



# *Analyst Call to Review*

*Fiscal 2023 Financial Results  
&  
Fiscal 2024 – 2028 Outlook*

*November 9, 2023  
10:00 a.m. Eastern*

# Fiscal 2023 Review

# Fiscal 2023 Financial Performance



## Fiscal 2023 Highlights

- **Financial Performance**
  - YTD Diluted EPS of \$6.10; 21<sup>st</sup> consecutive year of EPS growth
  - \$2.8 billion in capital spending; 85% allocated to safety and reliability spending
  - 8.8% increase in fiscal 2023 annual dividend to \$2.96 per diluted share
  - 39<sup>th</sup> consecutive year of rising dividends
- **Executed Our Regulatory Strategy**
  - Completed \$268.8 million as of September 30, 2023; \$263.1 million, net of excess deferred tax amortization
  - \$112.5 million implemented in Q1 Fiscal 2024
  - \$137.1 million currently in progress
- **Strong Balance Sheet**
  - Approximately \$2.7 billion in available liquidity
  - \$1.6 billion of financing to support operations
    - Issued \$500 million 30-year senior notes at 5.75%<sup>1</sup>
    - Issued \$300 million 10-year senior notes at 5.45%
    - Settled \$806.9 million of equity forwards
  - Equity capitalization at 61.5% as of September 30, 2023

1. 4.50% effective rate after giving effect to the settlement of our interest rate swaps.

# Fiscal 2023 Financial Performance



## Segment Operating Income Highlights

Twelve Months Ended September 30 (\$millions)	2023	2022	Change
Distribution	\$ 692.6	\$ 604.6	\$ 88.0
Pipeline & Storage	374.5	316.4	58.1
<b>Operating Income</b>	<b>\$ 1,067.1</b>	<b>\$ 921.0</b>	<b>\$ 146.1</b>

### Distribution Key Drivers

- \$166.4MM – Increase due to rate adjustments
- \$ 18.4MM – Increase due to residential customer and industrial load growth
- \$ 11.7MM – Increase in consumption
- (\$ 65.4MM) – Increase in D&A and property tax expense
- (\$ 21.6MM) – Increase in other O&M due to employee-related and other administrative costs
- (\$ 20.2MM) – Increase in line locate spending and pipeline system maintenance
- (\$ 4.9MM) – Increase in bad debt expense

### Pipeline & Storage Key Drivers

- \$87.3MM – Increase due to rate adjustments
- \$ 5.2MM – Increase in through-system revenues
- (\$33.1MM) – Increase in operating expenses due to net increase in D&A and property taxes, employee-related costs, and pipeline inspection activities.

# Fiscal 2023 Financial Performance



## Consolidated Financial Highlights

Segment Net Income (\$millions, except EPS)	Three Months Ended September 30		Twelve Months Ended September 30	
	2023	2022	2023	2022
Distribution	\$ 38	\$ 16	\$ 580	\$ 522
Pipeline & Storage	81	56	306	252
<b>Net Income</b>	<b>\$ 119</b>	<b>\$ 72</b>	<b>\$ 886</b>	<b>\$ 774</b>
<b>Diluted EPS<sup>1</sup></b>	<b>\$ 0.80</b>	<b>\$ 0.51</b>	<b>\$ 6.10</b>	<b>\$ 5.60</b>
<b>Capital Expenditures</b>	<b>\$ 722.5</b>	<b>\$ 718.4</b>	<b>\$ 2,806.0</b>	<b>\$ 2,444.4</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.

# Fiscal 2023 Financial Performance



## Segment Operating Income Highlights

Three Months Ended September 30 (\$millions)	2023	2022	Change
Distribution	\$ 53.9	\$ 36.7	\$ 17.2
Pipeline & Storage	100.2	68.7	31.5
<b>Operating Income</b>	<b>\$ 154.1</b>	<b>\$ 105.4</b>	<b>\$ 48.7</b>

### Distribution Key Drivers

- **\$27.6MM – Net increase due to rate adjustments**
- **\$ 3.8MM – Increase due to residential customer and industrial load growth**
- **(\$14.8MM) – Increase in D&A and property tax expense**

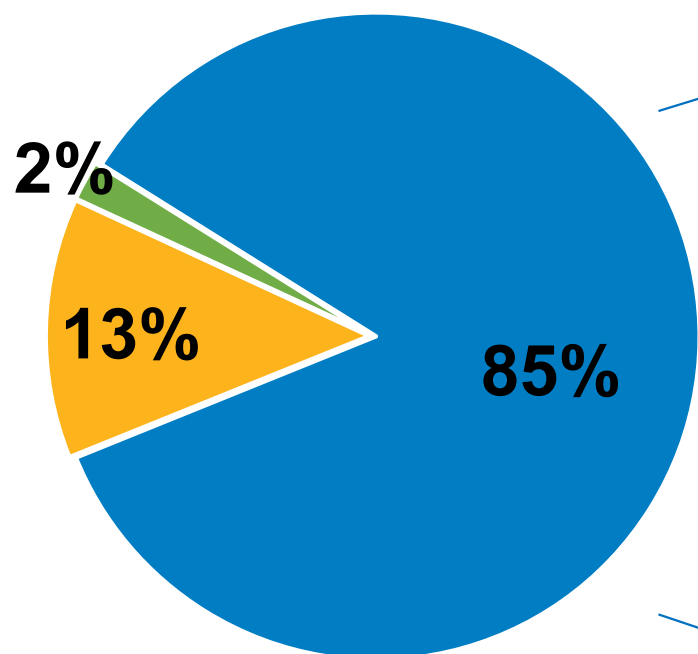
### Pipeline & Storage Key Drivers

- **\$22.7MM – Increase due to rate case outcomes**
- **\$14.3MM – decrease in O&M – primarily system maintenance expense timing**
- **(\$ 7.5MM) – Net Increase in D&A and property tax expense**

# Fiscal 2023 Financial Performance



## Capital Spending Highlights



- Safety and Reliability
- Customer Expansion
- Other

<i>Millions</i>	Fiscal 2023 YTD Capital Spending
\$ 1,258	Repair and replace transmission and distribution pipelines
325	Fortifications
270	Service line replacement
249	Install & replace measurement & regulating equipment
226	Pipeline integrity management projects
70	Enhance storage and compression capabilities
<b>\$ 2,398</b>	<b>Total Safety and Reliability Spending</b>
<b>\$ 2,806</b>	<b>Total Capital Spending</b>

# Fiscal 2023 Financial Performance



## Financing Highlights

- **\$800 million of long-term debt financing issued**
  - \$500 million 5.75% 30-year senior notes issued in October 2022<sup>1</sup>
  - \$300 million 5.45% 10-year senior notes issued in October 2022
- **Equity needs satisfied through our ATM program**
  - \$496.5 million of equity forward arrangements priced
  - \$806.9 million in settled equity forward arrangements
  - \$466.8 million available under equity forward agreements as of September 30, 2023
    - Maturity: March 28, 2024 through December 31, 2024
    - Shares: 3,961,025
    - Forward Share Price: \$117.85
  - \$760.5 million available for issuance through our ATM program as of September 30, 2023
- **\$5.0 billion shelf registration statement filed March 31, 2023**
  - \$3.1 billion currently available as of November 8, 2023
- **Kansas and Texas Securitization Completed**
  - March 2023 - Received \$2.02 billion in securitization proceeds from the state of Texas and utilized the proceeds to prepay the term loan facility that was previously used to repay our outstanding storm related senior notes of \$2.2 billion.
  - June 2023 - Completed \$95 million securitization financing in Kansas

