



# *Analyst Call to Review*

## *Fiscal 2024 Second Quarter Financial Results*

*May 9, 2024  
10:00 a.m. Eastern*

# Fiscal Q2 2024 Review

# Q2 Fiscal 2024 Financial Performance



## Fiscal 2024 Highlights

- **Financial Performance**

- YTD Diluted EPS of \$4.93
- \$1.4 billion in capital spending; 81% allocated to safety and reliability spending
- Raised fiscal 2024 EPS guidance range to \$6.70 to \$6.80<sup>1</sup> from \$6.45 to \$6.65
- 8.8% increase in fiscal 2024 indicated annual dividend to \$3.22 per diluted share
  - 40<sup>th</sup> consecutive year of rising dividends

- **Executed Our Regulatory Strategy**

- Implemented \$167.1 million as of May 8, 2024; \$128.8 million, net of excess deferred tax amortization
- \$353.6 million currently in progress

- **Strong Balance Sheet**

- Approximately \$4.2 billion in available liquidity
- \$1.2 billion of financing to support operations
  - Issued \$500 million 30-year senior notes at 6.20%<sup>2</sup>
  - Issued \$400 million 10-year senior notes at 5.90%<sup>3</sup>
  - Settled \$254 million of equity forwards
- Equity capitalization at 60.9% as of March 31, 2024

<sup>1</sup>. See footnote 3 on slide 13 for more information.

<sup>2</sup>. 5.56% effective rate after giving effect to the settlement of our interest rate swaps.

<sup>3</sup>. 4.35% effective rate after giving effect to the settlement of our interest rate swaps.

# Q2 Fiscal 2024 Financial Performance



## Consolidated Financial Highlights

Segment Net Income (\$millions, except EPS)	Three Months Ended March 31		Six Months Ended March 31	
	2024	2023	2024	2023
Distribution	\$ 343	\$ 289	\$ 564	\$ 483
Pipeline & Storage	89	69	179	147
<b>Net Income</b>	<b>\$ 432</b>	<b>\$ 358</b>	<b>\$ 743</b>	<b>\$ 630</b>
<b>Diluted EPS<sup>1</sup></b>	<b>\$ 2.85</b>	<b>\$ 2.48</b>	<b>\$ 4.93</b>	<b>\$ 4.40</b>
<b>Capital Expenditures</b>	<b>\$ 645.9</b>	<b>\$ 619.7</b>	<b>\$ 1,415.5</b>	<b>\$ 1,415.3</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.

# Q2 Fiscal 2024 Financial Performance



## Segment Operating Income Highlights

Three Months Ended March 31 (\$millions)	2024	2023	Change
Distribution	\$ 426.2	\$ 335.3	\$ 90.9
Pipeline & Storage	124.8	87.3	37.5
<b>Operating Income</b>	<b>\$ 551.0</b>	<b>\$ 422.6</b>	<b>\$ 128.4</b>

### Distribution Key Drivers

- \$90.6MM – Net increase due to rate adjustments
- \$10.7MM – Increase in consumption, net of WNA
- \$6.5MM – Increase due to customer growth
- \$3.8MM – Decrease in property taxes<sup>1</sup>
- (\$15.1MM) – Increase in D&A
- (\$8.7MM) – Increase in EDIT refunds<sup>2</sup>

### Pipeline & Storage Key Drivers

- \$17.0MM – Increase due to rate adjustments
- \$7.1MM – Increase in through-system activities
- \$9.3MM – Decrease in EDIT refunds<sup>2</sup>
- \$2.0MM – Decrease in property taxes<sup>1</sup>

1. Inclusive of \$9.0MM decrease related to the Texas property tax legislation in our distribution (\$6.4MM) and Pipeline & Storage (\$2.6MM) segments.

2. Impact to operating income from excess deferred income tax (EDIT) refunds is substantially offset in income tax expense.

