



Analyst Call to Review

Fiscal 2019 Financial Results & Fiscal 2020-2024 Outlook

*November 7, 2019
10:00 a.m. Eastern*

Fiscal 2019 Review

Fiscal 2019 Highlights

■ Financial Performance

- ✓ Diluted EPS of \$4.35; 17th consecutive year of EPS growth
- ✓ 15% increase in capital spending to \$1.7 billion; 87% allocated to safety and reliability spending
- ✓ Initiated Fiscal 2020 EPS guidance range of \$4.58 - \$4.73
- ✓ 9.5% increase in fiscal 2020 indicated annual dividend to \$2.30 per diluted share - 36th consecutive year of rising dividends

■ Executed Our Regulatory Strategy

- ✓ Implemented \$117 million of annualized regulatory outcomes during Fiscal 2019
- ✓ \$57 million in progress at September 30 implemented as of November 6, 2019
- ✓ \$6 million currently in progress

■ Strong Balance Sheet

- ✓ \$1.2 billion of equity issued; \$694 million impacted FY 2019 EPS
- ✓ \$1.1 billion of 30-year debt issuances
- ✓ Equity capitalization at 59.0% at September 30, 2019

Adjusted Net Income Increased 15% Year-over-Year

(\$millions, except EPS)	Fiscal 2019		Fiscal 2018	
	Net Income	Diluted EPS ²	Net Income	Diluted EPS ²
<u>Segment Net Income</u>				
Distribution	\$ 329		\$ 443	
Pipeline & Storage	182		160	
Net Income	\$ 511	\$4.35	\$ 603	\$5.43
Adoption of the TCJA	----	----	(159)	(1.43)
Adjusted Net Income¹	\$ 511	\$4.35	\$ 444	\$4.00

¹ 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).

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 2019 – Q4



Net Income – Q4 Fiscal 2019 versus Q4 Fiscal 2018

(\$millions, except EPS)	Fiscal 2019 – Q4		Fiscal 2018 – Q4	
	Net Income	Diluted EPS ²	Net Income	Diluted EPS ²
<u>Segment Net Income</u>				
Distribution	\$ 10		\$ 13	
Pipeline & Storage	48		26	
Net Income	\$ 58	\$0.49	\$ 39	\$0.35
Adoption of the TCJA	----	----	7	0.06
Adjusted Net Income¹	\$ 58	\$0.49	\$ 46	\$0.41

¹ 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).

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.

Distribution Segment Financial Results

Year Ended 9/30 <i>(\$millions)</i>	2019	2018	Change
Contribution Margin	\$ 1,476.9	\$ 1,443.2	\$ 33.7
<u>Operating Expenses</u>			
Operation & Maintenance	480.2	461.0	19.2
Depreciation & Amortization	283.7	264.9	18.8
Taxes, Other Than Income	242.2	231.6	10.6
Operating Income	\$ 470.8	\$ 485.7	\$ (14.9)

Key Drivers

- **Contribution Margin increase:**
 - ✓ \$33.0MM – Increase in rates
 - ✓ \$12.8MM – Customer growth
 - ✓ (\$2.3MM) – Lower consumption
- **O&M increase:**
 - ✓ Increased pipeline maintenance expense
- ✓ **D&A and ad valorem taxes:**
 - ✓ Increased capital investments

Quarter Ended 9/30 <i>(\$millions)</i>	2019	2018	Change
Contribution Margin	\$ 282.8	\$ 269.3	\$ 13.5
<u>Operating Expenses</u>			
Operation & Maintenance	132.8	117.1	15.7
Depreciation & Amortization	73.5	67.3	6.2
Taxes, Other Than Income	52.8	47.4	5.4
Operating Income	\$ 23.7	\$ 37.5	\$ (13.8)

- **Contribution Margin increase:**
 - ✓ \$9.3MM – Increase in rates
 - ✓ \$2.4MM – Higher consumption
 - ✓ \$2.2MM – Customer growth
- **O&M increase:**
 - ✓ Increased pipeline maintenance expense
- **D&A and ad valorem taxes:**
 - ✓ Increased capital investments

Pipeline & Storage Segment Financial Results



Key Drivers

- **Contribution Margin increase:**
 - ✓ \$46.5MM – Rate increases
 - ✓ \$12.2MM – Thru-system activities
- **O&M increase:**
 - ✓ Hydro testing and in-line inspection
- **D&A:**
 - ✓ Increased capital investments

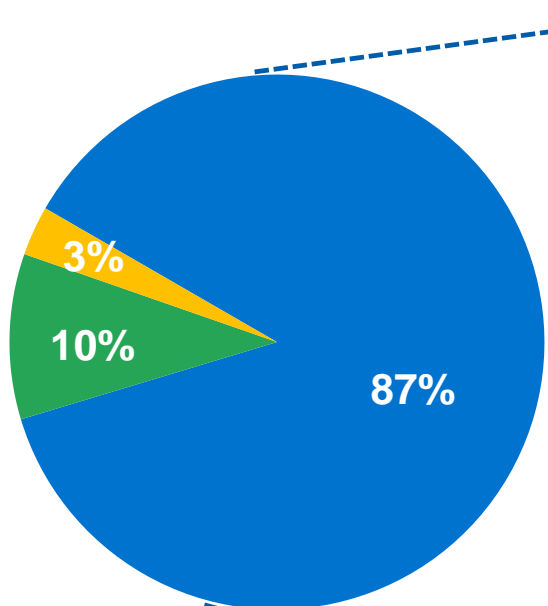
- **Contribution Margin increase:**
 - ✓ \$13.1MM – Rate increases
 - ✓ \$2.0MM – Thru-system activities
- **D&A:**
 - ✓ Increased capital investments

Year Ended 9/30 (Millions)	2019	2018	Change
Contribution Margin	\$ 567.4	\$ 505.7	\$ 61.7
<u>Operating Expenses</u>			
Operation & Maintenance	151.3	135.0	16.3
Depreciation & Amortization	107.8	96.1	11.7
Taxes, other than Income	33.0	32.3	0.7
Operating Income	\$ 275.3	\$ 242.3	\$ 33.0

Quarter Ended 9/30 (Millions)	2019	2018	Change
Contribution Margin	\$ 147.5	\$ 132.6	\$ 14.9
<u>Operating Expenses</u>			
Operation & Maintenance	45.2	46.0	(0.8)
Depreciation & Amortization	27.5	25.3	2.2
Taxes, other than Income	8.8	8.1	0.7
Operating Income	\$ 66.0	\$ 53.2	\$ 12.8

Capital Spending Mix

Safety & Reliability Investments Support Infrastructure Modernization



- Safety and Reliability
- Customer Expansion
- Other

<i>\$millions</i>	Fiscal 2019 CapEx
\$ 769	Repair and replace transmission and distribution pipelines
\$ 217	Service line replacement
\$ 133	Fortifications
\$ 128	Install & replace measurement & regulating equipment
\$ 118	Pipeline integrity management projects
\$ 110	Enhance storage and compression capabilities
\$ 1,475	Total Safety and Reliability Spending
\$ 1,693	Total Capital Spending

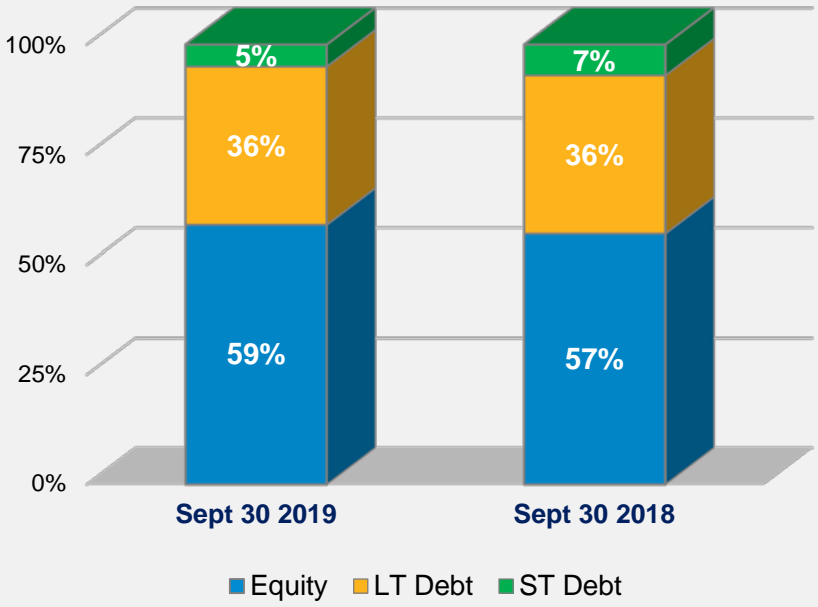
Fiscal 2019 Financing Recap

- \$2.2 billion of financing executed through September 30, 2019
 - ✓ \$1.1 billion of 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
 - ✓ \$1.2 billion of equity priced in Fiscal 2019
 - ✓ \$694 million impacting EPS in Fiscal 2019
 - ✓ \$463 million available under forward agreements at September 30, 2019

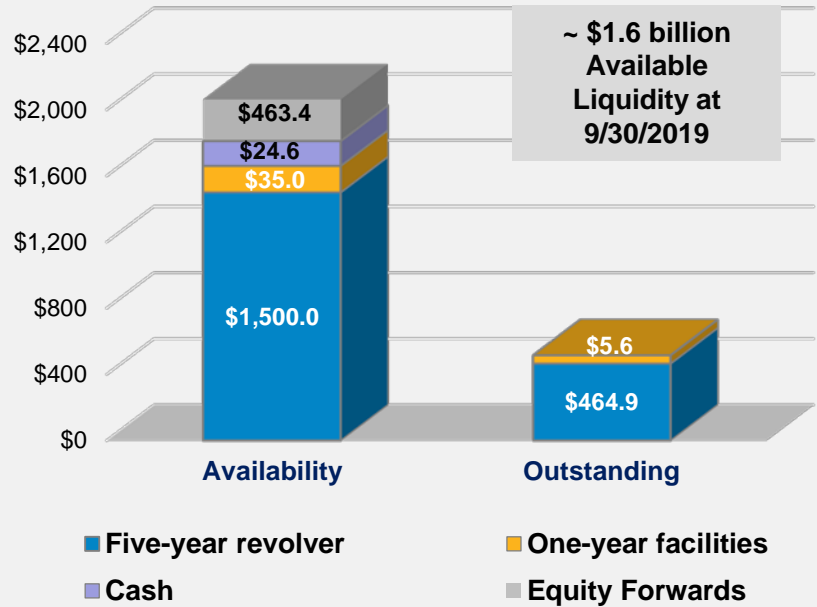
Maturity	Shares	Forward Share Price	Net Proceeds Available (\$MM) September 30, 2019
March 31, 2020	2,155,698	\$94.03	\$202.7
September 30, 2020	2,474,162	\$105.35	\$260.7
	4,629,860	\$100.08	\$463.4

