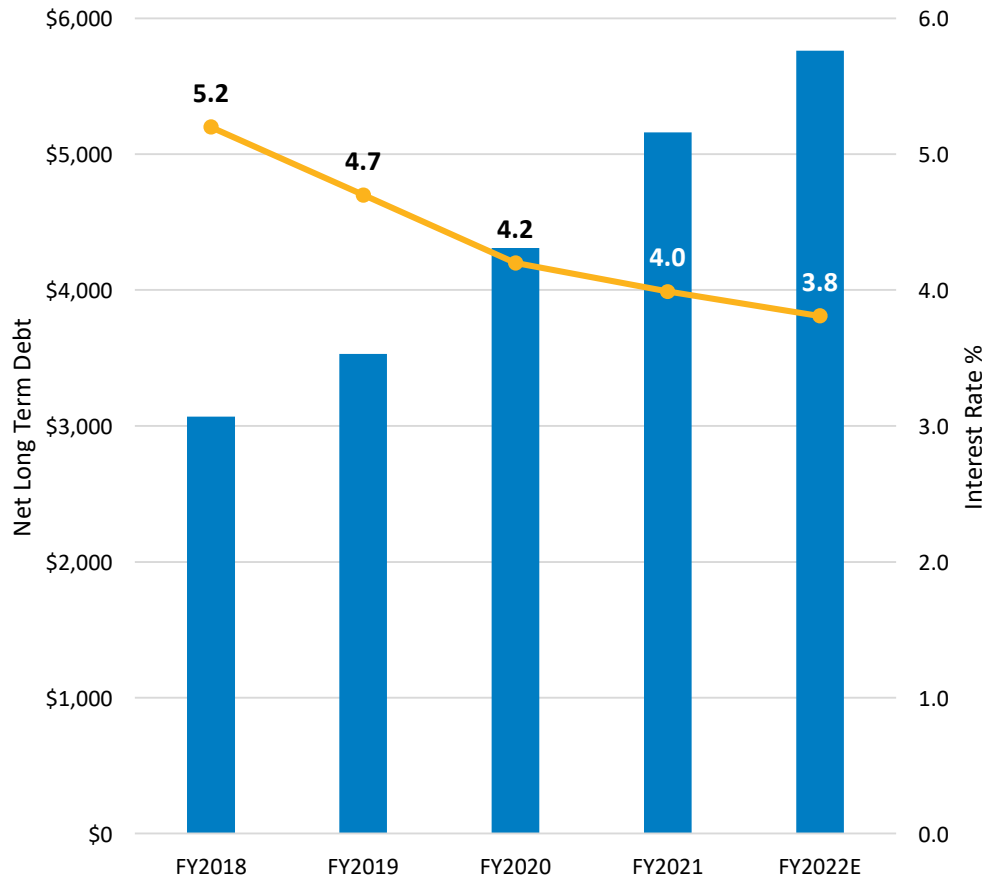
2. Figure includes a LIBOR floating rate component that may change over time.

# Q3 Fiscal 2022 Financial Performance



Strong Investment Grade Ratings Support Affordable Customer Bills

## Declining Weighted Average Cost of Debt<sup>1</sup>



## Strong Investment Grade Credit Ratings

	Moody's	Standard & Poor's
Senior Unsecured	A1	A-
Commercial Paper	P-1	A-2
Ratings Outlook	Stable	Negative