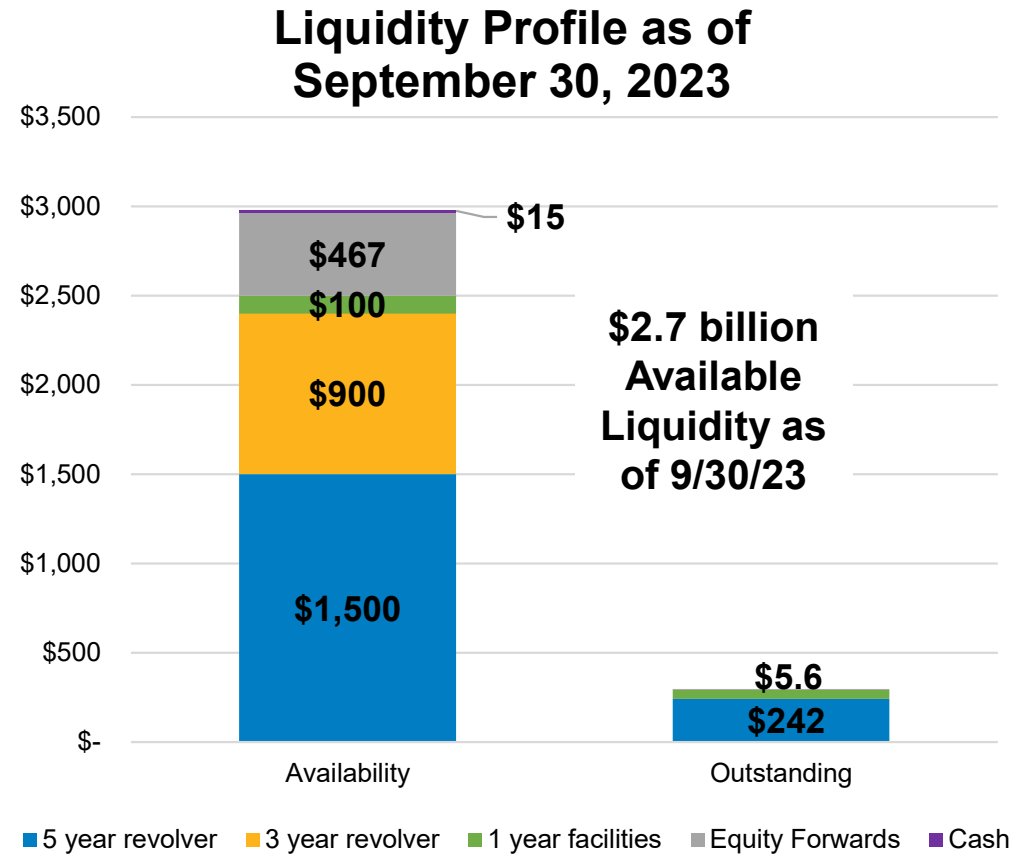
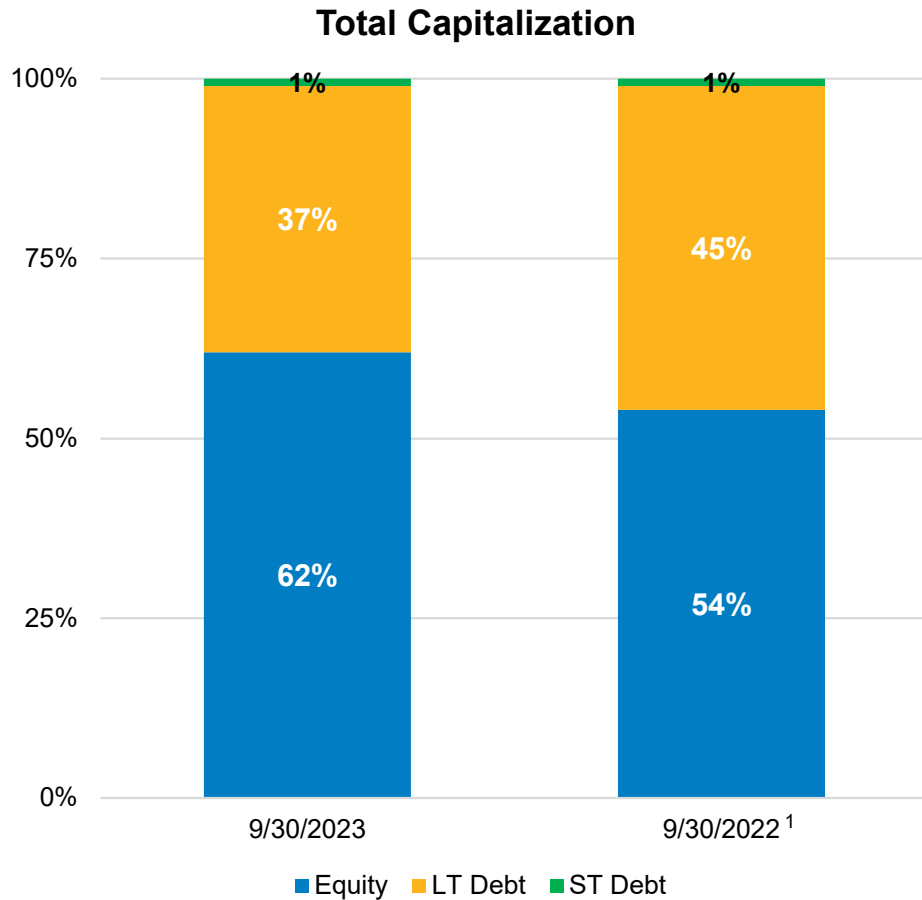
<sup>1</sup>. 4.50% effective rate after giving effect to the settlement of our interest rate swaps.

# Fiscal 2023 Financial Performance



Strong Financial Foundation Supports Capital Spending Program

## Capitalization and Liquidity Profile



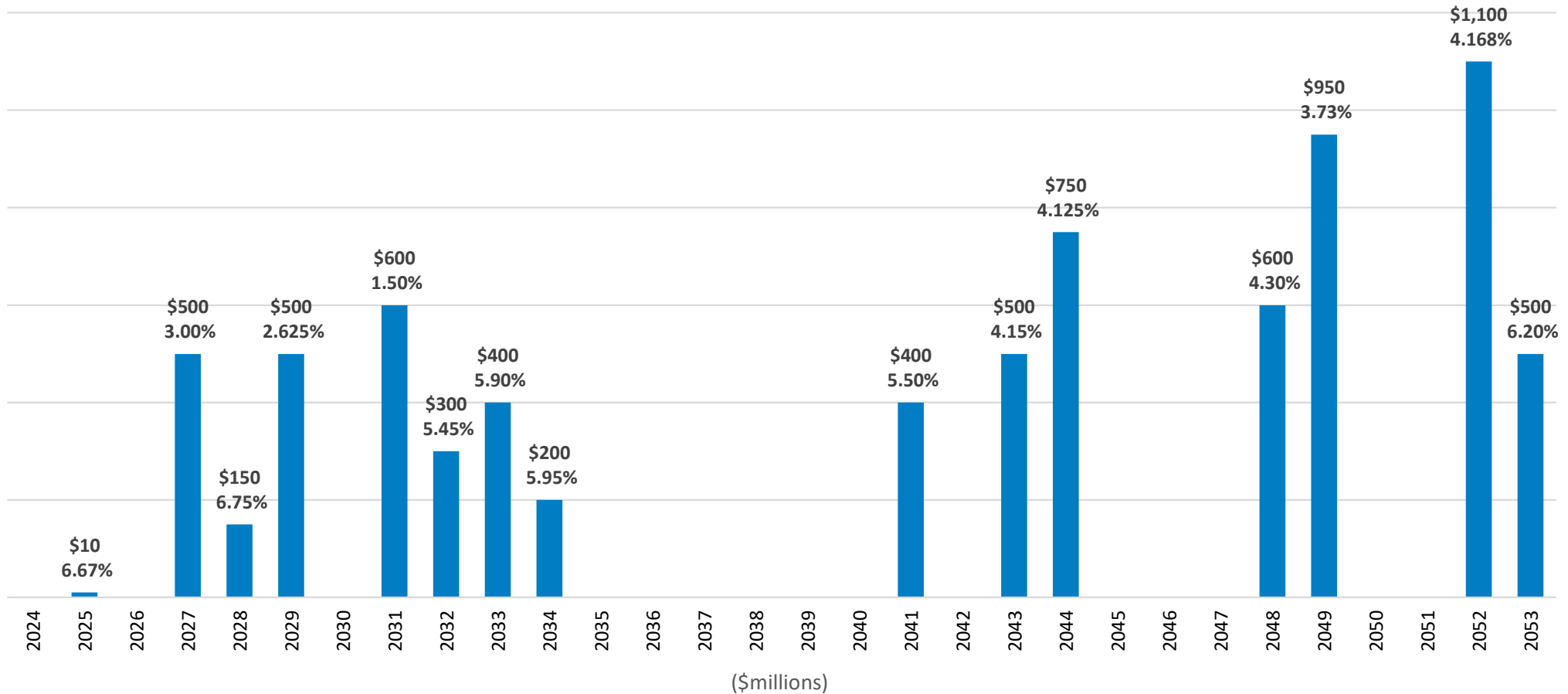
<sup>1</sup> Excluding the \$2.2 billion of incremental Winter Storm Uri financing, the equity capitalization rate is 61.3% as of September 30, 2022