Capitalization and Liquidity Profile

Total Capitalization

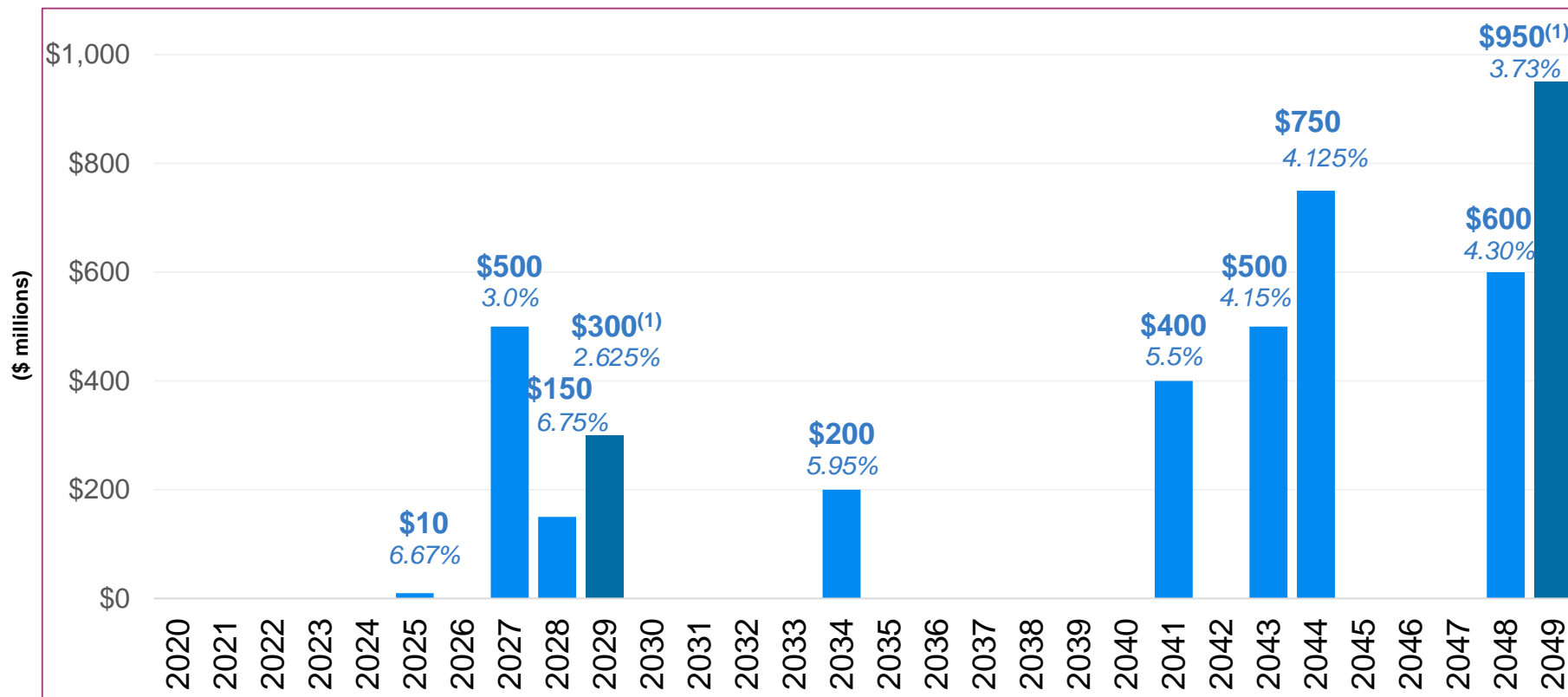


Liquidity Profile as of September 30, 2019



Strong Financial Foundation

Weighted Average Maturity ~22 Years

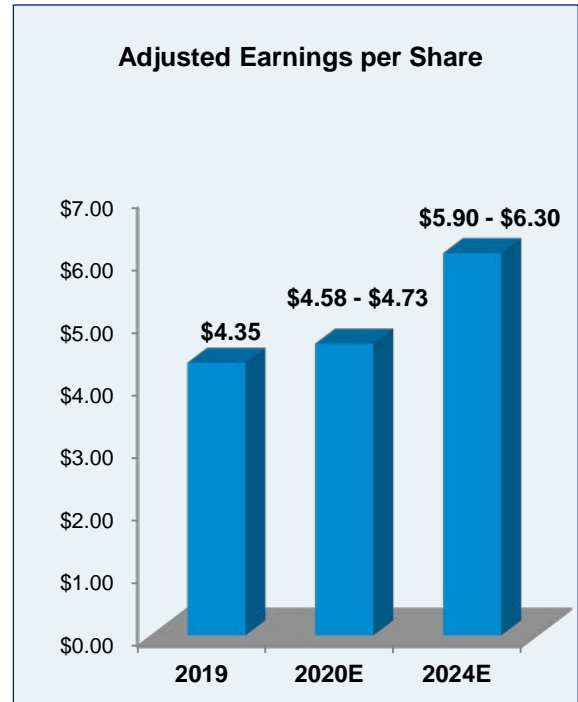
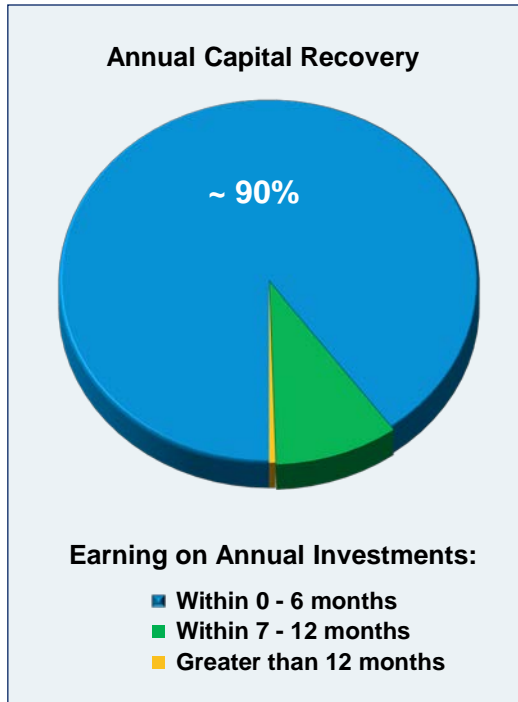
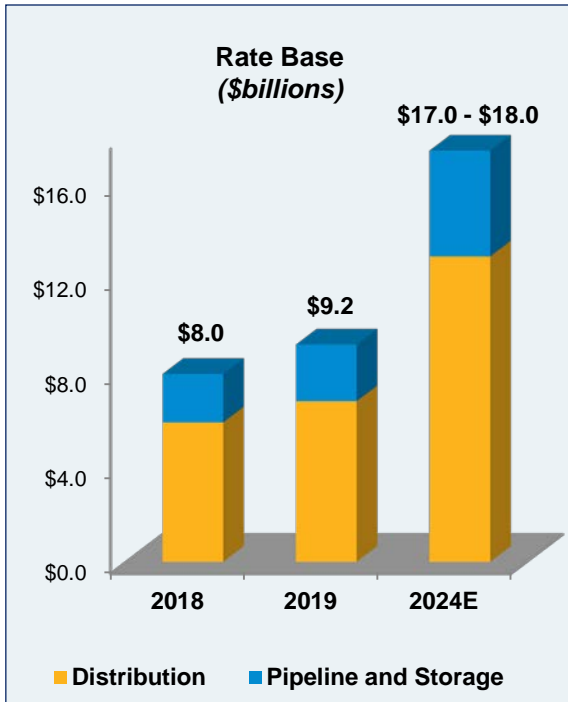


⁽¹⁾ – On October 2, 2019, we completed a public offering of \$300 million of 2.625% senior notes due 2029 and \$500 million of 3.375% senior notes due 2049.

Fiscal 2020 – 2024 Financial Outlook

Safety Driven, Organic Growth Strategy

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



Fiscal 2020E Guidance

<i>(\$millions, except EPS)</i>	FY 2019	FY 2020E²
Distribution	\$ 329	\$ 385 - 400
Pipeline & Storage	182	175 - 190
Total Net Income	\$ 511	\$ 560 - 590
Average Diluted Shares	117.5	122.3 - 124.7
Diluted EPS¹	\$ 4.35	\$ 4.58 - \$ 4.73
Capital Spending	\$ 1,693	\$ \$1,850 - \$1,950

¹ 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.

² Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2020 significantly above or below this outlook.

Fiscal 2020E Guidance

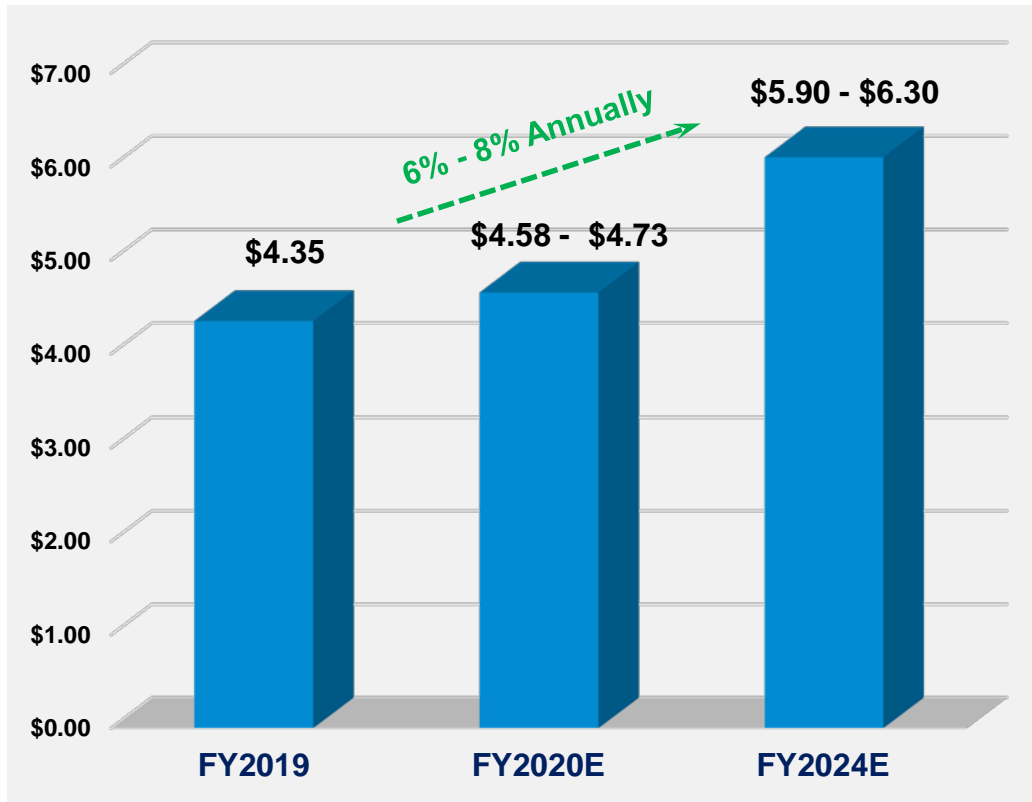
Selected Expenses (\$millions)	FY 2019	FY 2020E ¹
O&M	\$ 630	\$ 620 - 650
D&A	\$ 391	\$ 425 - 435
Interest	\$ 103	\$ 75 - 85
Income Tax	\$ 139	\$ 145 - 160
Effective Tax Rate	21.4%	20% - 22% ²

¹ 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.