# Q2 Fiscal 2024 Financial Performance



## Segment Operating Income Highlights

Six Months Ended March 31 (\$millions)	2024	2023	Change
Distribution	\$ 706.7	\$ 567.1	\$ 139.6
Pipeline & Storage	243.4	176.7	66.7
<b>Operating Income</b>	<b>\$ 950.1</b>	<b>\$ 743.8</b>	<b>\$ 206.3</b>

### Distribution Key Drivers

- \$155.2 MM – Net increase due to rate adjustments
- \$13.3MM – Decrease in bad debt expense primarily due to change in how uncollectible accounts are recovered
- \$12.4MM – Increase due to customer growth
- \$8.1MM - Decrease in line locate and other spending
- \$2.9MM - Decrease in property taxes<sup>1</sup>
- (\$29.1MM) – Increase in D&A
- (\$17.5MM) – Increase in EDIT refunds<sup>2</sup>
- (\$16.1MM) – Increase in other O&M – employee, insurance, and other administrative costs

### Pipeline & Storage Key Drivers

- \$36.5MM – Increase due to rate adjustments
- \$11.8MM - Decrease in pipeline inspection spending
- \$7.9MM – Net increase in through-system activities
- \$9.3MM – Decrease in EDIT refunds<sup>2</sup>
- \$2.6MM – Decrease in property taxes<sup>1</sup>
- (\$6.3MM) – Increase in D&A

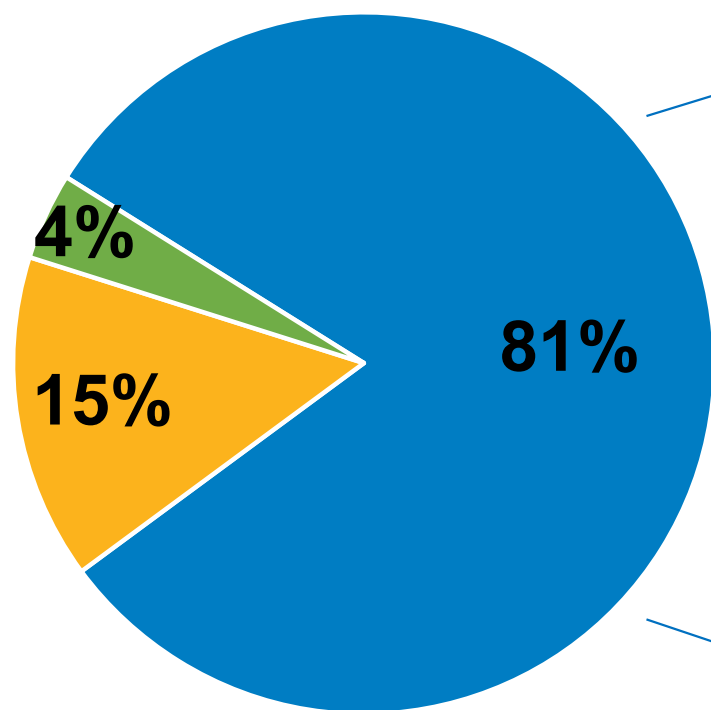
1. Inclusive of \$14.7MM decrease related to the Texas property tax legislation in our distribution (\$11.0MM) and Pipeline & Storage (\$3.7MM) segments.

2. Impact to operating income from excess deferred income tax (EDIT) refunds is substantially offset in income tax expense.

# Q2 Fiscal 2024 Financial Performance



## Capital Spending Highlights



<i>Millions</i>	Fiscal 2024 YTD CapEx
\$ 536	Repair and replace transmission and distribution pipelines
264	Fortifications
143	Install & replace measurement & regulating equipment
138	Service line replacement
42	Pipeline integrity management projects
28	Enhance storage and compression capabilities
<b>\$ 1,151</b>	<b>Total Safety and Reliability Spending</b>
<b>\$ 1,416</b>	<b>Total Capital Spending</b>