# Fiscal 2023 Financial Performance



## Manageable Debt Maturity Schedule Supports Capital Spending Program

**Weighted Average Maturity ~18.41 Years<sup>1</sup>**



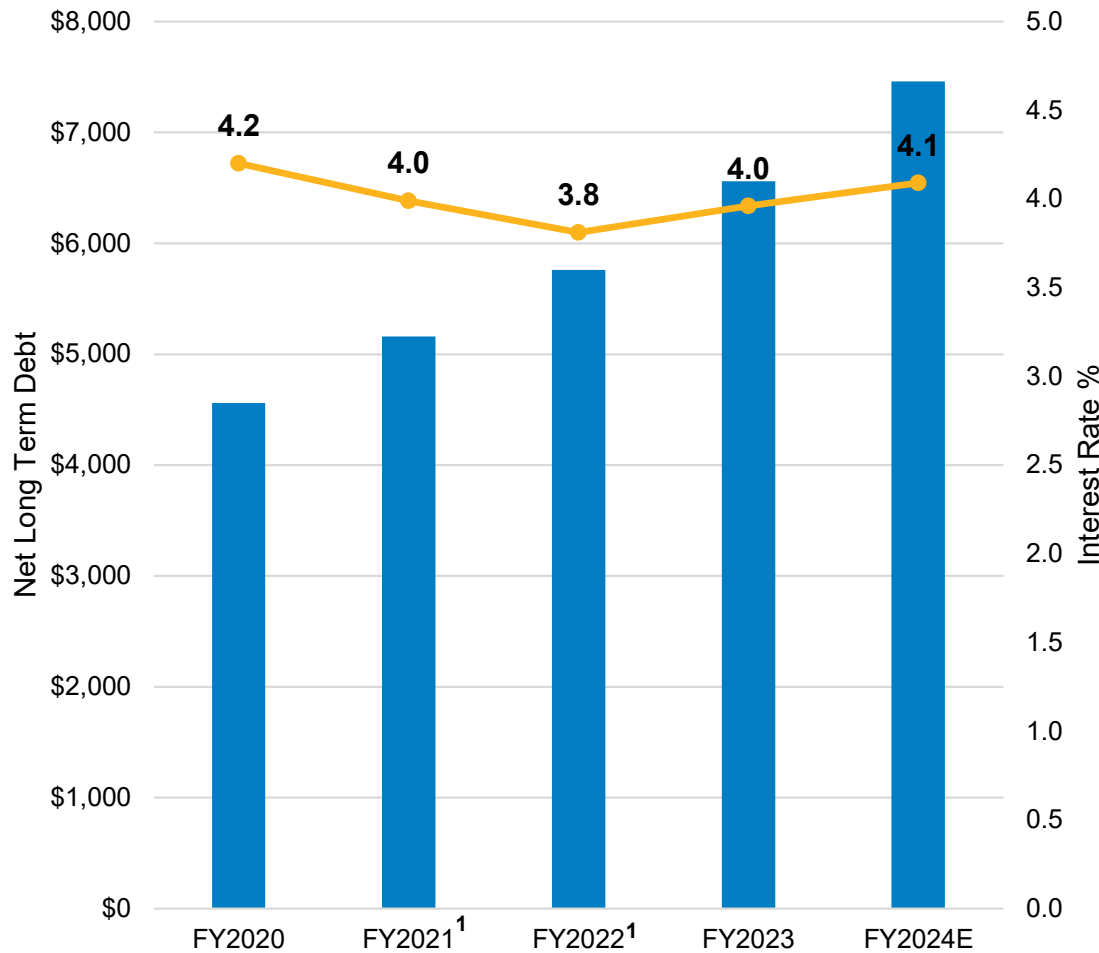
1. Figure includes October 2023 debt issuance of \$900 million.

# Fiscal 2023 Financial Performance



Strong Investment Grade Ratings Support Affordable Customer Bills

## Weighted Average Cost of Debt



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

## Strong Investment Grade Credit Ratings

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

## Forward Starting Interest Rate Swaps

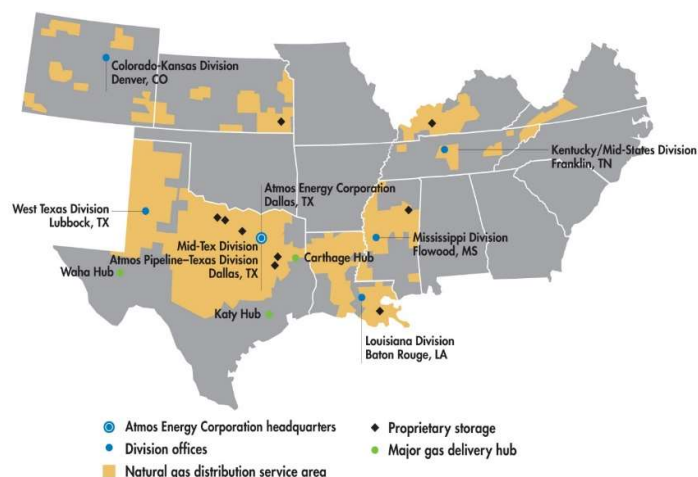
	Amount Hedged (\$Millions)	Effective Interest Rate
FY2025	\$600	1.75%
FY2026	\$300	2.16%

# Fiscal 2024-2028 Financial Outlook

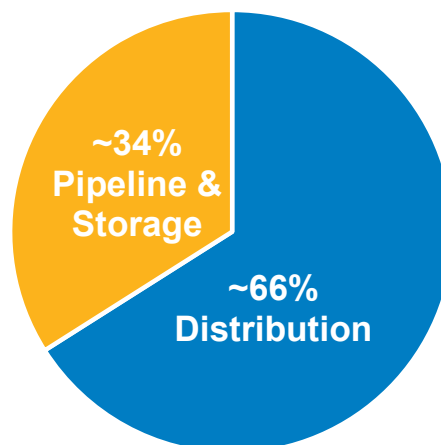
# Leading Natural Gas Delivery Platform



## Eight-state distribution territory

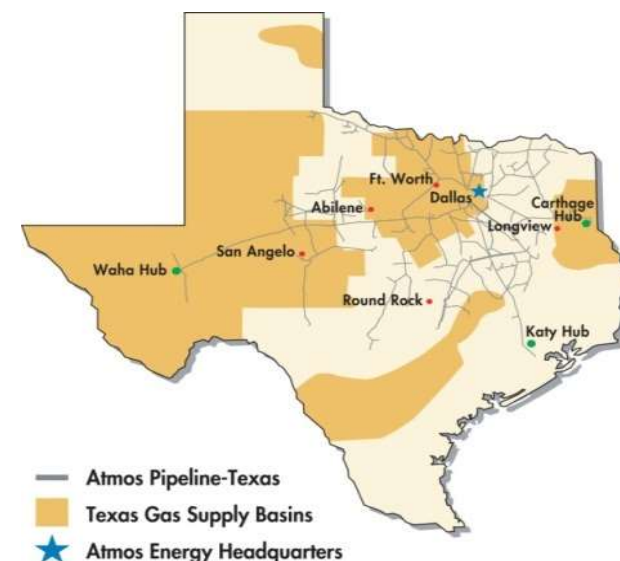


## Business Mix



2024 Estimated Net Income

## Intrastate pipeline system



## Diversified LDC platform in 8 states

- Largest pure-play natural gas LDC with over 3.3 million customers in 8 states
- ~73,000 miles of distribution and transmission mains
- ~65% of distribution rate base is located in Texas
- Blended allowed ROE of 9.8%
- 96% of rate base covered by all fuels legislation
- Constructive regulatory mechanisms reduce lag
- ~13 Bcf of working storage capacity

## 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
- ~53 Bcf of working storage capacity
- Allowed ROE of 11.5%
- Margin derived from tariff-based rates primarily serving Mid-Tex and other LDCs