² Excluding the amortization of excess deferred tax liabilities the effective rate is expected to be 23% - 25%

Sustainable Financial Performance

Execution Drives Annual 6% - 8% EPS & Dividend Growth

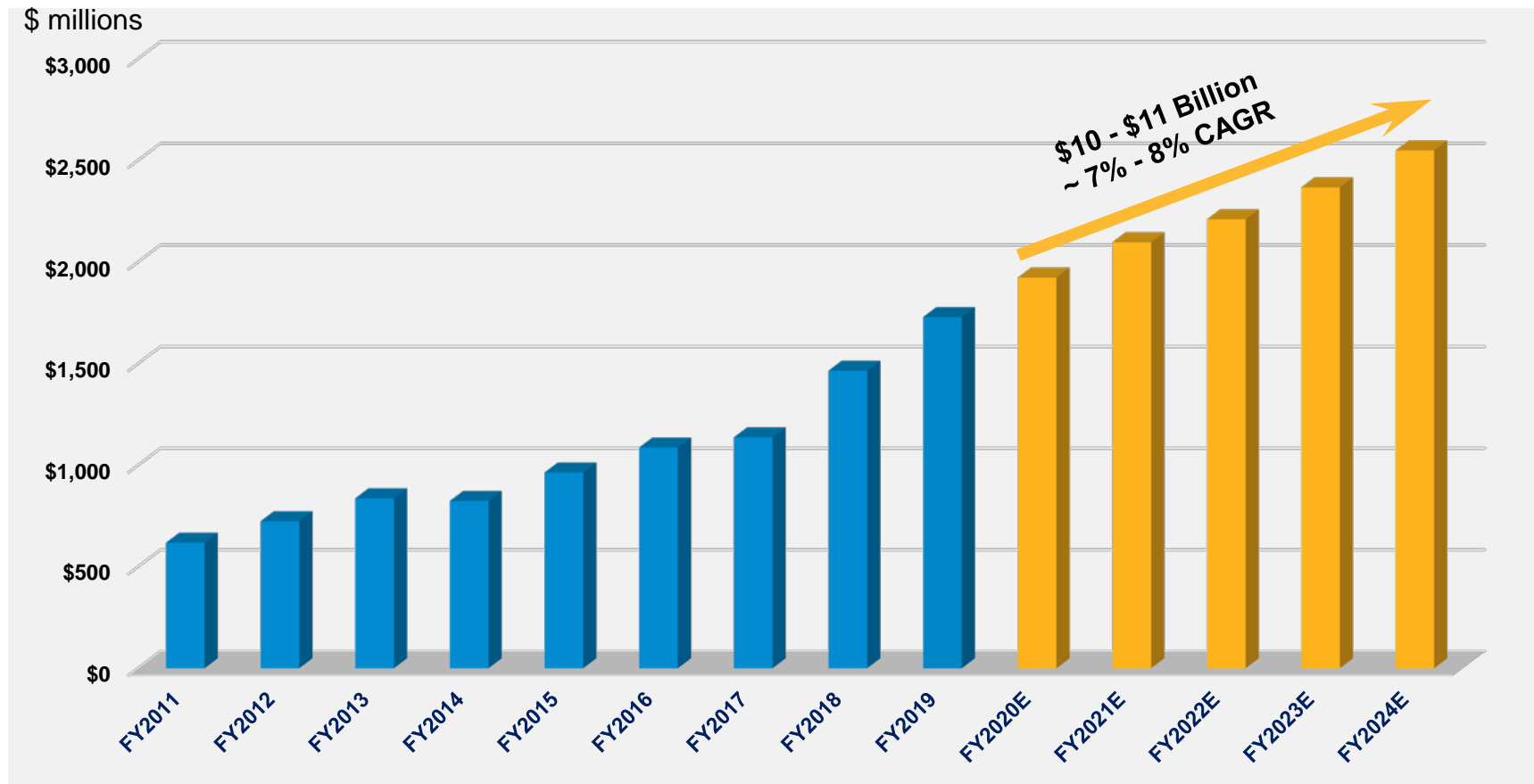


Key Assumptions

- FY 20-24 capital spending rising 7%-8% annually for a total of \$10 - \$11 billion
- O&M expense inflation rate of 2.5% - 3.5% annually
- Maintain existing regulatory mechanisms for infrastructure investment
- Normal weather
- Approximately \$5.5 - \$6.5 billion of incremental long-term debt and equity financing through Fiscal 2024

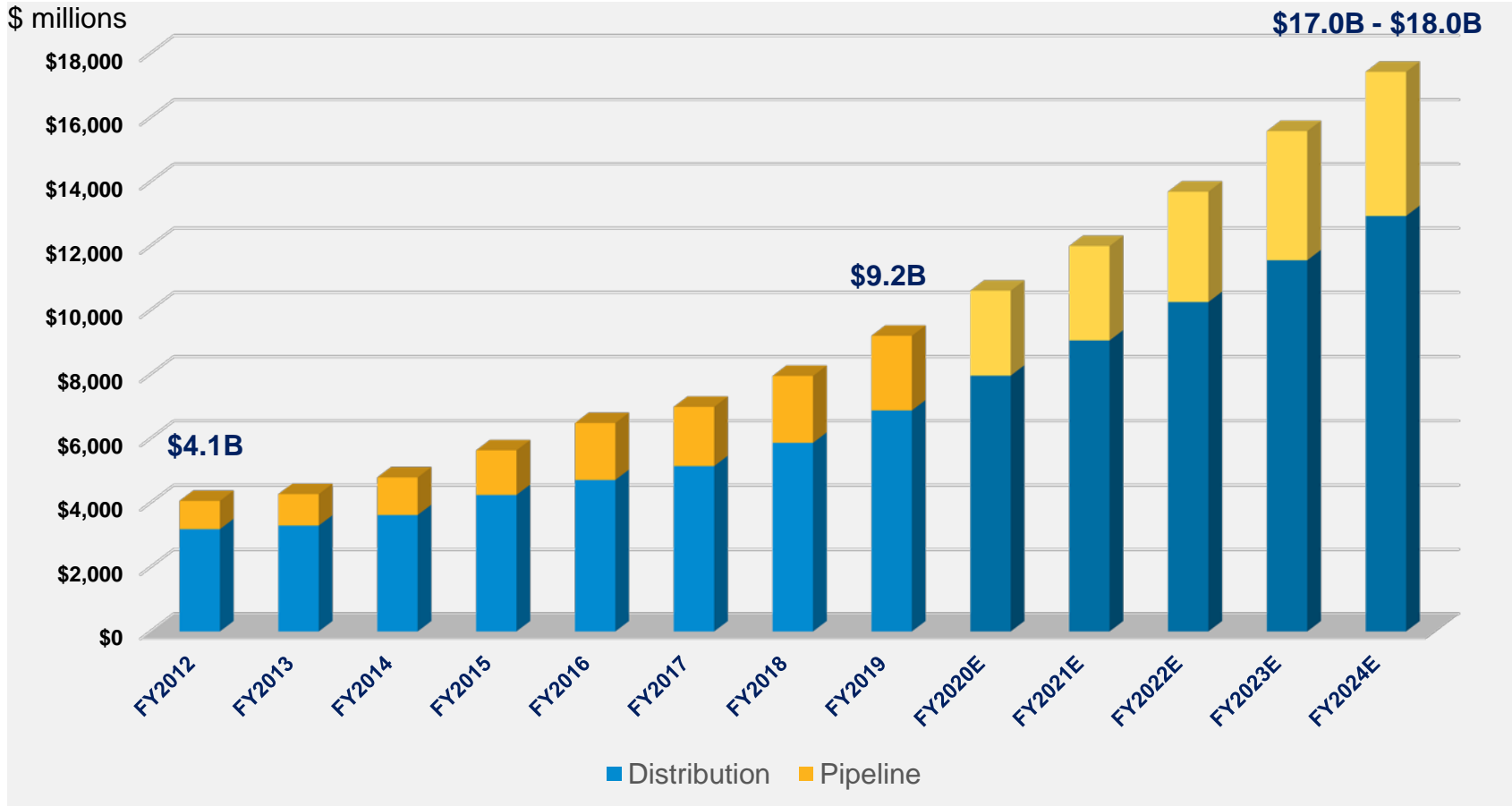
System Modernization Driving Capital Spending

Consolidated 2020E Capital Expenditures of \$1.85 billion - \$1.95 billion
 ~90% of annual CAPEX begins to earn within 6 months from end of test year