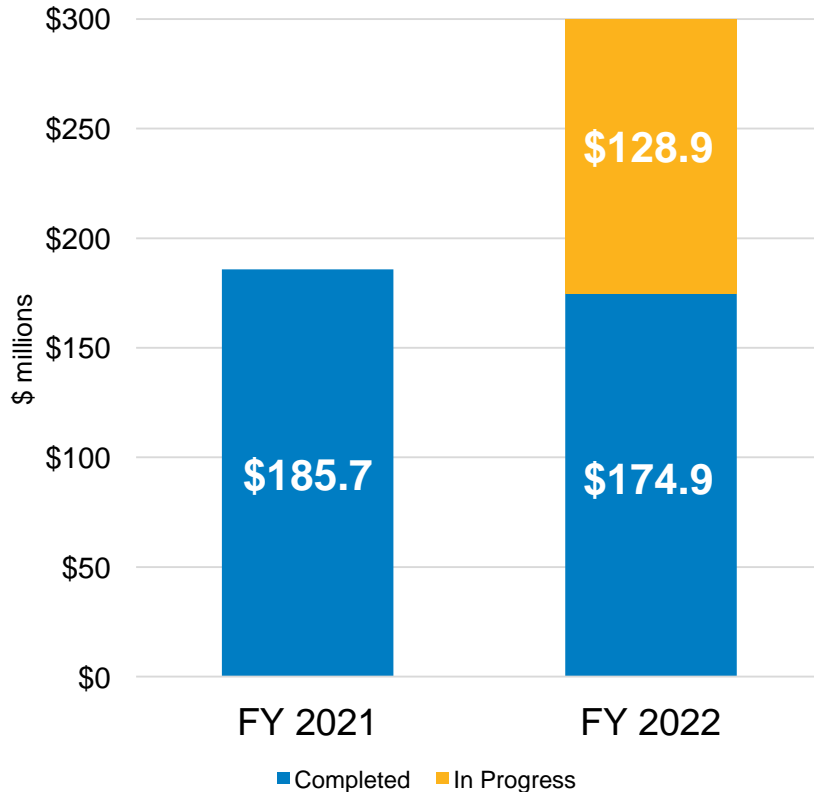
1. Excluding the \$2.2 billion of incremental Winter Storm Uri financing.

# FY 2022 Financial Performance



## Regulatory Highlights

### Approved Annualized Operating Income Increases<sup>1,2</sup>



1. Excluding the impact of EDIT fiscal 2021 rate outcomes were \$226.2 million  
 2. Excluding the impact of EDIT fiscal 2022 rate outcomes were \$215.6 million through August 3, 2022  
 3. Subject to refund  
 4. Rates to be implemented on September 1, 2022

### Key Rate Activity Through August 3, 2022

- **\$174.9MM Completed**
  - \$ 78.8MM – APT GRIP
  - \$ 21.7MM – Mid-Tex RRM
  - \$ 18.5MM – Mid-Tex GRIPs
  - \$ 17.7MM – Louisiana RSC<sup>3</sup>
  - \$ 13.2MM – Mid-Tex DARR<sup>4</sup>
  - \$ 8.9MM – West TX GRIPs
  - \$ 8.4MM – Mississippi SIR
  - \$ 5.9MM – Kentucky Rate Case
  - \$ 2.6MM – Colorado SSIR
  - \$ 2.5MM – Tennessee ARM
  - \$ 1.8MM – Kansas GSRS
  - \$ 0.6MM – Kansas SIP
  - \$ 0.3MM – Virginia SAVE
  - \$ 0.2MM – West TX RRM
  - \$ (5.6)MM – Mississippi SRF
- **\$128.9MM In-Progress**
  - \$ 92.6MM – Mid-Tex Cities RRM
  - \$ 15.7MM – Mississippi SRF
  - \$ 10.0MM – Mississippi SIR
  - \$ 8.2MM – West TX Cities RRM
  - \$ 1.9MM – Kentucky PRP
  - \$ 0.5MM – Virginia SAVE

# Financial Outlook

## Fiscal 2022E Guidance



<i>(\$millions, except EPS)</i>	<b>FY 2021</b>	<b>FY 2022E<sup>1</sup></b>
Distribution	\$ 446	\$ 505 - 520
Pipeline & Storage	220	245 - 255
<b>Total Net Income</b>	<b>\$ 666</b>	<b>\$ 750 - 775</b>
Average Diluted Shares	129.8	136.0 - 138.5
<b>Diluted EPS<sup>2</sup></b>	<b>\$ 5.12</b>	<b>\$ 5.50 - 5.60</b>
<b>Capital Spending</b>	<b>\$ 1,970</b>	<b>\$ 2,400 - 2,500</b>

1. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2022 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.

# Financial Outlook

## Fiscal 2022E Guidance



Selected Expenses (\$millions)	FY 2021	FY 2022E <sup>1</sup>
O&M	\$ 679	\$ 690 - 710
D&A	\$ 478	\$ 530 - 540
Interest	\$ 84	\$ 100 - 105
Income Tax	\$ 154	\$ 70 - 80
Effective Tax Rate	18.8%	7% - 9% <sup>2</sup>

1. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2022 significantly above or below this outlook.