# Safety Driven, Organic Growth Strategy **ATMOS** energy®

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

~ \$17 billion in capital investment through 2028; >82% allocated to safety

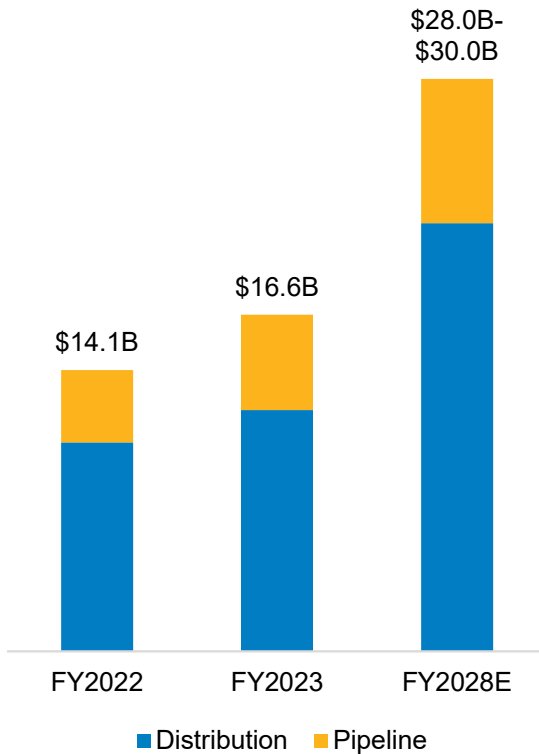


Constructive rate mechanisms that reduce regulatory lag

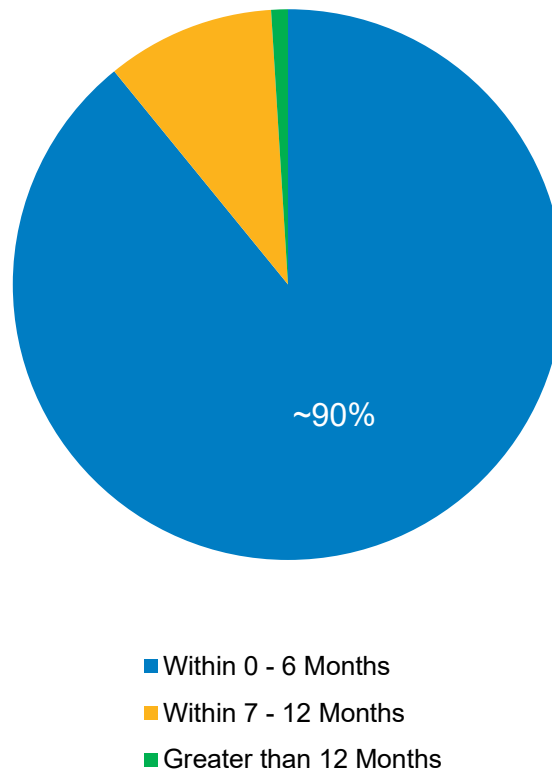


6% - 8% Consolidated EPS growth

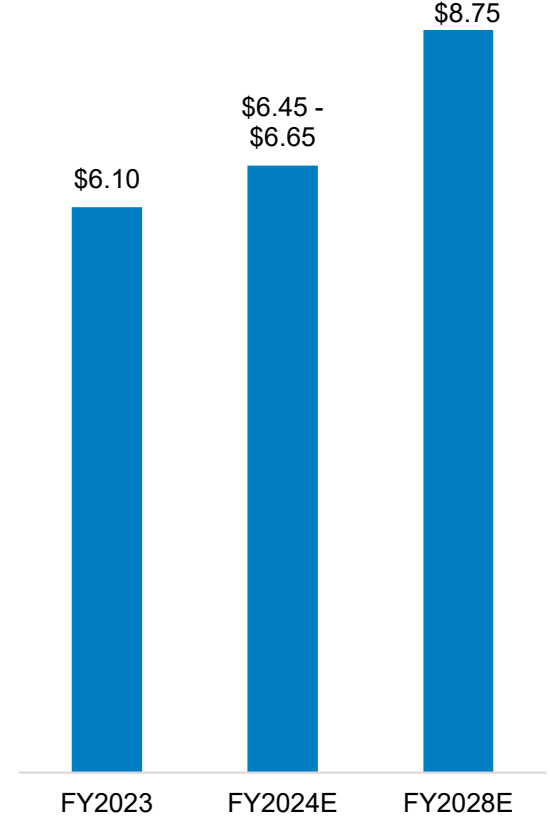
Rate Base



Annual Capex Recovery



Earnings per Share \$8.35 - \$8.75



# Constructive Regulation Focused on Safety and Reliability



~90% of Annual Capital Spend Begins to Earn Within Six Months

Jurisdiction	Regulatory Mechanisms		Recovery Method		Service Territory Detail			CapEx
	Infrastructure	Deferral/ Forward-Looking	Annual Filing	General Case	Meters (000s)	Rate Base <sup>1</sup>		2024E (\$MM)
						(\$MM)	% of Total	
<b>Texas</b>								
• Mid-Tex	8.209	✓	RRM/DARR/ GRIP	-	1,856	6,800	41	1,250-1,275
• APT	GRIP	-	GRIP <sup>2</sup>	-	NA	4,400	27	830-840
• West Texas	8.209	✓	RRM/GRIP	-	331	1,150	7	170-180
Louisiana	RSC	✓	RSC	-	378	1,200	7	160-170
Mississippi	SIR	✓	SRF/SIR	-	274	1,000	6	160-170
Kentucky	PRP	✓	PRP	✓	186	640	4	60-70
Tennessee	-	✓	ARM	-	165	560	3	80-90
Kansas	GSRS	-	GSRS	✓	142	320	2	40-50
Colorado	SSIR	✓	SSIR	✓	129	400	2	30-40
Virginia	SAVE	-	SAVE	✓	25	80	1	10-15

1. Represents an estimate of rate base as of September 30, 2023

2. Requires a rate case every 5 years

# Financial Outlook

## FY 2024 Five Year Plan Key Themes

### Earnings and Dividends Per Share

- Plan drives **6.0% - 8.0% annual EPS growth** through FY 2028
  - FY 2024 Guidance of **\$6.45 - \$6.65**; Midpoint of range implies 7.4% growth
  - FY 2028 guidance of **\$8.35 - \$8.75**
  - **\$3.22** Indicated Dividend for FY 2024; 8.8% growth from FY 2023
- ***Incremental financing summarized below reflected in guidance***

### Safety and Reliability Continues to Drive Spending

- **~\$17 billion** in capital expenditures included in the Plan
  - **~\$12.5B** for our distribution system
  - **~\$4.5B** for our transmission system
  - **13.8%** rise from FY 2023 Five Year Plan
  - **~90%** of annual CAPEX begins to earn within 6 months from end of test year
- **\$28B - \$30B** targeted rate base by FY 2028
  - **11% - 13%** annual growth rate
- **~3.5%** annual O&M expense inflation rate

### FY 24 Financing Plan Consistent With FY 23 Plan

- **~\$10B** incremental long-term financing
  - Balanced financing using a combination of long-term debt and equity
  - Short-term debt used as needed to provide cost-effective financing until replaced with long-term financing
- Five Year Plan supports **current balance sheet strength**

# Financial Outlook

## Fiscal 2024E Guidance



<i>(\$millions, except EPS)</i>	<b>FY 2023</b>	<b>FY 2024E<sup>1</sup></b>
Distribution	\$ 580	\$ 645 - 665
Pipeline & Storage	306	340 - 350
<b>Total Net Income</b>	<b>\$ 886</b>	<b>\$ 985 - 1,015</b>
Average Diluted Shares	145.2	152 - 154
<b>Diluted EPS<sup>2</sup></b>	<b>\$ 6.10</b>	<b>\$ 6.45 - 6.65</b>
<b>Capital Spending</b>	<b>\$ 2,806</b>	<b>\$ ~2,900</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 2024 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 2024E Guidance



Selected Expenses (\$millions)	FY 2023	FY 2024E <sup>1</sup>
O&M	\$ 765	\$ 780 - 800
D&A	\$ 604	\$ 685 - 695
Interest	\$ 137	\$ 190 - 196
Income Tax	\$ 114	\$ 165 - 180
Effective Tax Rate	11.4%	14% - 16% <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 2024 significantly above or below this outlook.