Capital Spending Drives Rate Base Growth

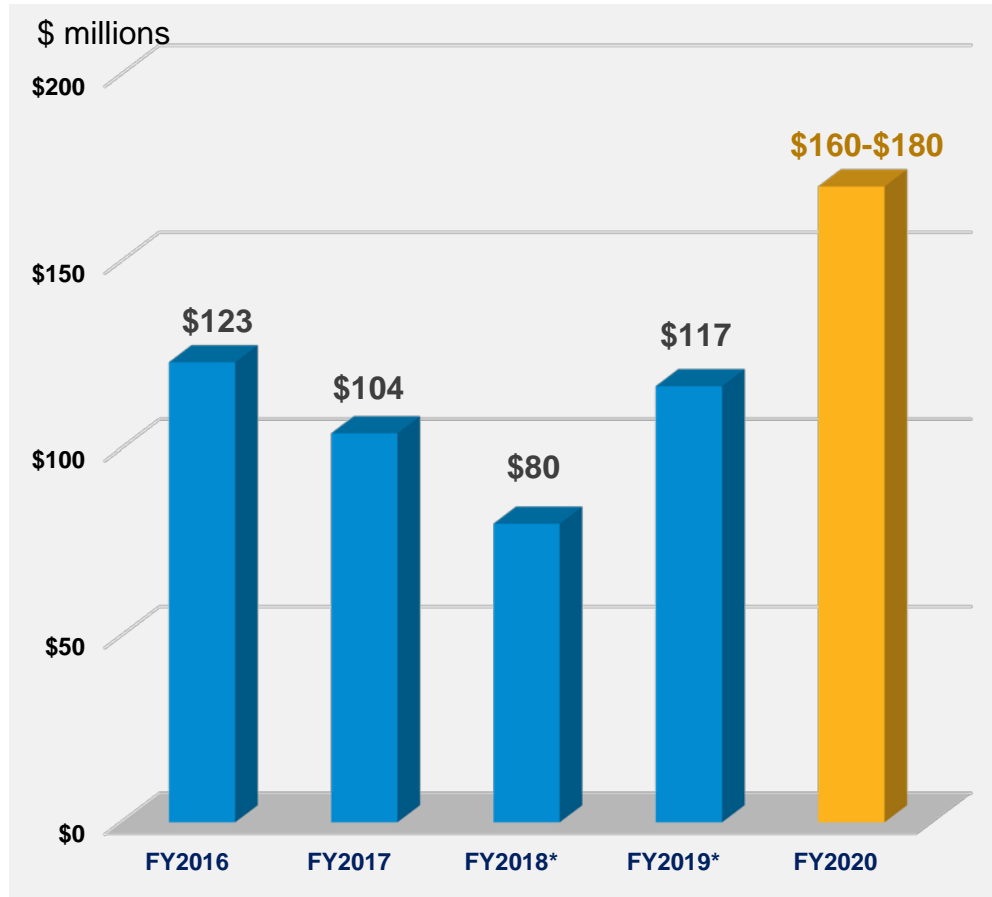
Focused on enhancing system safety and reliability



* Estimated rate base at the end of each fiscal year

Constructive Rate Outcomes Support Continued Investment

Annualized Increases From Implemented Rate Activity



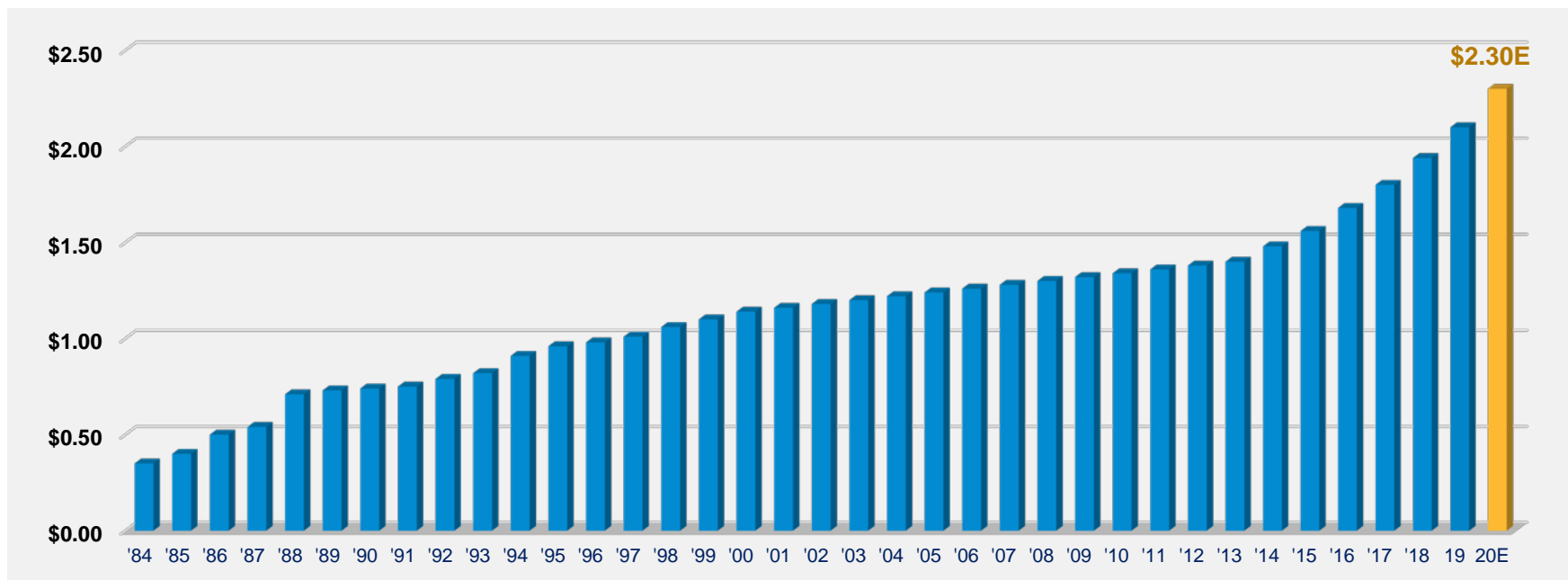
- Customers and investors benefit from fair and reasonable regulation
- Earning on ~90% of annual CAPEX within 6 months of test year end
- Distribution features:
 - ✓ 97% Weather normalization stabilizes rates and margins
 - ✓ 76% Bad Debt Recovery insulates margins from the commodity portion of bad debt expense

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

Sustainable and Growing Dividend

36 Consecutive Years of Dividend Increases

- Dividend increased 8.2% for Fiscal 2019
- The indicated annual dividend rate for Fiscal 2020 is \$2.30
- Long-term targeted payout ratio of 50%



Note: Amounts are adjusted for mergers and acquisitions.

Anticipated Financing Plans

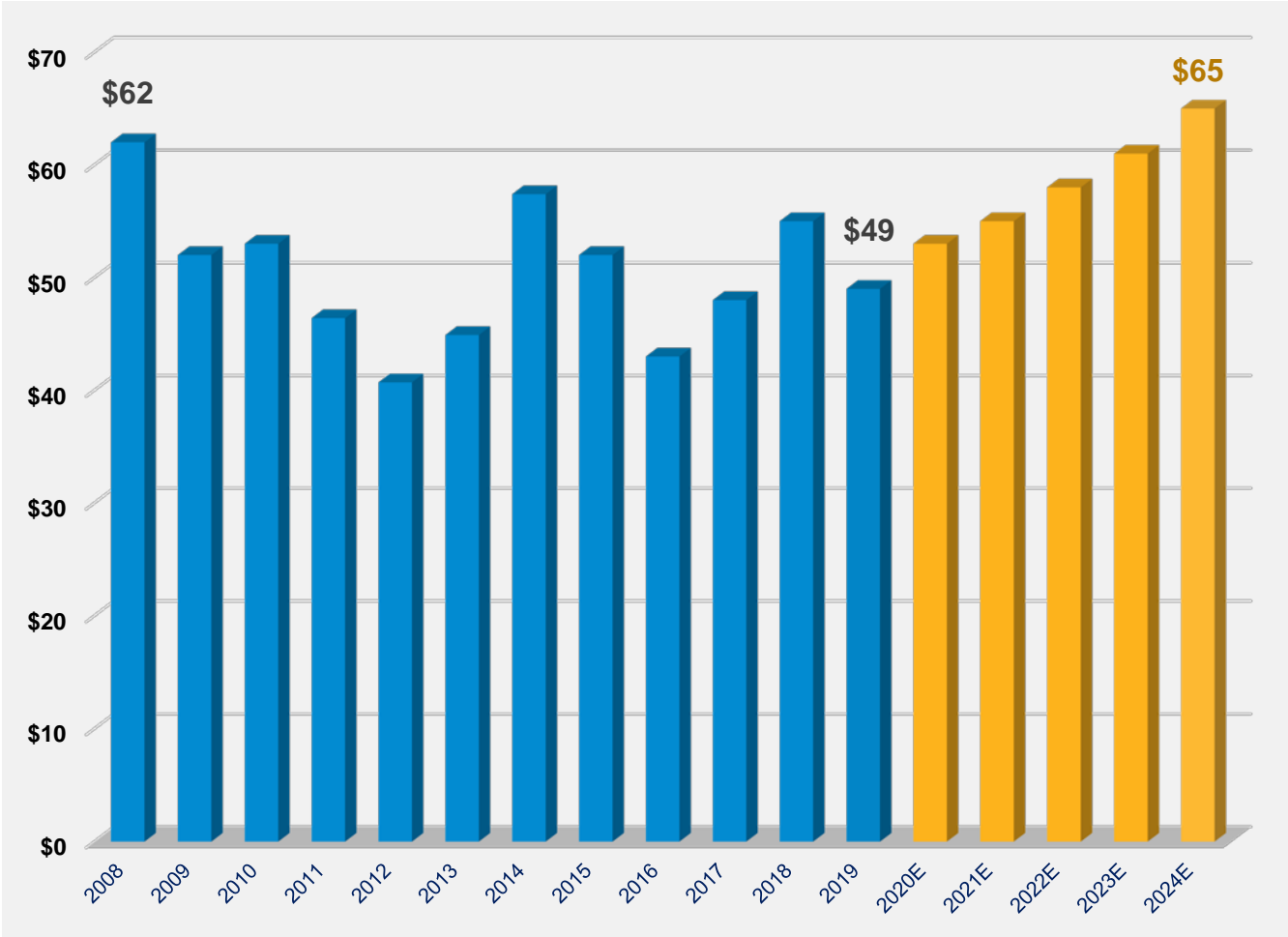
Fiscal 2020 – Fiscal 2024

- Currently anticipate incremental long-term financing of \$5.5 billion - \$6.5 billion through fiscal 2024
- Issuance of debt and equity securities to maintain a balanced capital structure with an equity-to-capitalization ratio in a target range of 50 to 60 percent, inclusive of short-term debt
 - ✓ \$800 million issued on October 2, 2019 with an all-in interest cost of 3.18%
- Short-term debt utilized to provide cost-effective financing until it can be replaced with a mix of long-term debt and equity financing

Financing plans are reflected in our earnings and EPS growth estimates for Fiscal 2020 through Fiscal 2024 and are expected to support current credit metrics