2. Excluding the amortization of excess deferred tax liabilities, the effective rate is expected to be 22.5% - 24.5%.

# Regulatory Information

# Regulatory Mechanisms To Support Recovery



Jurisdiction	Annual Revenue and Lag Mechanisms		Revenue Stability and Lag Mechanisms		
	Annual Rate Stabilization	Infrastructure	Pension and Retirement Cost Trackers	WNA	Bad Debt in GCA
Colorado		☒	☒		
Kansas		☒	☒	☒	☒
Kentucky		☒		☒	☒
Tennessee	☒	☒	☒	☒	☒
Virginia		☒		☒	☒
Louisiana	☒	☒	☒	☒	
Mississippi	☒	☒		☒	
Mid-Tex	☒	☒	☒	☒	☒
West Texas	☒	☒	☒	☒	☒
APT		☒	☒		



# Key Regulatory Filings – Fiscal 2022E



## Rate Filing Planned Timing

Q1 October – December	Q2 January – March	Q3 April – June	Q4 July – September
Mid-Tex and WTX Cities – Implemented RRM filing of \$59.0MM; \$21.9MM net of excess deferred income tax amortization	Colorado and Kansas – Implemented SSIR of \$2.6MM and GSRS of \$1.8MM	Kansas – Implemented SIP of \$0.6MM	Mid-Tex Dallas – Approved Dallas Annual Rate Review (DARR) of \$13.2MM; new rates implemented September 2022
Mississippi – Implemented SRF and SIR filings of \$9.2MM; \$2.8MM net of excess deferred income tax amortization	<b>Mississippi – Filed System Integrity Rider (SIR) in March 2022; new rates anticipated Q1 fiscal 2023</b>	Atmos Pipeline – Texas (APT) – Implemented GRIP of \$78.8MM	Louisiana – Implemented RSC of \$7.3MM; \$17.7MM net of excess deferred income tax amortization; subject to refund
Virginia – Implemented SAVE filing of \$0.3MM		Kentucky – Implemented General Rate Case of \$13.3MM; \$5.9MM net of excess deferred income tax amortization	<b>Mississippi – Filed Stable Rate Filing (SRF) in July 2022; new rates anticipated Q1 fiscal 2023</b>
		Mid-Tex ATM, WTX ALDC, WTX Triangle and Texas Environs – Implemented GRIPs of \$27.4	<b>Kentucky – Filed PRP in July 2022; new rates anticipated Q1 fiscal 2023</b>
		Tennessee – Implemented ARM of \$2.5MM	<b>Colorado – Anticipate filing General Rate Case in August 2022; new rates anticipated Q2 fiscal 2023</b>
		<b>Mid-Tex and WTX Cities – Filed Rate Review Mechanism (RRM); new rates anticipated Q1 fiscal 2023</b>	<b>Kansas – Anticipate filing General Rate Case in August 2022; new rates anticipated Q3 fiscal 2023</b>
		<b>Virginia – Filed SAVE in May 2022; new rates anticipated Q1 fiscal 2023</b>	

Implemented

Pending or anticipated

# Regulatory Summary



Jurisdiction		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$Millions	Requested Operating Income \$Millions	Rate Base \$Millions <sup>(1)</sup>	Requested Rate Base \$Millions	Authorized Rate of Return <sup>(1)</sup>	Requested Rate of Return	Authorized Return on Equity <sup>(1)</sup>	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 6/30/22
Atmos Pipeline-TX (GUD 10580)		8/1/17		\$13.0		\$1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	3	5/18/22		\$78.8		\$3,432		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR	5	5/25/22		\$13.2		\$5,052		7.41%		9.80%		41/59		234,235
Mid-Tex Cities RRM		12/1/21	4/1/22	\$21.7	\$92.6	\$4,399	\$5,239	7.36%	7.33%	9.80%	9.80%	42/58	41/59	1,305,266
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	6/10/22		\$12.8		\$5,121		7.97%		9.80%		40/60		186,135
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	6/10/22		\$5.6		\$5,121		7.97%		9.80%		40/60		87,522
WTX Cities RRM		12/1/21	4/1/22	\$0.2	\$8.2	\$760	\$856	7.36%	7.33%	9.80%	9.80%	42/58	41/59	151,151
WTX ALDC SOI	4	6/1/21		\$5.1		\$752		7.35%		2		2		153,959
WTX ALDC GRIP	3,4	6/11/22		\$6.1		\$858		7.35%		2		41/59		NA
WTX Environs SOI/GRIP (GUD 10945)	3	6/11/22		\$1.2		\$855		7.97%		9.80%		40/60		24,406
WTX Triangle (GUD 10900)		6/11/22		\$1.5		\$50		7.71%		9.80%		40/60		NA
Louisiana RSC (U-35525)	6	7/1/22		\$17.7		\$942		7.30%		2		2		375,546
Mississippi SRF (2005-UN-0503)		11/1/21	7/1/22	(\$5.6)	\$15.7	\$474	\$527	7.81%	7.80%	2	2	2	2	273,533
Mississippi SIR (2015-UN-049)		11/1/21	7/1/22	\$8.4	\$10.0	\$324	\$390	7.81%	7.80%	2	2	2	2	NA
Kentucky (2018-00281)		5/20/22		\$5.9		\$569		6.82%		9.23%		45/55		184,282
Kentucky PRP (2022-00222)			7/29/22		\$1.9		\$16		7.75%		10.95%	45/55		NA