■ Safety and Reliability   ■ Customer Expansion   ■ Other

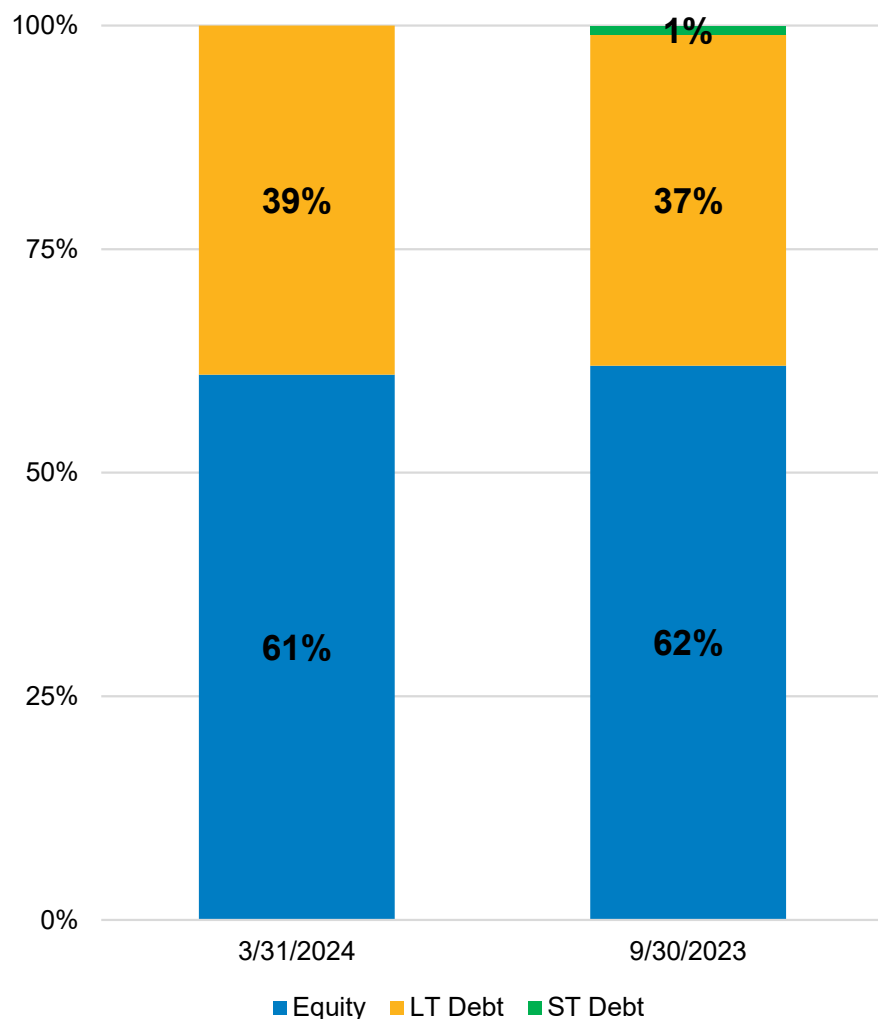
# Q2 Fiscal 2024 Financial Performance



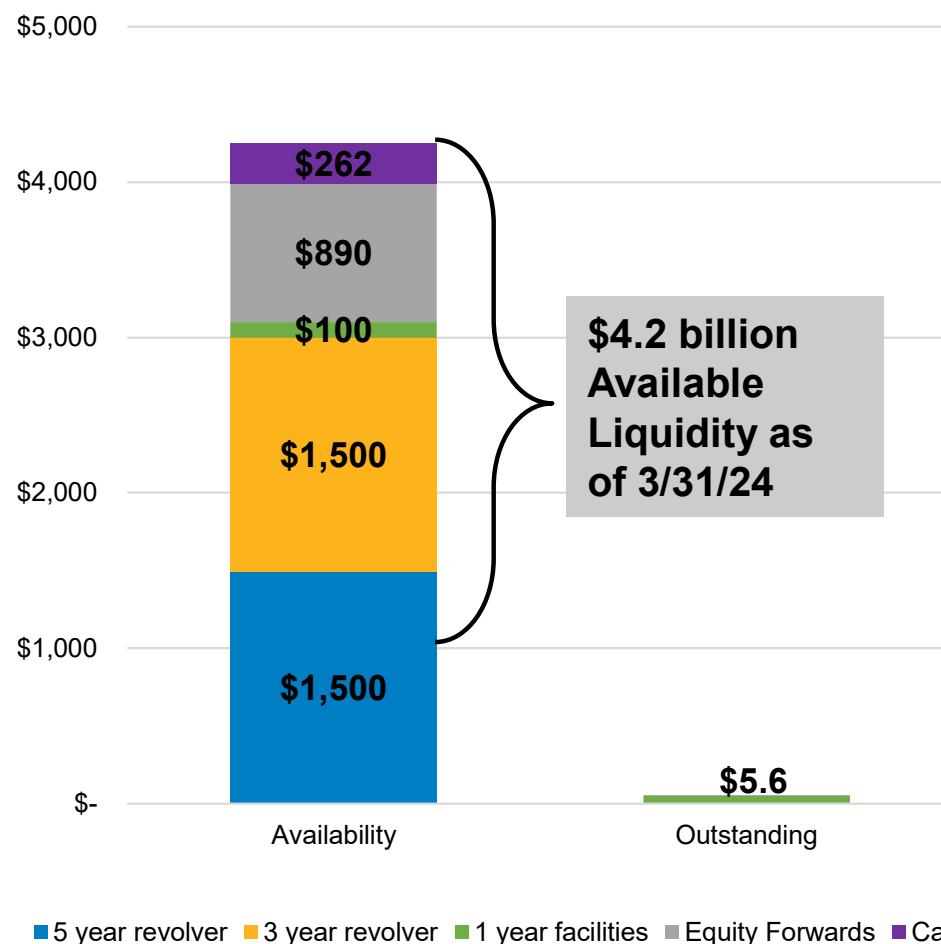
Strong Financial Foundation Supports Capital Spending Program