Average Residential Bill

Average Customer Bill Remains Affordable



2020E – 2024E Assumptions

- Normal weather and consumption
- \$10 - \$11 billion of CAPEX spending
- Average all-in gas cost of \$4.50 to \$5.50 per mcf

Monthly Household Bills

Natural Gas Bills Lowest Among Residential Utilities



Natural Gas
\$49

Water
\$116

Cable/Satellite TV
\$107

Electric
\$118

Mobile Phone
\$157

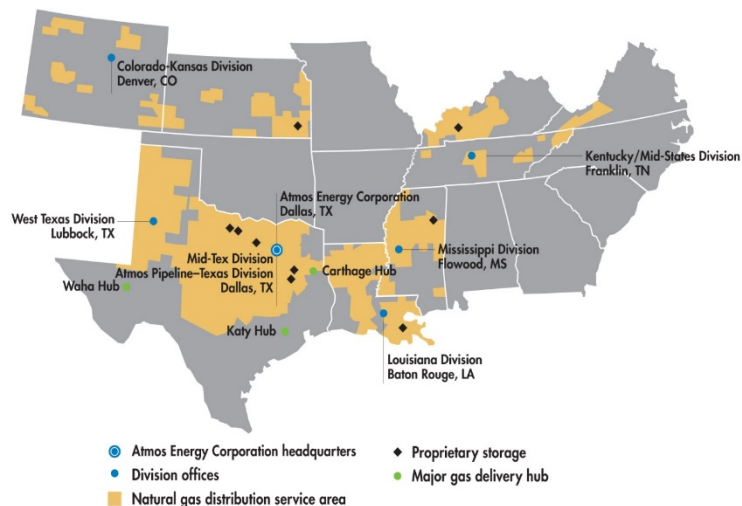
Sources:

- Natural Gas \$50. *F2019 Atmos Energy enterprise-wide average monthly residential bill*
- Water \$116. *Circle of Blue (www.circleofblue.org); 2019 average monthly residential bill of 30 major U.S. cities-does not include sewer or storm water*
- Cable/Satellite TV \$107. *Q3 2018; Leichtman Research Group, Pay-TV in the U.S. 2018*
- Electric \$118. *Energy Information Administration (www.eia.gov); 2018 average monthly residential bill*
- Mobile Phone \$157. *J.D. Power (www.jdpower.com); 2018 average monthly service bill*

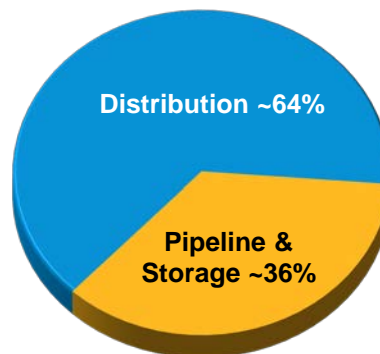
Concluding Remarks

Leading Natural Gas Delivery Platform

Eight-state distribution territory

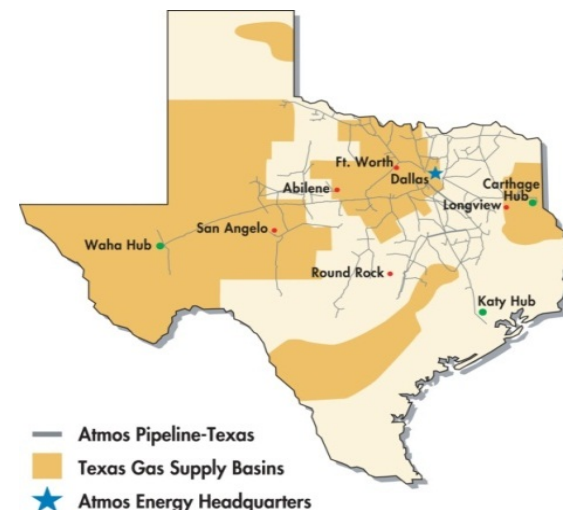


Business Mix



2019 Net Income

Intrastate pipeline system



Diversified LDC platform in 8 states

- Largest pure-play natural gas LDC with over 3 million customers in 8 states
- ~70,000 miles of distribution and transmission mains
- ~61% of distribution rate base is located in Texas (~71% including pipeline)
- Blended allowed ROE of 9.8%
- Constructive regulatory mechanisms reduce or minimize lag

Favorably positioned pipeline spans Texas shale gas supply basins

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

Fiscal 2019 Highlights

Governance

- Established Corporate Responsibility & Sustainability Board Committee
- Adopted Pipeline Safety Management System
- Seamless CEO transition

Environment

- Replaced 770 miles distribution & 120 miles transmission pipe; 53,000 service lines
- Reduced methane emissions; remain on track to reach target of 50% reduction by 2035
- Systematic roll-out of advanced leak detection technology

Social

- ~288,000 training hours, cumulative training hours since 2010 exceed 1.3 million hours
- 98% Customer service satisfaction rate
- Donated nearly \$5 million to the communities we serve

Financial

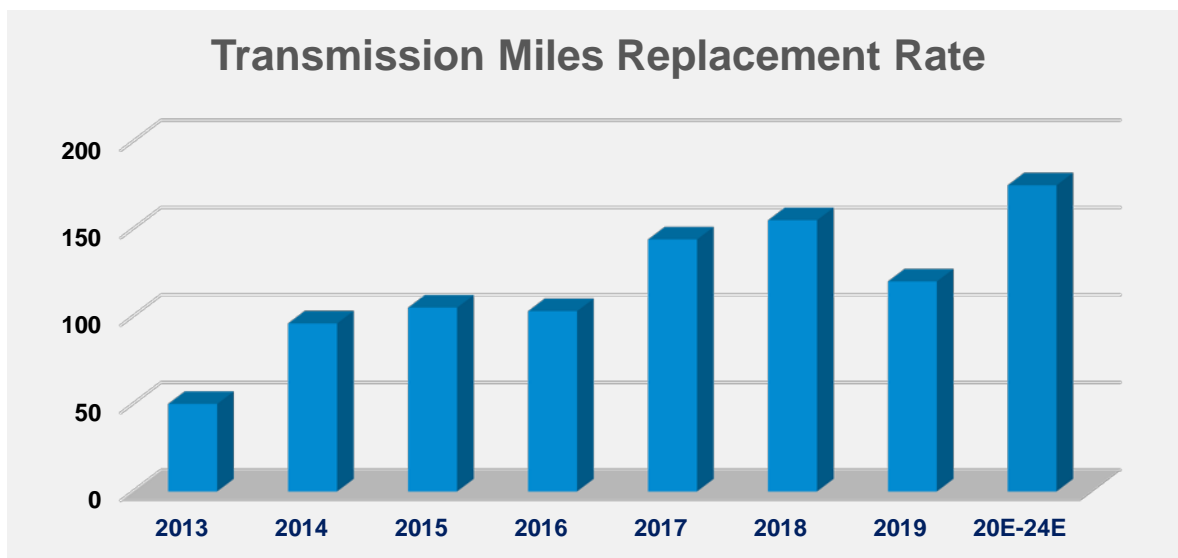
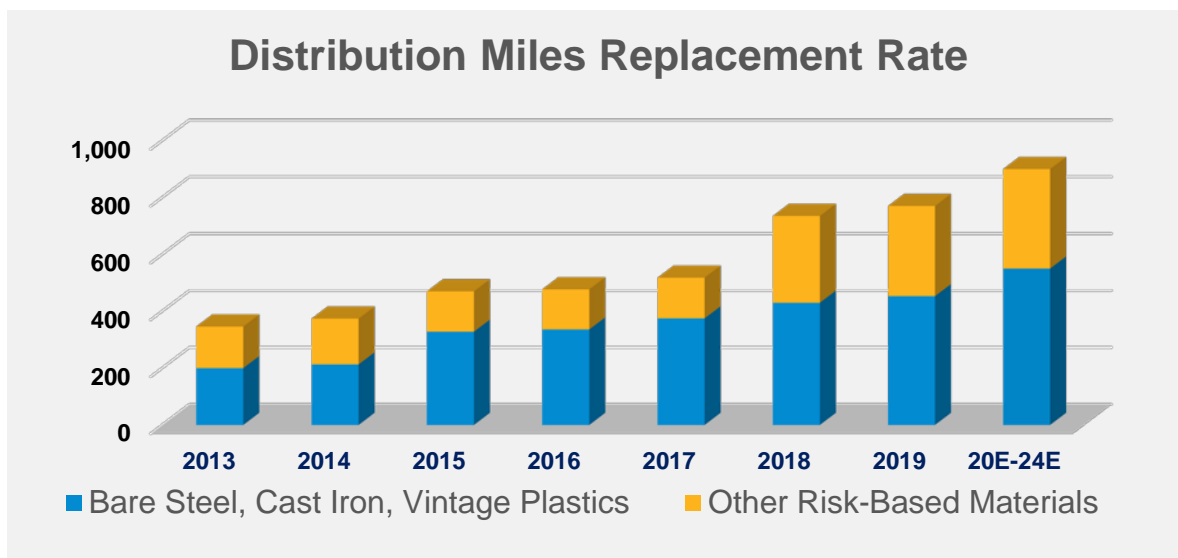
- 17th consecutive year of EPS growth
- Invested \$1.7 billion, 87% on safety and reliability
- Indicated annual dividend \$2.30, 9.5% increase

Process Improvement

- LocusView
- Advanced Leak Detection technologies
- Skill-based routing customer service