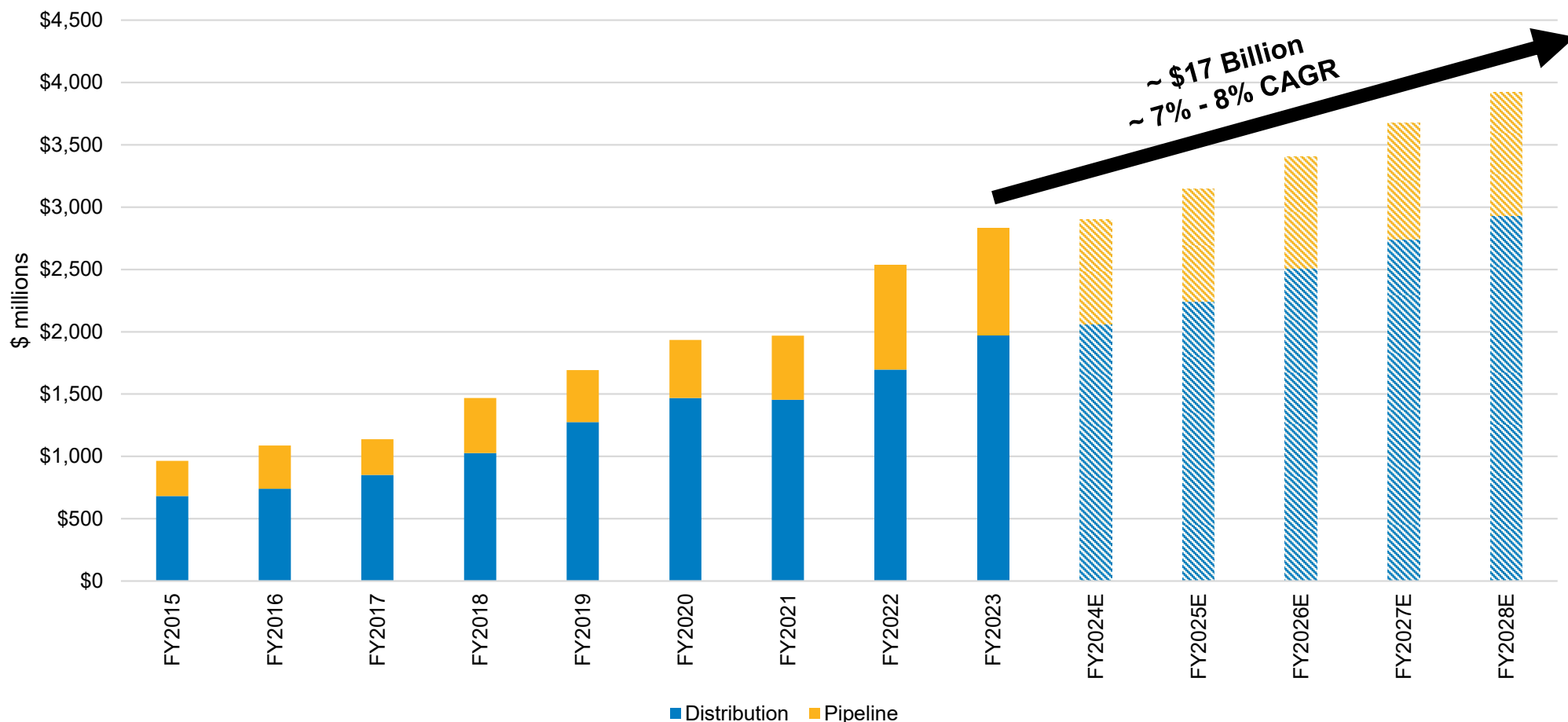
2. Excluding the amortization of excess deferred tax liabilities, the effective rate is expected to be 22.5% - 24.5%.

# Financial Outlook

Capital Spending Focused on System Modernization and Growth



Consolidated 2024E Capital Expenditures of ~\$2.9 billion



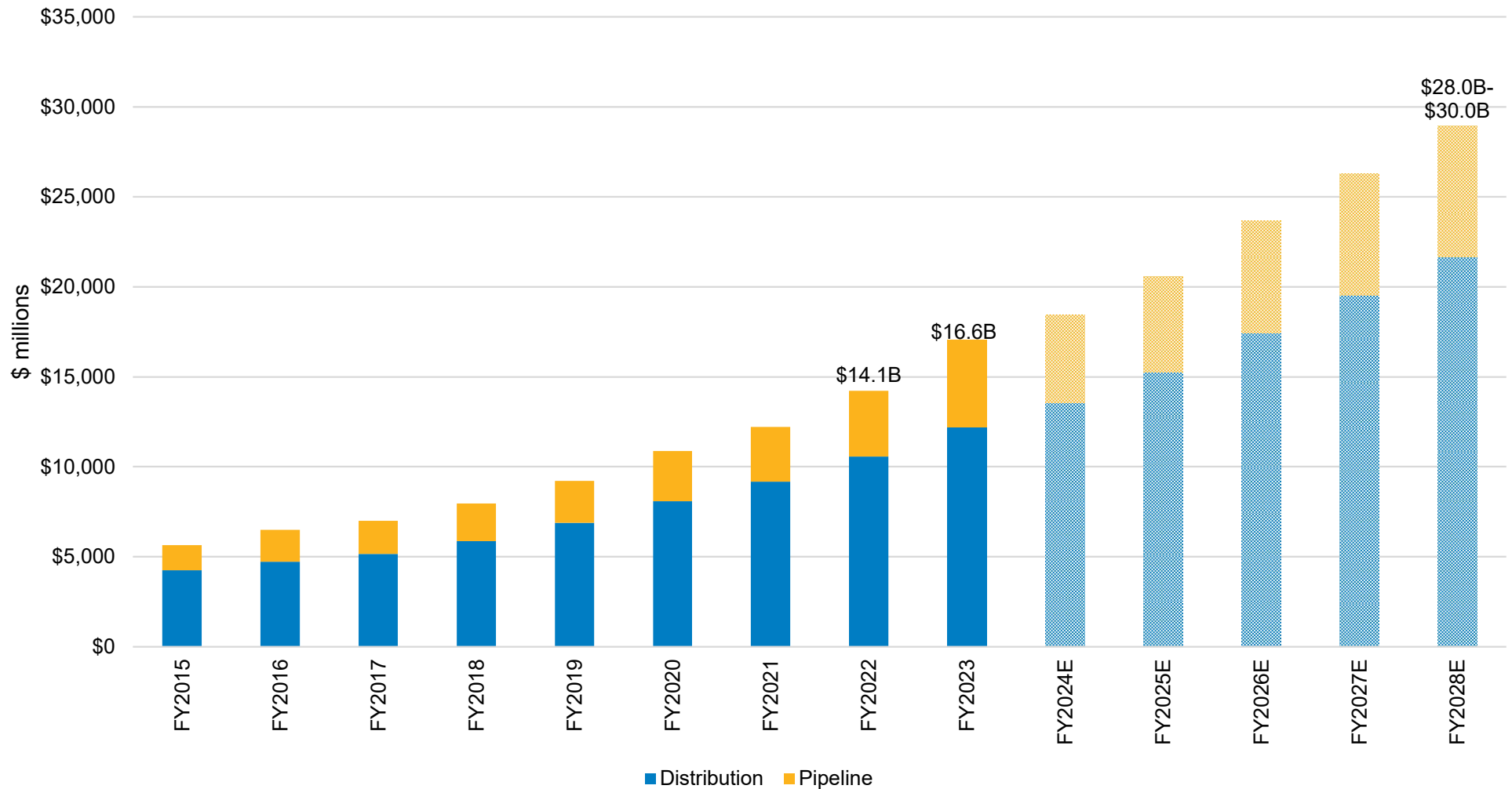
~90% of annual CAPEX begins to earn within 6 months from end of test year