## Capitalization and Liquidity Profile

### Total Capitalization



### Liquidity Profile as of March 31, 2024



# Q2 Fiscal 2024 Financial Performance



## Financing Highlights

- **\$900 million of long-term debt financing issued**
  - \$500 million 6.20% 30-year senior notes issued in October 2023<sup>1</sup>
  - \$400 million 5.90% 10-year senior notes issued in October 2023<sup>2</sup>
- **Equity needs satisfied through our ATM program**
  - \$678.9 million of equity forward arrangements priced in FY24
  - \$254.0 million in settled equity forward arrangements
  - \$889.7 million available under equity forward agreements as of March 31, 2024
    - Maturity: September 30, 2024 through June 30, 2025
    - Shares: 7,734,366
    - Forward Share Price: \$115.03
  - \$81.6 million available for issuance through our ATM program as of March 31, 2024<sup>3</sup>
- **\$3.1 billion currently available under existing shelf registration statement<sup>3</sup>**

1. 5.56% effective rate after giving effect to the settlement of our interest rate swaps.

2. 4.35% effective rate after giving effect to the settlement of our interest rate swaps.

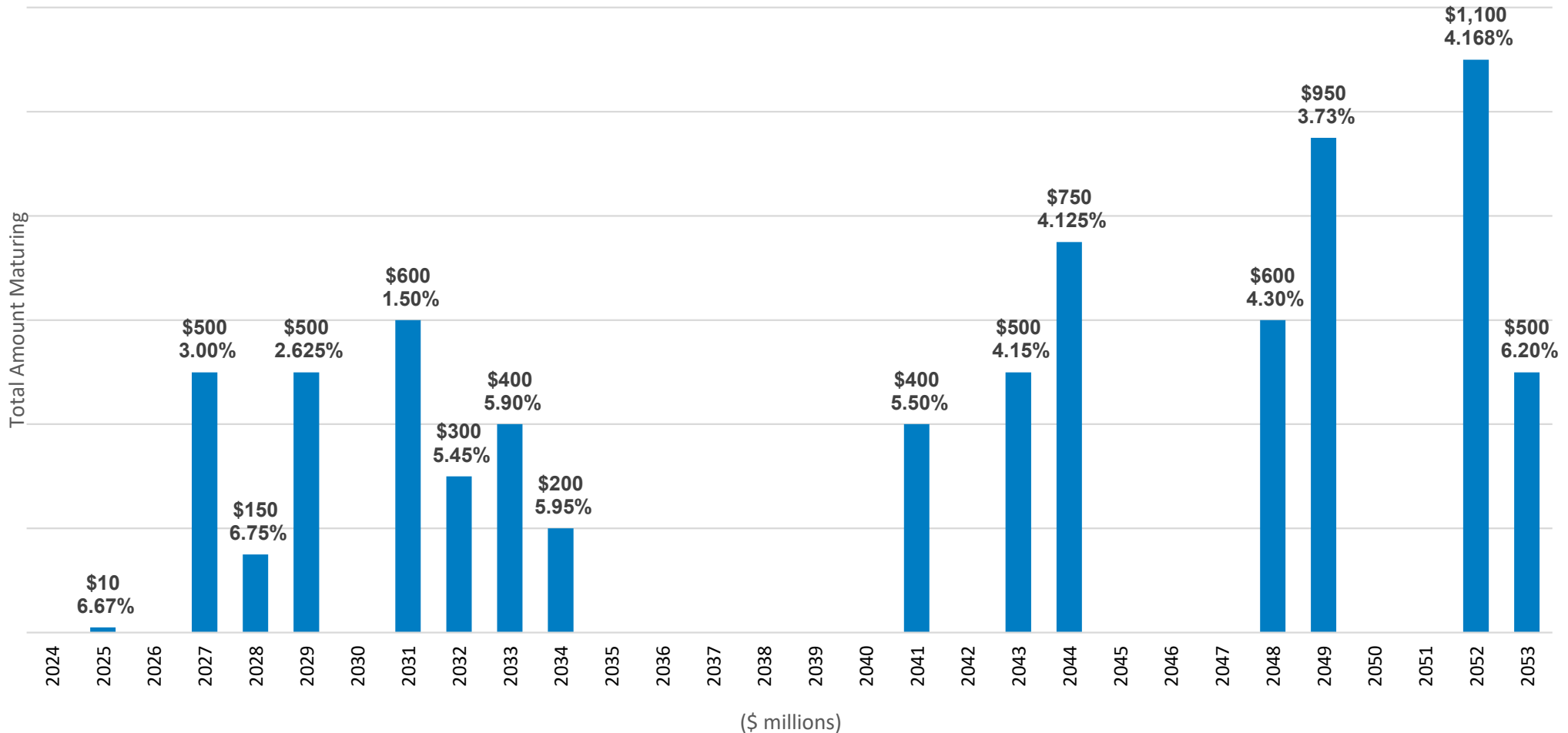
3. On May 8, 2024, we plan to file a new ATM equity sales program under which we may issue and sell shares of our common stock up to an aggregate offering price of \$1.0 billion (including shares of common stock that may be sold pursuant to forward sale agreements entered into in connection with the ATM equity sales program).