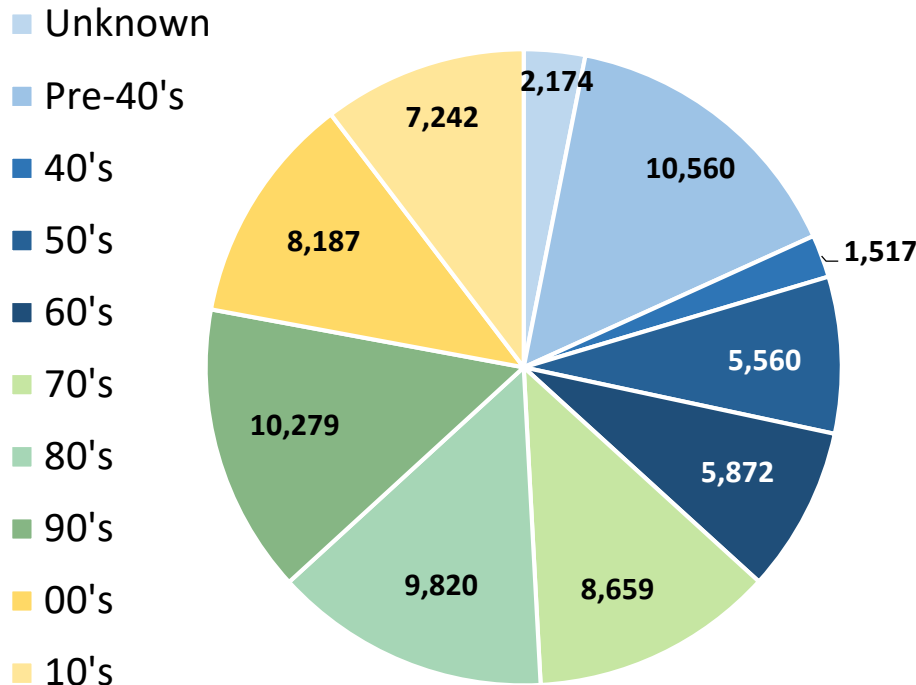
Next Five Years - Safe System Even Safer

- Replace 5,000 – 6,000 miles of distribution and transmission pipe
 - ✓ 6% - 8% of total system
- Eliminate all known cast iron by 2021
 - ✓ 428 miles remaining
- Replace 200,000 – 300,000 steel service lines
 - ✓ 29% reduction
- Install wireless meter reading
 - ✓ 75% system covered by WMR
- Reduce methane emissions
 - ✓ 10% - 15% reduction



Appendix

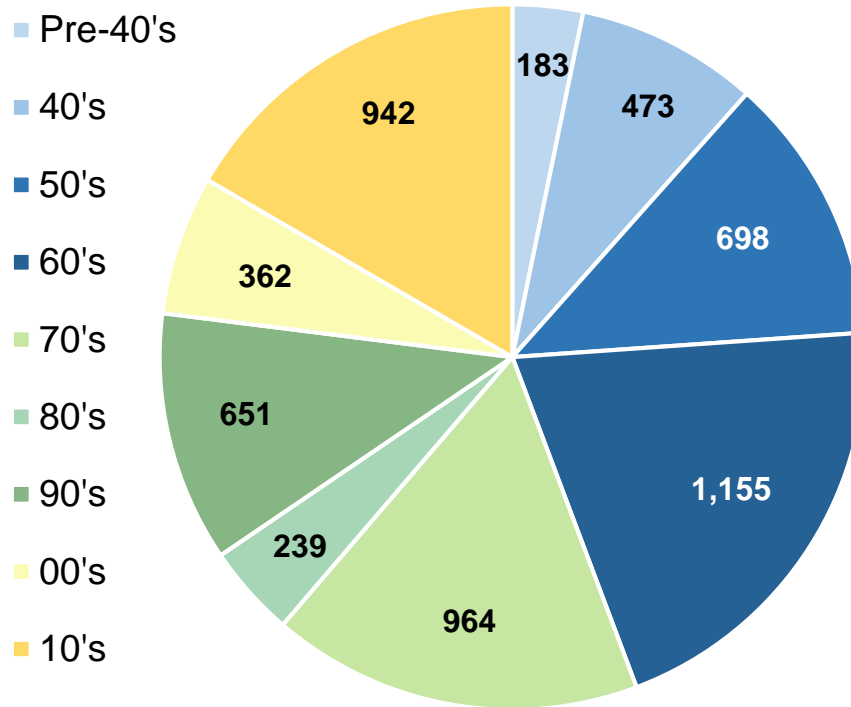
Miles of Pipe by Decade of Installation



- ~ 70,000 Miles of Distribution Main
- ~1,000 Miles of Transmission Main
- ~ 37% Installed Pre-1970
- Comprehensive Pipe Replacement Program Risk Assessment Factors Include:
 - ✓ Legacy construction practices
 - ✓ Material type
 - ✓ Leak history
 - ✓ Age
 - ✓ Location
 - ✓ Soil type

Source: 2018 DOT Report

APT Miles by Decade of Installation



- ~ 5,700 Miles of Total Transmission System
- 44% Installed Pre-1970
- Comprehensive Pipe Replacement Program Risk Assessment Factors Include:
 - ✓ Population density
 - ✓ Pipe coating
 - ✓ Leak history
 - ✓ Age
 - ✓ Location
 - ✓ Soil type
 - ✓ Corrosion data

Distribution Investment Outlook

- Anticipated CAPEX spend of ~\$8 billion over 5 years
- More than 80% of CAPEX is focused on safety and reliability
 - System safety
 - Enhance capacities
 - Service reliability
- ~90% of capex earns within 6 months
- ~8% annual growth rate
- Key anticipated targets by 2024
 - Remove last 428 miles of cast iron by December 2021
 - Replace all bare steel outside of our MidTex Division
 - Replace 5,000-6,000 Miles of Pipe
 - Replace 200,000-300,000 steel service lines



■ Safety & Reliability Continue to Drive Investment

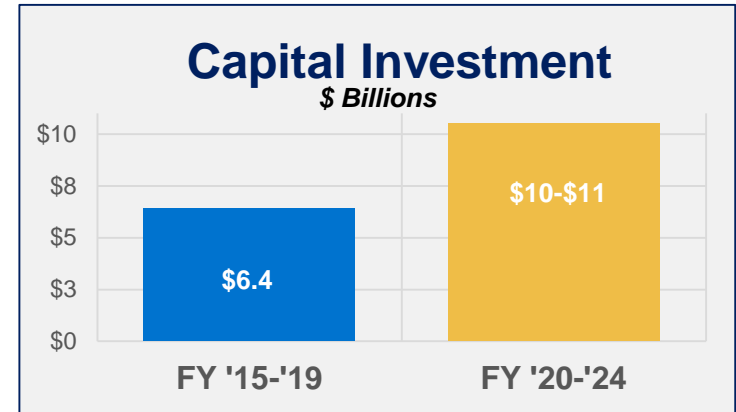
- ✓ >80% focused on system modernization
- ✓ Continued focus on industry identified materials
- ✓ Known cast iron eliminated by 2021
- ✓ Regulated storage investments to meet new requirements

■ Successful Execution

- ✓ Scaling operations with technology
- ✓ Precision in execution
- ✓ Communication with all stakeholders

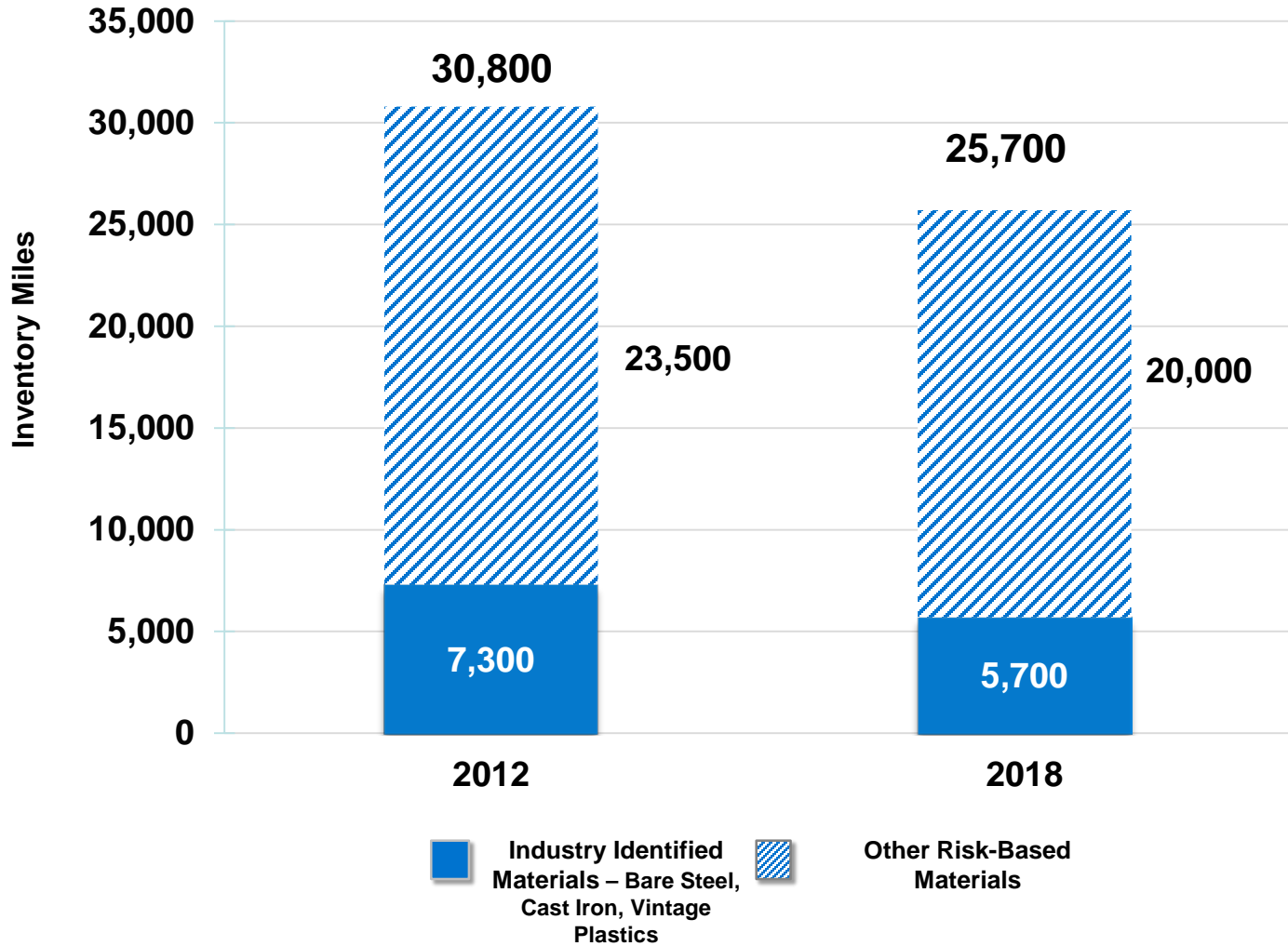
■ Risk Mitigation

- ✓ Risked-based capital prioritization
- ✓ Monitor evolving regulations
- ✓ Continued employee training