# Regulatory Summary (continued)



Jurisdiction	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$millions	Requested Operating Income \$millions	Rate Base \$millions <sup>(1)</sup>	Requested Rate Base \$millions	Authorized Rate of Return <sup>(1)</sup>	Requested Rate of Return	Authorized Return on Equity <sup>(1)</sup>	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 6/30/2022
Tennessee ARM (19-00067)	7/1/22		\$2.5		\$447		7.53%		9.80%		39/61		161,608
Kansas (19-ATMG-525-RTS)	4/1/20		(\$0.2)		\$242		7.03%		9.10%		44/56		140,903
Kansas GSRS	2/1/22		\$1.8		\$36		7.03%		9.10%		44/56		NA
Kansas SIP	4/1/22		\$0.6		\$6		7.03%		9.10%		44/56		NA
Colorado (17AL-0429G)	5/3/18		(\$0.2)		\$135		7.55%		9.45%		44/56		127,054
Colorado SSIR (20AL-0471G)	1/1/22		\$2.6		\$99		7.55%		9.45%		44/56		NA
Colorado GIS (18A-0765G)	4/1/19		\$0.1		\$1		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00014)	4/1/19		(\$0.4)		\$48		7.43%		9.20%		42/58		24,876
Virginia SAVE (PUR-2020-00107)	10/1/21	5/31/22	\$0.3	\$0.5	\$7	\$12	7.43%	7.43%	9.20%	9.20%	42/58	42/58	NA

1. Rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.
2. A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision.
3. GRIP filings are based on existing returns and the change in net utility plant investment.
4. Includes the cities of Amarillo, Lubbock, Dalhart and Channing.
5. Rates to be implemented on September 1, 2022
6. Subject to refund

# Atmos Pipeline - Texas



- **Atmos Pipeline: Implemented 2021 GRIP on May 18, 2022**
  - Authorized an annual operating income increase of \$78.8 million
  - Authorized ROE: 11.5%; ROR: 8.87%
  - Authorized capital structure: 47% debt / 53% equity
  - Authorized rate base: \$3.4 billion
  - Test year ended December 31, 2021

# Colorado - Kansas Division



- **Kansas: Implemented System Integrity Program (SIP) on April 1, 2022**
  - Authorized an increase in annual operating income of \$0.6 million
  - Authorized ROE: 9.10%; ROR: 7.03%
  - Authorized capital structure: 44% debt / 56% equity
  - Authorized rate base: \$5.9 million
- **Kansas: Implemented Gas Safety Reliability Surcharge (GSRS) on February 1, 2022**
  - Authorized an increase in annual operating income of \$1.8 million
  - Authorized ROE: 9.10%; ROR: 7.03%
  - Authorized capital structure: 44% debt / 56% equity
  - Authorized rate base: \$35.6 million
- **Colorado: Implemented System Safety and Integrity Rider (SSIR) on January 1, 2022**
  - Authorized an increase in annual operating income of \$2.6 million
  - Authorized ROE: 9.45%; ROR: 7.55%
  - Authorized capital structure: 44% debt / 56% equity
  - Authorized rate base: \$98.7 million