# Q2 Fiscal 2024 Financial Performance



Manageable Debt Maturity Schedule Supports Capital Spending Program

Weighted Average Maturity ~17.9 Years

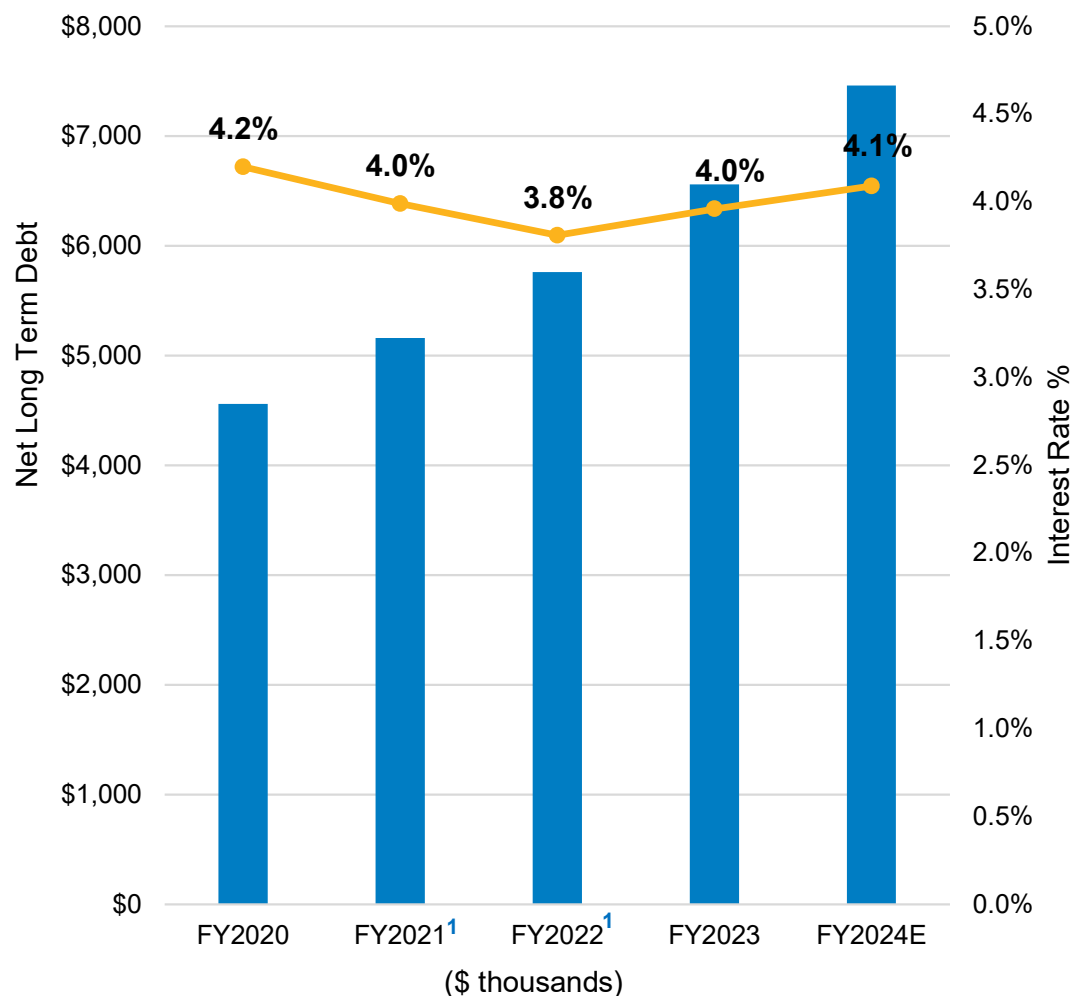


# Q2 Fiscal 2024 Financial Performance



## Strong Investment Grade Ratings Support Affordable Customer Bills

### Weighted Average Cost of Debt



### Strong Investment Grade Credit Ratings

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

### Forward Starting Interest Rate Swaps

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

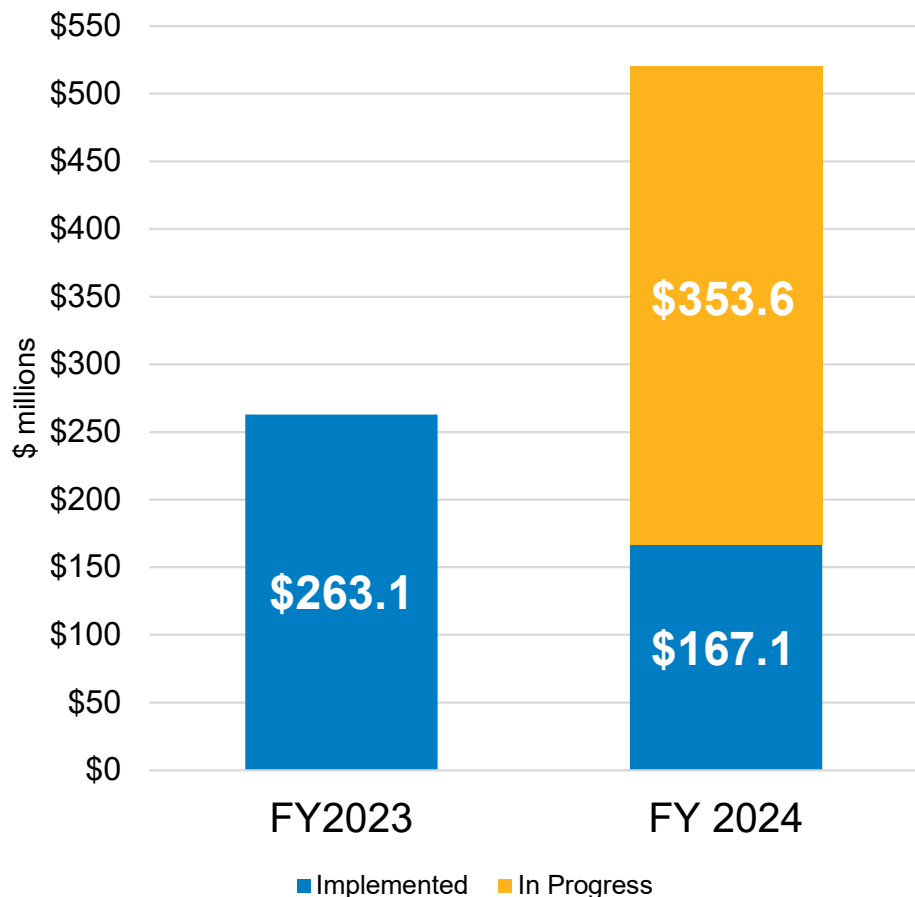
<sup>1</sup> Excluding the \$2.2 billion of incremental Winter Storm Uri financing.

# FY 2024 Financial Performance



## Regulatory Highlights

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



### Key Rate Activity Through May 8, 2024

- **\$167.1MM Implemented**
  - \$107.2MM – Texas RRMs
  - \$ 27.0MM – APT Rate Case
  - \$ 22.5MM – Mississippi annual filings
- **\$353.6MM In-Progress**
  - \$140.1MM – Texas RRMs
  - \$ 82.4MM – APT GRIP
  - \$ 40.4MM – Mid-Tex DARR
  - \$ 35.6MM – Five Texas GRIP filings
  - \$ 35.6MM – Louisiana RSC
  - \$ 19.5MM – Tennessee ARM