Risk-Based Replacements - Distribution

Inventory of Pre-1970 Materials

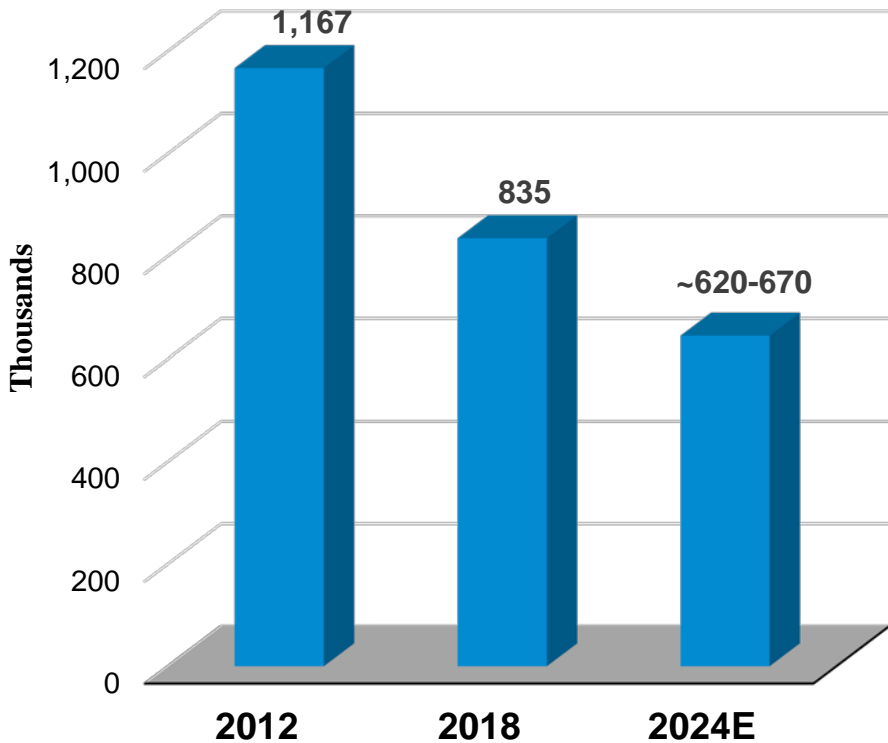


Source: 2018 DOT Report

Focused Steel Service Lines Replacement

Replacing ~ 40,000 – 60,000 Steel Service Lines Annually

Inventory of Steel Service Lines



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

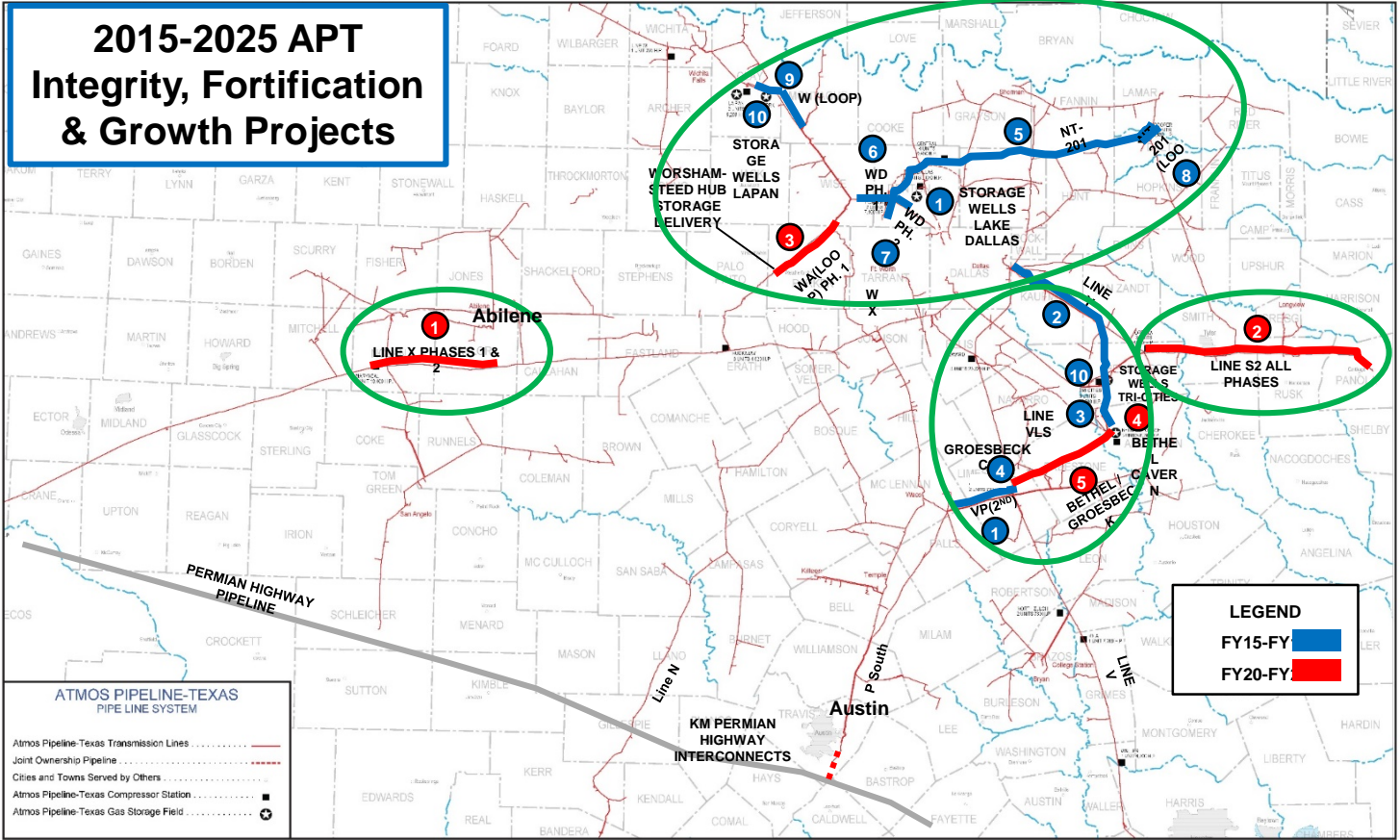
Note: Pipeline replacement due to changes in state or federal regulations is not projected in this 5-year replacement estimate. Year over year variances in mileage replacement are driven by factors including: construction resources, project type and permitting.

Atmos Pipeline-Texas Investment Outlook

- Anticipated CAPEX spend of ~\$3 billion over five years
- All CAPEX is focused on serving APT's regulated customers
 - System modernization and versatility
 - Integrity management
 - Supply flexibility
 - Market growth
- 8% annual growth rate
- All CAPEX is GRIP eligible
- Key initiatives thru 2024
 - Partial Line X replacement near Abilene
 - Line S-2 east of Dallas
 - WA Loop – West of Forth Worth
 - Bethel to Groesbeck line
 - Bethel Cavern upgrade



APT Major Capital Projects 2015-2025



Bethel Cavern Storage Projects

Investment in Safety, Growth & Reliability



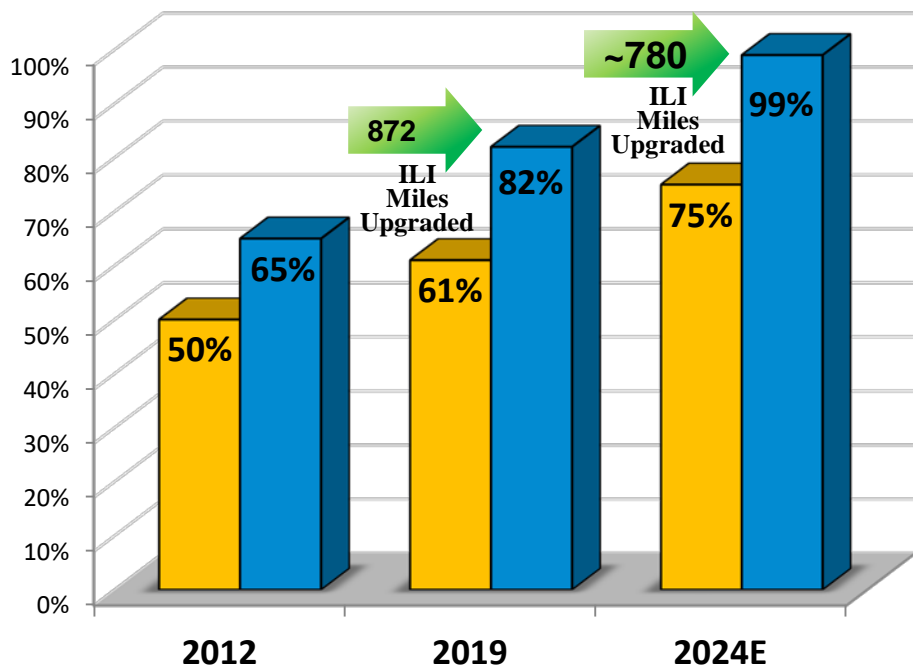
Bethel Salt Caverns

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



Atmos Pipeline - Texas Pipeline Integrity Management

Approximate Percentage of APT Transmission Pipe Capable of In-Line Inspection



■ Total Pipelines ■ High Consequence Areas



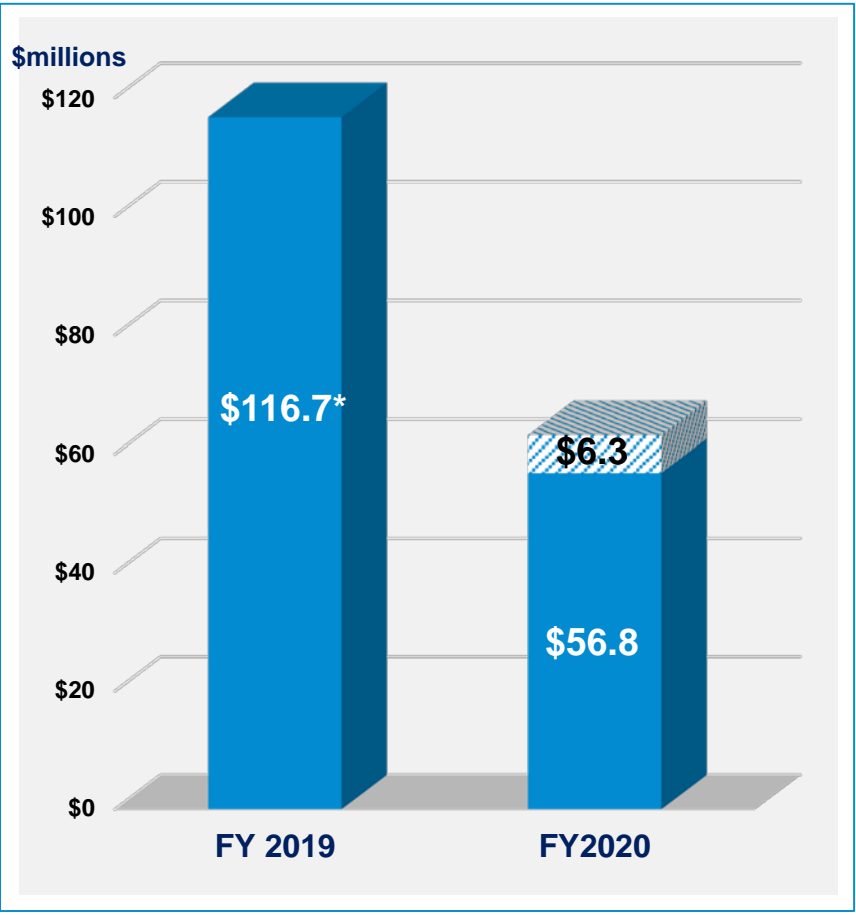
36-inch Magnetic Flux Axial Flow Detection In-Line Inspection tool being loaded into Line X