# Kentucky/Mid-States Division



- **Kentucky: Filed Annual PRP on July 29, 2022**
  - Requested an annual operating income increase of \$1.9 million
  - Requested ROE: 10.95%; ROR: 7.75%
  - Requested capital structure: 45% debt / 55% equity
  - Requested rate base: \$16.0 million
- **Virginia: Filed SAVE Infrastructure Program on May 31, 2022**
  - Requested an annual operating income increase of \$0.5 million
  - Requested ROE: 9.20%; ROR: 7.43%
  - Requested capital structure: 42% debt / 58% equity
  - Requested rate base: \$11.8 million
- **Tennessee: Implemented Annual Review Mechanism (ARM) on July 1, 2022**
  - Authorized an annual operating income increase of \$2.5 million
  - Authorized ROE: 9.80%; ROR: 7.53%
  - Authorized capital structure: 39% debt / 61% equity
  - Authorized rate base: \$447.4 million

- **Kentucky: Implemented General Rate Case on May 20, 2022**
  - Authorized an annual operating income increase of \$13.3 million; \$5.9 million net of excess deferred income tax amortization
  - Authorized ROE: 9.23%; ROR: 6.82%
  - Authorized capital structure: 45% debt / 55% equity
  - Authorized rate base: \$568.5 million
- **Virginia: Implemented SAVE Infrastructure Program on October 1, 2021**
  - Authorized an annual operating income increase of \$0.3 million
  - Authorized ROE: 9.20%; ROR: 7.43%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: \$7.5 million

- **Louisiana: Implemented Annual Rate Stabilization Clause RSC on July 1, 2022**
  - Authorized an increase in annual operating income of \$7.3 million; \$17.7 million net of excess deferred income tax amortization
  - Authorized ROR: 7.30%
  - Authorized rate base: \$942.4 million
  - Test year ending December 31, 2021
  - Subject to refund



- **Mid-Tex Cities: Filed Rate Review Mechanism RRM on April 1, 2022**
  - Requested an increase in annual operating income of \$92.6 million
  - Requested ROE: 9.80%; ROR: 7.33%
  - Requested capital structure: 41% debt / 59% equity
  - Requested rate base: \$5.2 billion
  - Test year ending December 31, 2021
  
- **Mid-Tex ATM Cities: Implemented 2021 GRIP on June 10, 2022**
  - Authorized an increase in annual operating income of \$12.8 million
  - Authorized ROE: 9.80%; ROR: 7.97%
  - Authorized capital structure: 40% debt / 60% equity
  - Authorized rate base: \$5.1 billion
  - Test year ending December 31, 2021

- **Mid-Tex Environs: Implemented 2021 GRIP on June 10, 2022**
  - Authorized an increase in annual operating income of \$5.6 million
  - Authorized ROE: 9.80%; ROR: 7.97%
  - Authorized capital structure: 40% debt / 60% equity
  - Authorized rate base: \$5.1 billion
  - Test year ending December 31, 2021
  
- **Mid-Tex City of Dallas: Approved Dallas Annual Rate Review DARR on May 25, 2022; Rates to be Implemented on September 1, 2022**
  - Authorized an increase in annual operating income of \$13.2 million
  - Authorized ROE: 9.80%; ROR: 7.41%
  - Authorized capital structure: 41% debt / 59% equity
  - Authorized rate base: \$5.1 billion
  - Test year ending September 30, 2021

- **Mid-Tex Cities: Implemented 2020 Annual Rate Review Mechanism (RRM) on December 1, 2021**
  - Authorized an increase in annual operating income of \$55.5 million; \$21.7 million net of excess deferred income tax amortization
  - Authorized ROE of 9.80%; ROR of 7.36%
  - Authorized capital structure of 42% debt / 58% equity
  - Authorized system-wide rate base of \$4.4 billion
  - Test year ending December 31, 2020

- **Mississippi: Filed Annual System Integrity Rider (SIR) on July 1, 2022**
  - Requested an increase in annual operating income of \$10.0 million
  - Requested ROR: 7.80%
  - Requested rate base: \$390.1 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2022 - October 2023
- **Mississippi: Filed Annual Stable Rate Filing (SRF) on July 1, 2022**
  - Requested an increase in annual operating income of \$15.7 million
  - Requested ROR: 7.80%
  - Requested rate base: \$526.7 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2022 - October 2023