# Financial Outlook

## Capital Spending Drives Rate Base Growth



### Enhancing System Safety and Reliability<sup>1</sup>



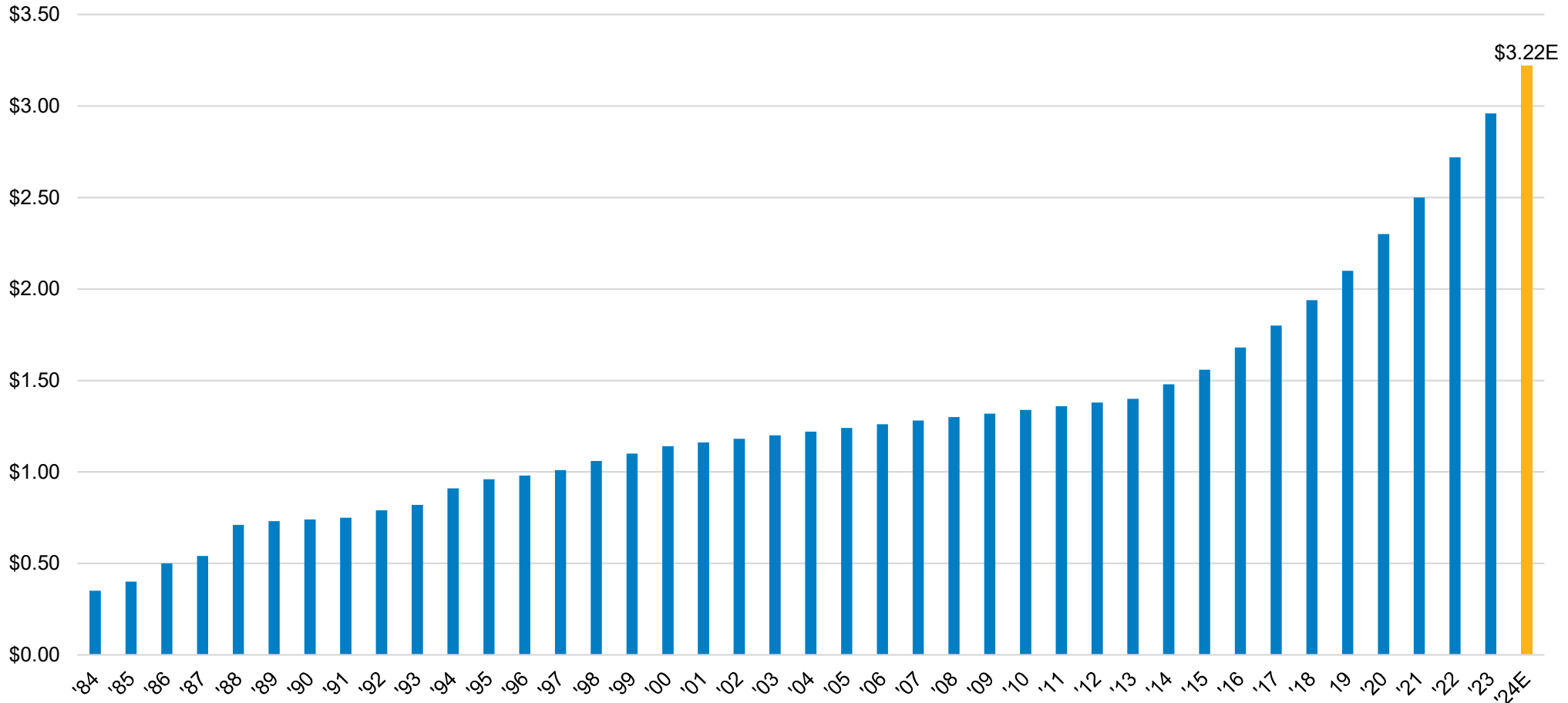
1. Estimated rate base at the end of each fiscal year

# Financial Outlook



## Sustainable Financial Performance Supports Sustained Dividend Increases

### 40 Consecutive Years\* of Dividend Increases



- Indicated dividend increase of 8.8% for Fiscal 2024

\*Fiscal year

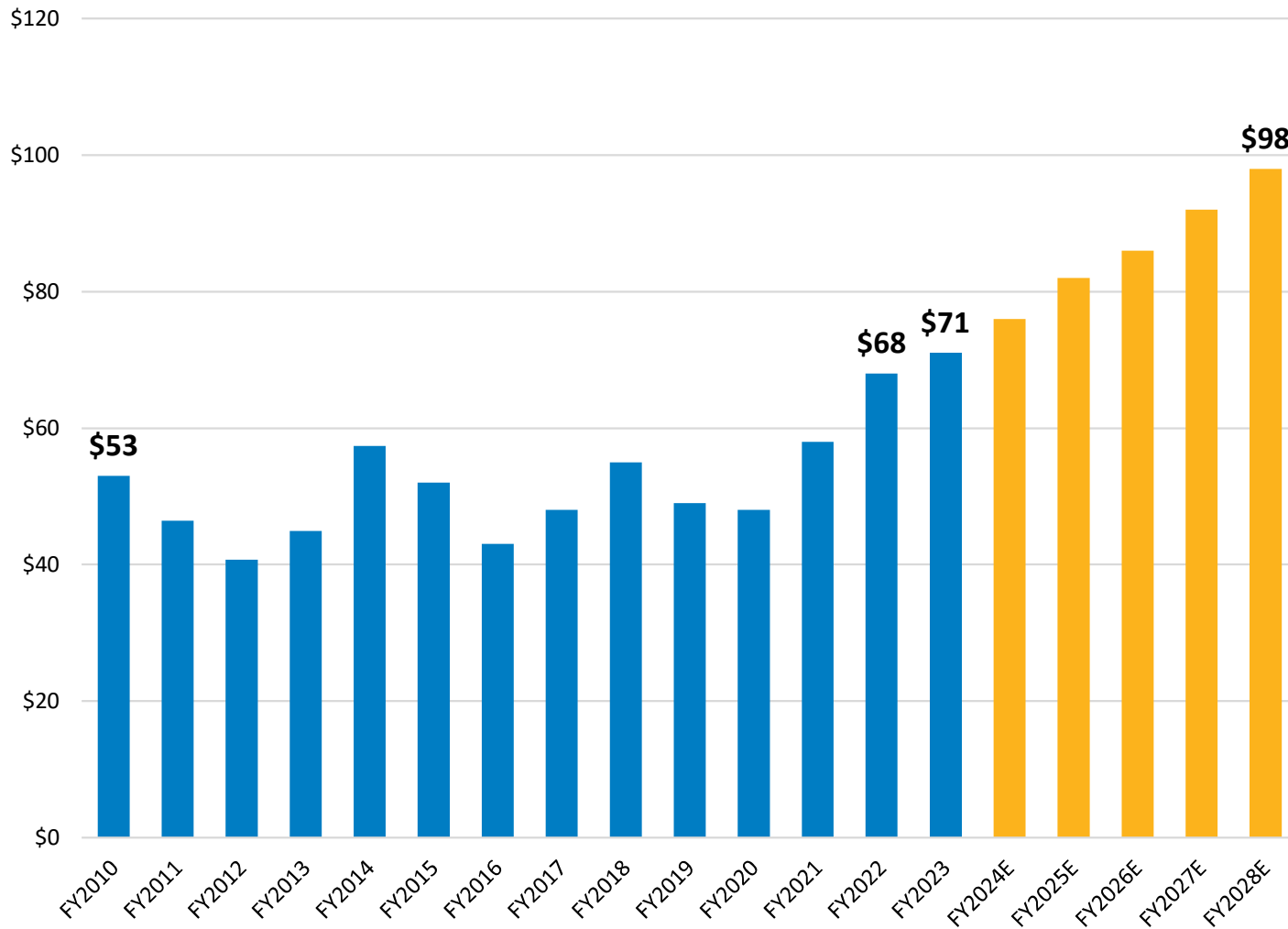
**Note:** Amounts are adjusted for mergers and acquisitions.

# Sustainability Integrated Into Strategy



Residential use of natural gas remains competitive

## Average Monthly Customer Bill



## Key Assumptions

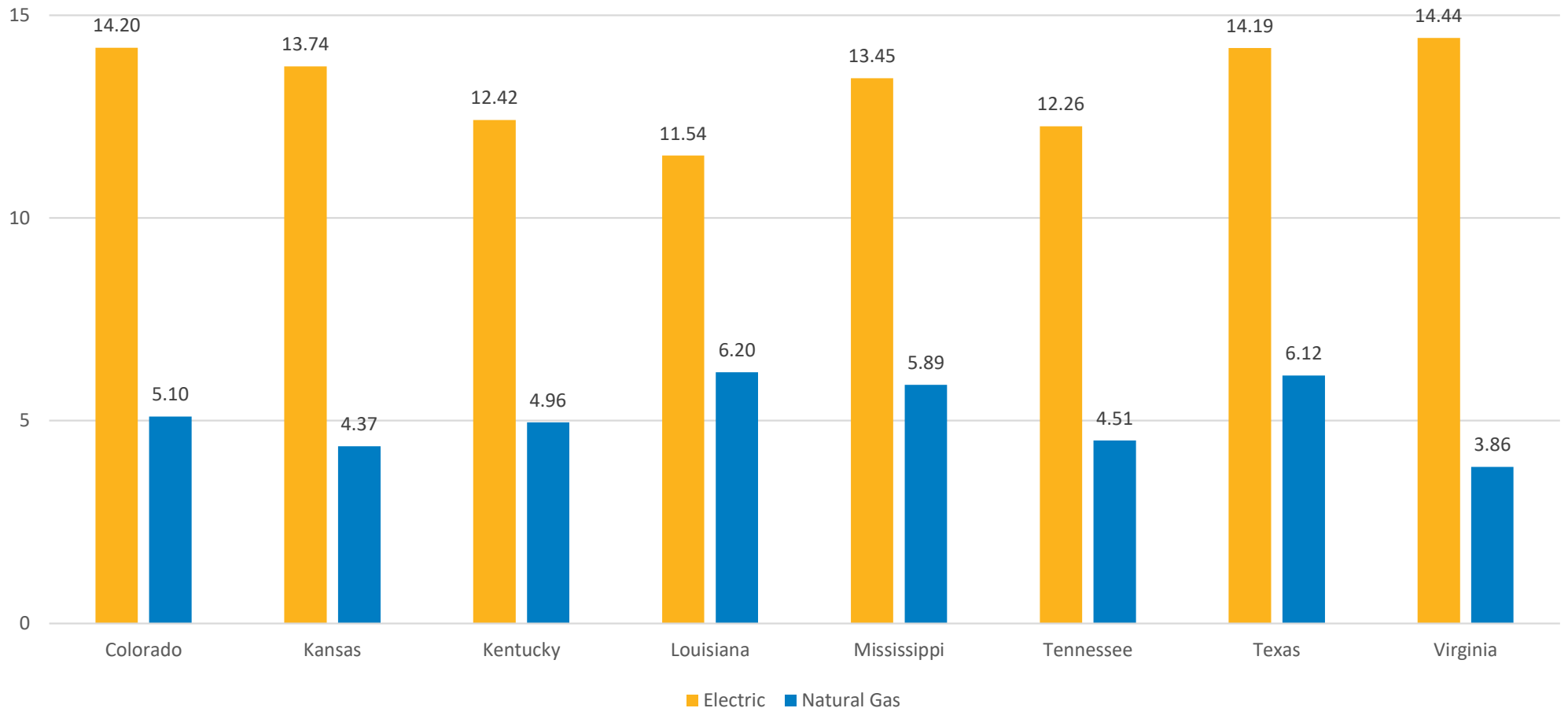
- Normal weather and consumption
- ~\$17 billion of CAPEX spending through 2028
- Commodity pricing
  - FY 24-28: \$3.00 to \$4.00
- Delivery cost
  - FY24 – FY28: \$3.25 - \$3.75
- Purchased gas cost accounts for ~45% of the customer bill in FY24; dropping to ~35% by FY28