Pipeline Integrity Management drives CapEx investments

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

FY2020 YTD Regulatory Accomplishments

Approved Annualized Operating Income Increases



Key Rate Activity Through 11/6/2019

- **\$56.8MM Completed– FY20**
 - ✓ \$ 34.4MM – Mid-Tex RRM
 - ✓ \$ 7.6MM – Mississippi SIR
 - ✓ \$ 6.9MM – Mississippi SRF
 - ✓ \$ 4.9MM – West TX RRM
 - ✓ \$ 2.9MM – Kentucky PRP
 - ✓ \$ 0.1MM – Virginia SAVE
- **\$6.3MM in Progress**
 - ✓ \$ 3.7MM – Kansas Rate Case
 - ✓ \$ 2.1MM – Colorado SSIR

* Includes DARR of \$9.5MM which is subject to appeal at the Texas Railroad Commission

Aligned Regulatory Strategy Focused on Safety

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

Jurisdiction	Regulatory Mechanism		Recovery Method		Service Territory Detail			CapEx
	Infrastructure Program	Deferral/Forward-Looking	Annual Filing	General Case	Meters (000s)	Rate Base (\$MM)	% of Total	2020E (\$MM)
<u>Texas</u>								
▪ Mid-Tex	8.209	✓	RRM/DARR/GRIP	-	1,722	3,053	36	785-800
▪ Pipeline	GRIP	-	GRIP *	-	NA	2,388	28	510-535
▪ West Texas	8.209	✓	RRM/GRIP	-	317	592	7	130-140
Louisiana	RSC	✓	RSC	-	365	662	8	125-135
Mississippi	SIR	✓	SRF/SIR	-	267	542	6	115-125
Kentucky	PRP	✓	PRP	✓	183	425	5	60-70
Tennessee	-	✓	ARM	-	154	389	4	65-74
Kansas	GSRs	-	GSRs	✓	137	227	3	25-30
Colorado	SSIR	✓	SSIR	✓	122	175	2	30-35
Virginia	SAVE	-	SAVE	✓	25	48	1	6-8

* Requires a rate case every 5 years

Key Regulatory Filings – Fiscal 2020E

Rate Filing Planned Timing

Q1 October → December	Q2 January → March	Q3 April → June	Q4 July → September
Mississippi – Implemented Stable Rate Filing (SRF) and System Integrity Rider (SIR) of \$14.5 million	Atmos Pipeline Texas (APT) – Anticipate filing 2019 GRIP request in February 2020; new rates anticipated Q3 fiscal 2020	Louisiana –Anticipate LGS annual Rate Stabilization Clause filing in April 2020; new rates anticipated Q4 fiscal 2020	Mississippi –Anticipate Stable Rate Filing filing July 2020; new rates anticipated Q1 fiscal 2021
Colorado – Filed Annual System Safety and Integrity Rider (SSIR) of \$2.1 million; new rates anticipated Q2 fiscal 2020	Mid-Tex and WTX Cities – Anticipate Rate Review Mechanism (RRM) filing in April 2020; new rates anticipated Q1 fiscal 2021	Kansas – Anticipate GSRS Annual filing in May 2020; new rates anticipated Q1 fiscal 2021	Kentucky – Anticipate PRP in August 2020; new rates anticipated Q1 fiscal 2021
Louisiana – Anticipate filing TransLa jurisdiction annual Rate Stabilization Clause filing in December 2019; new rates anticipated Q3 fiscal 2020	Texas Environs Customers - Anticipate filing GRIP in March 2020; new rates anticipated Q3 fiscal 2020	Virginia – Anticipate SAVE Annual filing in June 2020; new rates anticipated Q1 fiscal 2021	West Texas ALDC – Anticipate Rate Case in September 2020; new rates anticipated Q3 fiscal 2021
Mid-Tex(Dallas) –Anticipate filing Dallas Annual Rate Review (DARR) January 2020; new rates anticipated Q3 fiscal 2020	West Texas ALDC and Mid-Tex ATM – Anticipate filing annual GRIP request in March 2020; new rates anticipated Q3 fiscal 2020	Colorado – Anticipate Rate Case in June 2020; new rates anticipated Q3 fiscal 2021	
	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2020; new rates anticipated Q1 fiscal 2021		
	Kentucky –Anticipate filing rate case in March 2020 new rates anticipated Q1 fiscal 2021		

Mid-Tex Division

- **Mid-Tex ATM Cities: *Implemented* 2018 GRIP on September 26, 2019**
 - ✓ Authorized an annual operating income increase of \$6.6 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 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 refund*, 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 232,000 customers
 - ✓ Test year ended September 30, 2018
 - ✓ Pending appeal at the Texas Railroad Commission

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 174,000 customers
 - ✓ Test year ended December 31, 2017

- **Mid-Tex Cities: *Implemented* 2019 Annual Rate Review Mechanism (RRM) on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$34.4 million
 - ✓ Authorized ROE: 9.80%; ROR: 7.83%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized 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 70,000 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: *Implemented* 2018 RRM on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$4.9 million
 - ✓ Authorized ROE: 9.8%; ROR: 7.83%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized 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: *Implemented* Annual System Integrity Rider (SIR) on November 1, 2019**

- ✓ Authorized an annual operating income increase of \$7.6 million
- ✓ Authorized ROR: 7.81%
- ✓ Authorized rate base: \$185.8 million
- ✓ Serves approximately 267,000 customers
- ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2019 - October 2020

- **Mississippi: *Implemented* Annual Stable Rate Filing (SRF) on November 1, 2019**

- ✓ Authorized an annual operating income increase of \$6.9 million
- ✓ Authorized ROR: 7.81%
- ✓ Authorized rate base: \$448.5 million
- ✓ Serves approximately 267,000 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: *Implemented* annual Pipe Replacement Program (PRP) filing on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$2.9 million
 - ✓ Authorized ROE of 9.65%; ROR of 7.49%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized rate base: \$27.3 million
 - ✓ Serves approximately 183,000 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 154,000 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 183,000 customers
 - ✓ Forward-looking test year ending March 2020
 - ✓ Reinstated the Pipeline Replacement Program (PRP) on a forward-looking basis

Distribution Operations – Regulatory Update

Kentucky/Mid-States Division

- **Virginia Rate Filing: *Implemented* New SAVE Infrastructure Program on October 1, 2019**

- ✓ Authorized an annual operating income increase of \$0.1 million
- ✓ Authorized ROE: 9.20%; ROR: 7.43%
- ✓ Authorized capital structure: 42% debt / 58% equity
- ✓ Authorized rate base: \$0.7 million
- ✓ Serves approximately 25,000 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 25,000 customers
- ✓ Test year ending September 2017

Colorado - Kansas Division

- **Colorado: *Filed* System Safety and Integrity Rider (SSIR) on November 1, 2019**
 - ✓ Requested a \$2.1 million increase in annual operating income
 - ✓ Requested ROE: 9.45%; ROR: 7.55%
 - ✓ Requested capital structure: 44% debt / 56% equity
 - ✓ Requested Rate base value: \$56.5 million
 - ✓ Test year ended December 31, 2019

- **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 137,000 customers

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

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 9/30/19
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		231,670
Mid-Tex Cities RRM		10/1/19		\$ 34.4		\$3,053		7.83%		9.80%		42/58		1,246,550
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)		9/26/19		\$6.6		\$2,976		7.97%		9.80%		40/60		173,812
Mid-Tex Environs SOI/GRIP (GUD 10742)		6/4/19		\$2.4		\$2,976		7.97%		9.80%		40/60		70,392
West Texas Division SOI		4/1/14		\$ 8.4		\$ 324		2		2		2		NA
WTX Cities RRM		10/1/19		\$ 4.9		\$ 592		7.83%		9.80%		42/58		144,905
WTX ALDC GRIP	3,4	5/1/19		\$ 5.7		\$ 595		8.57%		10.50%		48/52		147,729
WTX Environs SOI/GRIP (GUI 10743)		6/4/19		\$1.0		\$ 593		7.97%		9.80%		40/60		24,210
Louisiana-LGS (U-34424)		7/1/19		\$7.1		\$469		7.79%		9.80%		42/58		288,336
Louisiana-Trans La (U-35106)		4/1/19		\$ 4.7		\$ 193		7.81%		9.80%		41/59		76,984
Mississippi SRF (2005-UN-0503)		11/1/19		\$ 6.9		\$ 449		7.81%		2		2		266,727

(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 9/30/19
Mississippi SIR (2015-UN-049)	11/1/19		\$ 7.6		\$ 186		7.81%		2		2		NA
Kentucky PRP (2019-00253)	10/1/19		\$ 2.9		\$ 27		7.49%		9.65%		42/58		NA
Kentucky (2018-00281)	5/7/19		\$ 3.4		\$ 425		7.49%		9.65%		42/58		183,450
Tennessee ARM (19-00067)	6/1/19		\$ 2.4		\$ 389		7.79%		9.80%		42/58		154,004
Kansas GSRS (18-ATMG-218-TAR)	4/23/19		\$ 1.6		\$ 26		2		2		2		136,647
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		121,883
Colorado SSIR (18AL-0770G)	1/1/19	11/1/19	\$ 2.1	\$ 2.1	\$ 40	\$ 57	7.55%	7.55%	9.45%	9.45%	44/56	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		24,536
Virginia SAVE (PUR-2019-00054)	10/1/19		\$ 0.1		\$ 0.7		7.43%		9.20%		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.

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.

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 2020 and beyond that appear in this presentation are current as of November 6, 2019.