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

2. Excluding the impact of EDIT fiscal 2024 rate outcomes are \$128.8 million.

# Financial Outlook

## Fiscal 2024E Guidance



(\$millions, except EPS)	FY 2023	FY 2024E <sup>1</sup>
Distribution	\$ 580	\$ 670 - 690
Pipeline & Storage	306	350 - 360
<b>Total Net Income</b>	<b>\$ 886</b>	<b>\$ 1,020 - 1,050</b>
Average Diluted Shares	145.2	152 – 154
<b>Diluted EPS<sup>2</sup></b>	<b>\$ 6.10</b>	<b>\$ 6.70 - 6.80<sup>3</sup></b>
<b>Capital Spending</b>	<b>\$ 2,806</b>	<b>\$ ~3,100</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.
3. Our Diluted Earnings Per Share (DEPS) guidance reflects \$20 - \$22 million in reduced property tax expenses in Texas. These amounts represent approximately \$0.10 - \$0.11 per diluted share. Our DEPS guidance also reflects a \$14 million reduction in bad debt expense resulting from a change in how uncollectible customer accounts are recovered in Mississippi. This amount represents approximately \$0.07 per diluted share.

# Financial Outlook

## Fiscal 2024E Guidance



Selected Expenses (\$millions)	FY 2023	FY 2024E <sup>1</sup>
O&M	\$ 765	\$ 800 - 820
D&A	\$ 604	\$ 670 - 680
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%.

# 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		<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"/>	<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	Colorado – Implemented SSIR filing of \$2.0MM	Mid-Tex and WTX Cities – Filed Rate Review Mechanism (RRM) in April 2024; new rates anticipated Q1 fiscal 2025	Mississippi – Anticipate Stable Rate Filing (SRF) and System Integrity Rider (SIR) in July 2024; new rates anticipated Q1 fiscal 2025
Kentucky – Implemented PRP filing of \$2.9MM	Kansas – Implemented SIP filing of \$0.7MM	Louisiana – Filed Rate Stabilization Clause (RSC) in April 2024; new rates anticipated Q4 fiscal 2024	Kentucky – Anticipate PRP filing in August 2024; new rates anticipated Q1 fiscal 2025
Virginia – Implemented SAVE filing of \$0.6MM	Mid-Tex Dallas – Filed Dallas Annual Rate Review (DARR) in January 2024; new rates anticipated Q3 fiscal 2024	Virginia – Anticipate filing SAVE in June 2024; new rates anticipated Q1 fiscal 2025	Kansas – Anticipate filing Gas Safety Reliability Surcharge (GSRS) in August 2024; new rates anticipated Q1 fiscal 2025
Kansas – Implemented GSRS filing of \$1.8MM	Atmos Pipeline – Texas (APT) – Filed GRIP in February 2024; new rates anticipated Q3 fiscal 2024		Kentucky – Anticipate filing General Rate Case in September 2024; new rates anticipated Q3 fiscal 2025
Mississippi – Implemented SRF and SIR filings of \$22.5MM	Tennessee – Filed Annual Review Mechanism (ARM) in February 2024; new rates anticipated Q3 2024		
APT – Implemented General Rate Case of \$27.0MM	Mid-Tex ATM, WTX ALDC, WTX Triangle and Texas Environs – Filed GRIP in February 2024; new rates anticipated Q3 fiscal 2024		
Virginia – Implemented General Rate Case of \$2.4MM			