# Sustainability Integrated Into Strategy



## Natural Gas Price Advantage Over Electricity

### Electricity<sup>1</sup> vs Natural Gas<sup>2</sup> - kWh Equivalent



**Natural Gas is ~2x - 3x less expensive in Atmos Energy's states vs. electricity**

1. US Energy Information Agency, [www.eia.gov](http://www.eia.gov) residential customer electric rates for the twelve months ending August 2023
2. Represents Atmos Energy's average residential customer rates for the twelve months ending August 2023

# Sustainability Integrated Into Strategy



## Residential Natural Gas Bills Remain the Lowest Monthly Utility Bill



**Water<sup>2</sup>**  
**\$111**



**Cable & Internet<sup>3</sup>**  
**\$118**



**Natural Gas<sup>1</sup>**  
**\$71**



**Mobile Phone<sup>5</sup>**  
**\$134**



**Electric<sup>4</sup>**  
**\$127**



1. FY2023 Atmos Energy enterprise-wide average monthly residential bill
2. Statista (<https://www.statista.com/>) December 2022
3. Doxo; 2023 U.S. Cable & Internet Market Size and Household Spending Report
4. Based on Energy Information Administration ([www.eia.gov](http://www.eia.gov)) information for Atmos Energy's service territories for the 12 months ended August 31, 2023
5. Average of mobile phone bills per
  - a) Doxo; 2023 U.S. Cable & Internet Market Size and Household Spending Report
  - b) J.D. Power; June 2023 average monthly service bill for one line
  - c) J.D. Power 2023 U.S. Wireless Purchase Experience Studies<sup>SM</sup>—Volume 1
  - d) Move.org; October 2023 Utility Bills 101

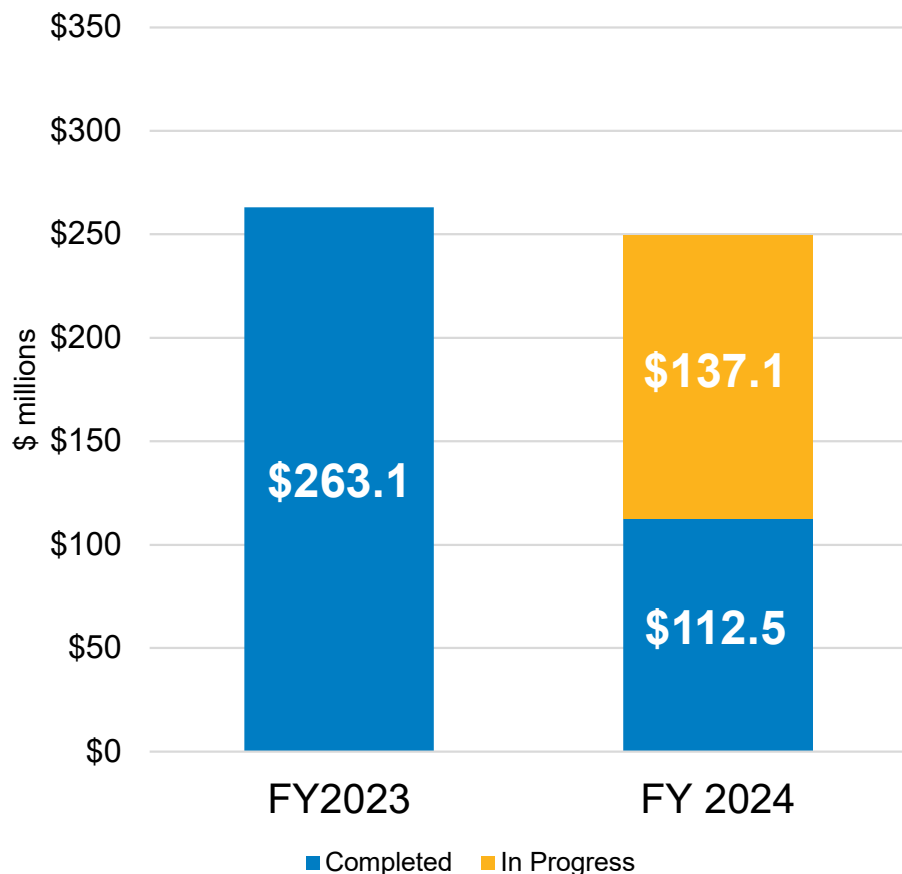
# Regulatory Information

# FY 2023 Financial Performance



## Regulatory Highlights

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



### Key Rate Activity Through November 8, 2023

- **\$112.5MM Completed**
  - \$ 98.6MM – Mid-Tex Cities RRM
  - \$ 8.6MM – West Texas Cities RRM
  - \$ 2.9MM – Kentucky PRP
  - \$ 1.8MM – Kansas GSRS
  - \$ 0.6MM – Virginia SAVE
- **\$137.1MM In-Progress**
  - \$107.4MM – APT Rate Case <sup>2</sup>
  - \$ 13.8MM – Mississippi SRF
  - \$ 11.0MM – Mississippi SIR
  - \$ 2.8MM – Virginia Rate Case
  - \$ 2.1MM – Colorado SSIR

1. Excluding the impact of EDIT fiscal 2023 rate outcomes were \$268.8 million.

2. On October 24, 2023, APT and the intervening parties in its general rate case filed a Joint Notice of Settlement and Proposed Order. The settlement proposes a rate base of \$4.3 billion, an authorized return of 8.49%, a debt/equity ratio of 40/60 and an authorized ROE of 11.45%. We anticipate the settlement agreement will be on the RRC's agenda for its December 13, 2023 meeting. If approved as filed, the settlement would result in a \$27.0 million increase in annualized operating income, excluding the impact of EDIT.

# 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		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Kansas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Kentucky		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tennessee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Virginia		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Louisiana	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Mississippi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Mid-Tex	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
West Texas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
APT		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