- **Mississippi: Implemented Annual System Integrity Rider (SIR) on November 1, 2021**
  - Authorized an increase in annual operating income of \$10.5 million; \$8.4 million net of excess deferred income tax amortization
  - Authorized ROR: 7.81%
  - Authorized rate base: \$323.7 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2021 - October 2022
- **Mississippi: Implemented Annual Stable Rate Filing (SRF) on November 1, 2021**
  - Authorized a decrease in annual operating income of (\$1.3) million; (\$5.6) million net of excess deferred income tax amortization
  - Authorized ROR: 7.81%
  - Authorized rate base: \$473.9 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2021 - October 2022

- **West Texas Cities: Filed Rate Review Mechanism RRM on April 1, 2022**
  - Requested an increase in annual operating income of \$8.2 million
  - Requested ROE: 9.80%; ROR: 7.33%
  - Requested capital structure: 41% debt / 59% equity
  - Requested rate base: \$856.0 million
  - Test year ending December 31, 2021
  
- **West Texas Triangle: Implemented 2021 GRIP on June 11, 2022**
  - Authorized an increase in annual operating income of \$1.5 million
  - Authorized ROE: 9.80%; ROR: 7.71%
  - Authorized capital structure: 40% debt / 60% equity
  - Authorized rate base: \$50.1 million
  - Test year ending December 31, 2021

- **West Texas Environs: Implemented 2021 GRIP on June 11, 2022**
  - Authorized an increase in annual operating income of \$1.2 million
  - Authorized ROE: 9.80%; ROR: 7.97%
  - Authorized capital structure: 40% debt / 60% equity
  - Authorized rate base: \$855.2 million
  - Test year ending December 31, 2021
  
- **West Texas ALDC: Implemented 2021 GRIP on June 11, 2022**
  - Authorized an increase in annual operating income of \$6.1 million
  - Authorized ROR: 7.35%
  - Authorized capital structure: 41% debt / 59% equity
  - Authorized rate base: \$857.6 million
  - Test year ending December 31, 2021

- **West Texas Cities: Implemented 2020 Annual Rate Review Mechanism (RRM) on December 1, 2021**
  - Authorized annual operating income increase of \$3.5 million; \$0.2 million net of excess deferred income tax amortization
  - Authorized ROE: 9.80%; ROR: 7.36%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: \$759.9 million
  - Test year ending December 31, 2020



# 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 any of the company’s other documents or oral presentations, the words “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “goal”, “intend”, “objective”, “plan”, “projection”, “seek”, “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the credit and capital markets, and the other factors discussed in our reports filed with the Securities and Exchange Commission. These risks and uncertainties include the following: federal, state and local regulatory and political trends and decisions, including the impact of rate proceedings before various state regulatory commissions; increased federal regulatory oversight and potential penalties; possible increased federal, state and local regulation of the safety of our operations; the impact of greenhouse gas emissions or other legislation or regulations intended to address climate change; possible significant costs and liabilities resulting from pipeline integrity and other similar programs and related repairs; the inherent hazards and risks involved in distributing, transporting and storing natural gas; the availability and accessibility of contracted gas supplies, interstate pipeline and/or storage services; increased competition from energy suppliers and alternative forms of energy; adverse weather conditions; the impact of climate change; the inability to continue to hire, train and retain operational, technical and managerial personnel; increased dependence on technology that may hinder the Company's business if such technologies fail; the threat of cyber-attacks or acts of cyber-terrorism that could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee or Company information; natural disasters, terrorist activities or other events and other risks and uncertainties discussed herein, all of which are difficult to predict and many of which are beyond our control; the capital-intensive nature of our business; our ability to continue to access the credit and capital markets to execute our business strategy; market risks beyond our control affecting our risk management activities, including commodity price volatility, counterparty performance or creditworthiness and interest rate risk; the concentration of our operations in Texas; the impact of adverse economic conditions on our customers; changes in the availability and price of natural gas; increased costs of providing health care benefits, along with pension and postretirement health care benefits and increased funding requirements; and the outbreak of COVID-19 and its impact on business and economic conditions. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. Further, we undertake no obligation to update or revise any of our forward-looking statements whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2022 and beyond that appear in this presentation are current as of August 3, 2022.