# Key Regulatory Filings – Fiscal 2024E



## 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 \$107.2MM	Mid-Tex Dallas – Anticipate filing Dallas Annual Rate Review (DARR) in January 2024; new rates anticipated Q3 fiscal 2024	Mid-Tex and WTX Cities – Anticipate filing Rate Review Mechanism (RRM) in April 2024; new rates anticipated Q1 fiscal 2025	Mississippi – Anticipate Stable Rate Filing (SRF) in July 2024; new rates anticipated Q1 fiscal 2025
Kentucky – Implemented PRP filing of \$2.9MM	Atmos Pipeline – Texas (APT) – Anticipate filing GRIP in February 2024; new rates anticipated Q3 fiscal 2024	Louisiana – Anticipate filing Rate Stabilization Clause (RSC) in April 2024; new rates anticipated Q4 fiscal 2024	Colorado – Anticipate filing General Rate Case in July 2024; new rates anticipated Q2 fiscal 2025
Virginia – Implemented SAVE filing of \$0.6MM	Tennessee – Anticipate filing Annual Review Mechanism (ARM) in February 2024; new rates anticipated Q3 2024	Virginia – Anticipate filing SAVE in June 2024; new rates anticipated Q4 fiscal 2024	Kentucky – Anticipate PRP filing in August 2024; new rates anticipated Q1 fiscal 2025
Kansas – Implemented GSRS filing of \$1.8MM	Mid-Tex ATM, WTX ALDC, WTX Triangle and Texas Environs – Anticipate filing GRIP in March 2024; new rates anticipated Q3 fiscal 2024		Kansas – Anticipate filing Gas Safety Reliability Surcharge (GSRS) in August 2024; new rates anticipated Q1 fiscal 2025
Colorado – Filed SSIR in November 2023; new rates anticipated Q2 fiscal 2024	Kentucky – Anticipate filing General Rate Case in March 2024; new rates anticipated Q1 fiscal 2025		Mid-Tex – Anticipate filing General Rate Case in September 2024; new rates anticipated Q3 fiscal 2025
	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2024; new rates anticipated Q1 fiscal 2025		West Texas – Anticipate filing General Rate Case in September 2024; new rates anticipated Q3 fiscal 2025
	Kansas – Anticipate filing System Integrity Program (SIP) in January 2024; new rates anticipated Q3 fiscal 2024		

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 9/30/23
Atmos Pipeline-TX (GUD 10580)	5	8/1/17	5/19/23	\$13.0	\$107.4	\$1,767	\$4,270	8.87%	9.73%	11.50%	13.50%	47/53	40/60	NA
Atmos Pipeline-TX GRIP	3	5/17/23		\$84.9		\$4,055		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR		9/1/23		\$17.3		\$5,905		7.43%		9.80%		40/60		234,565
Mid-Tex Cities RRM		10/1/23		\$98.6		\$6,070		7.35%		9.80%		42/58		1,336,530
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	6/9/23		\$12.8		\$5,933		7.97%		9.80%		40/60		188,211
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	6/1/23		\$6.0		\$5,933		7.97%		9.80%		40/60		97,050
WTX Cities RRM		10/1/23		\$8.6		\$965		7.35%		9.80%		42/58		151,927
WTX ALDC SOI	4	6/1/21		\$5.1		\$752		7.35%		2		2		154,373
WTX ALDC GRIP	3,4	6/9/23		\$6.9		\$961		7.35%		2		41/59		NA
WTX Environs SOI/GRIP (GUD 10945)	3	6/1/23		\$1.3		\$958		7.97%		9.80%		40/60		24,190
WTX Triangle (GUD 10900)		6/1/23		\$0.7		\$56		7.71%		9.80%		40/60		NA
Louisiana RSC (U-36721)		7/1/23		\$14.5		\$1,094		7.30%		2		2		378,483
Mississippi SRF (2005-UN-0503)		11/1/22	6/30/23	\$12.2	\$13.8	\$525	\$594	7.53%	7.82%	2	2	2	2	273,586
Mississippi SIR (2015-UN-049)		11/1/22	3/1/23	\$8.6	\$11.0	\$390	\$473	7.53%	7.82%	2	2	2	2	NA
Kentucky (2018-00281)		5/20/22		\$5.9		\$569		6.82%		9.23%		45/55		185,630
Kentucky PRP (2023-00231)		10/1/23		\$2.9		\$41		6.94%		9.45%		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 9/30/23
Tennessee ARM (22-00010)	6/1/23		\$0.0		\$499		7.58%		9.80%		38/62		165,267
Kansas (23-ATMG-538-RTS)	5/9/23		\$2.0		\$295		2		2		2		142,292
Kansas GSRS	11/2/23		\$1.8		\$17		2		2		2		NA
Kansas SIP	4/1/23		\$0.8		\$13		7.03%		9.10%		44/56		NA
Colorado (22AL-0348G)	5/14/23		\$0.9		\$230		7.00%		9.3%-9.6%		42-45/55-58		129,197
Colorado SSIR (22AL-0488G)	1/1/23	11/1/23	\$2.0	\$2.1	\$32	\$53	7.00%	7% / 3.97%	9.3%-9.6%	2	42-45/55-58	42/58	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	6/30/23	(\$0.4)	\$2.8	\$48	\$67	7.43%	8.63%	9.20%	11.15%	42/58	39/61	25,083
Virginia SAVE (PUR-2023-00091)	10/1/23		\$0.6		\$16		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.
5. On October 24, 2023, APT and the intervening parties in its general rate case filed a Joint Notice of Settlement and Proposed Order. The settlement proposes a rate based of \$4.3 billion, an authorized return of 8.49%, a debt/equity ratio of 40/60 and an authorized ROE of 11.45%. We anticipate the settlement agreement will be on the RRC's agenda for its December 13, 2023 meeting. If approved, the settlement would result in a \$27.0 million increase in annualized operating income increases excluding the impact of EDIT.

# Atmos Pipeline - Texas



- **Atmos Pipeline: Filed 2023 Statement of Intent (SOI) on May 19, 2023**
  - Requested an increase in annual operating income of \$107.4 million
  - Requested ROE: 13.5%; ROR: 9.73%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$4.3 billion
  - Test year ended December 31, 2022
  - On October 24, 2023, APT and the intervening parties in its general rate case filed a Joint Notice of Settlement and Proposed Order. The settlement proposes a rate based of \$4.3 billion, an authorized return of 8.49%, a debt/equity ratio of 40/60 and an authorized ROE of 11.45%. We anticipate the settlement agreement will be on the RRC's agenda for its December 13, 2023 meeting. If approved, the settlement would result in a \$27.0 million increase in annualized operating income increases excluding the impact of EDIT.

# Colorado - Kansas Division



- **Kansas: Implemented Gas Safety Reliability Surcharge (GSRS) on November 2, 2023**
  - Approved an increase in annual operating income of \$1.8 million
  - Approved rate base: \$16.5 million
  - Test Year October 2022 through June 2023
- **Colorado: Filed System Safety and Integrity Rider (SSIR) on November 1, 2023**
  - Requested an increase in annual operating income of \$2.1 million
  - Requested rate base: \$53.4 million
  - Test Year Ending December 31, 2024

# Kentucky/Mid-States Division



- **Kentucky: Implemented Annual PRP on October 1, 2023**
  - Authorized an annual operating income increase of \$2.9 million
  - Authorized ROE: 9.45%; ROR: 6.94%
  - Authorized capital structure: 45% debt / 55% equity
  - Authorized rate base: \$40.5 million
- **Virginia: Implemented SAVE Infrastructure Program on October 1, 2023**
  - Authorized an annual operating income increase of \$0.6 million
  - Authorized ROE: 9.20%; ROR: 7.43%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: \$16.4 million
- **Virginia: Filed General Rate Case on June 30, 2023**
  - Requested an annual operating income increase of \$2.8 million
  - Requested ROE: 11.15%; ROR: 8.63%
  - Requested capital structure: 39% debt / 61% equity
  - Requested rate base: \$66.6 million

# Mid-Tex Division



- **Mid-Tex Cities: Implemented Rate Review Mechanism (RRM) on October 1, 2023**
  - Authorized an increase in annual operating income of \$98.6 million
  - Authorized ROE: 9.80%; ROR: 7.35%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: \$6.1 billion
  - Test year ending December 31, 2022

# Mississippi Division



- **Mississippi: Filed Annual System Integrity Rider (SIR) on March 1, 2023**
  - Requested an increase in annual operating income of \$11.0 million
  - Requested ROR: 7.82%
  - Requested rate base: \$472.7 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2023 - October 2024
  
- **Mississippi: Filed Annual Stable Rate Filing (SRF) on June 30, 2023**
  - Requested an increase in annual operating income of \$13.8 million
  - Requested ROR: 7.82%
  - Requested rate base: \$594.1 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2023 - October 2024

# West Texas Division



- **West Texas Cities: Implemented Rate Review Mechanism (RRM) on October 1, 2023**
  - Authorized an increase in annual operating income of \$8.6 million
  - Authorized ROE: 9.80%; ROR: 7.35%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: \$965.3 million
  - Test year ending December 31, 2022

# 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 us 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 other of our 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 expressed or implied in the statements relating to our strategy, operations, markets, services, rates, recovery of costs, availability of gas supply and other factors. 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; 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; failure to attract and retain a qualified workforce; 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; 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; the impact of new cybersecurity compliance requirements; adverse weather conditions; the impact of greenhouse gas emissions or other legislation or regulations intended to address climate change; the impact of climate change; 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; and increased costs of providing health care benefits, along with pension and postretirement health care benefits and increased funding requirements. 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 2024 and beyond that appear in this presentation are current as of November 8, 2023.