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 3/31/24
Atmos Pipeline-TX (GUD 10580)		12/13/23		\$27.0		\$4,267		8.49%		11.45%		40/60		NA
Atmos Pipeline-TX GRIP	3	5/17/23	2/27/24	\$84.9	\$82.4	\$4,055	\$4,774	8.87%	8.49%	11.50%	11.45%	47/53	40/60	NA
Mid-Tex - City of Dallas DARR		9/1/23	1/12/24	\$17.3	\$40.4	\$5,905	\$6,845	7.43%	7.47%	9.80%	9.80%	40/60	40/60	228,538
Mid-Tex Cities RRM		10/1/23	4/1/24	\$98.6	\$133.4	\$6,070	\$7,153	7.35%	7.51%	9.80%	9.80%	42/58	40/60	1,290,613
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	6/9/23	2/23/24	\$12.8	\$17.1	\$5,933	\$7,009	7.97%	7.97%	9.80%	9.80%	40/60	40/60	181,482
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	6/1/23	2/23/24	\$6.0	\$8.5	\$5,933	\$7,009	7.97%	7.97%	9.80%	9.80%	40/60	40/60	97,806
WTX Cities RRM		10/1/23	4/1/24	\$8.6	\$6.7	\$965	\$1,064	7.35%	7.51%	9.80%	9.80%	42/58	40/60	144,066
WTX ALDC SOI	4	6/1/21		\$5.1		\$752		7.35%		2		2		149,322
WTX ALDC GRIP	3,4	6/9/23	2/23/24	\$6.9	\$7.3	\$961	\$1,062	7.35%	7.35%	2	2	41/59	41/59	NA
WTX Environs SOI/GRIP (GUD 10945)	3	6/1/23	2/23/24	\$1.3	\$1.4	\$958	\$1,060	7.97%	7.97%	9.80%	9.80%	40/60	40/60	22,660
WTX Triangle (GUD 10900)		6/1/23	2/23/24	\$0.7	\$1.3	\$56	\$65	7.71%	7.71%	9.80%	9.80%	40/60	40/60	NA
Louisiana RSC (U-36721)		7/1/23	4/22/24	\$14.5	\$35.6	\$1,094	\$1,228	7.30%	7.43%	2	9.80%	2	42/58	361,490
Mississippi SRF (2005-UN-0503)		12/1/23		\$11.5		\$592		7.82%		10.34%		39/61		255,905
Mississippi SIR (2015-UN-049)		12/1/23		\$11.0		\$473		7.82%		10.34%		39/61		NA
Kentucky (2018-00281)		5/20/22		\$5.9		\$569		6.82%		9.23%		45/55		180,342
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 3/31/24
Tennessee ARM (24-XXXXX)	6/1/23	1/30/24	\$0.0	\$19.5	\$499	554	7.58%	7.62%	9.80%	9.80%	38/62	38/62	161,985
Kansas (23-ATMG-538-RTS)	5/9/23		\$2.0		\$295		2		2		2		140,130
Kansas GSRS	11/2/23		\$1.8		\$17		2		2		2		NA
Kansas SIP	4/1/24		\$0.7		\$20		2		2		2		NA
Colorado (22AL-0348G)	5/14/23		\$0.9		\$230		7.00%		9.3%-9.6%		42-45/55-58		129,223
Colorado SSIR (23AL-0534G)	1/1/24		\$2.0		\$53		7.00% / 3.97%		2		42-58		NA
Colorado GIS (18A-0765G)	4/1/19		\$0.1		\$1		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00014)	5 6/30/23		\$2.8		\$67		8.63%		11.15%		39/61		24,109
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. Implemented subject to refund.

# Atmos Pipeline - Texas

- **Atmos Pipeline: Filed 2023 GRIP on February 27, 2024**
  - Requested an increase in annual operating income of \$82.4 million excluding the impact of EDIT
  - Requested ROE: 11.45%; ROR: 8.49%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$4.8 billion
  - Test year ended December 31, 2023
- **Atmos Pipeline: Implemented 2023 Statement of Intent (SOI) on December 13, 2023**
  - Approved an increase in annual operating income of \$27.0 million excluding the impact of EDIT
  - Approved ROE: 11.45%; ROR: 8.49%
  - Approved capital structure: 40% debt / 60% equity
  - Approved rate base: \$4.3 billion
  - Test year ended December 31, 2022

# Colorado - Kansas Division



- **Kansas: Implemented System Integrity Program (SIP) on April 1, 2024**
  - Approved an increase in annual operating income of \$0.7 million
  - Approved rate base: \$19.9 million
  - Test Year Ending December 31, 2023
- **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: Implemented System Safety and Integrity Rider (SSIR) on January 1, 2024**
  - Approved an increase in annual operating income of \$2.0 million
  - Approved rate base: \$52.8 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 General Rate Case on December 1, 2023**
  - Authorized an annual operating income increase of \$2.4 million
  - Authorized ROE: 9.90%; ROR: 7.57%
  - Authorized capital structure: 39% debt / 61% equity
  - Authorized rate base: \$71.4 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

# Kentucky/Mid-States Division



- **Tennessee: Filed Annual Review Mechanism (ARM) on January 30, 2024**
  - Requested an annual operating income increase of \$19.5 million
  - Requested ROE: 9.80%; ROR: 7.62%
  - Requested capital structure: 38% debt / 62% equity
  - Requested rate base: \$554.1 million

# Louisiana Division



- **Louisiana: Filed Annual Rate Stabilization Clause RSC on April 22, 2024**
  - Requested an annual operating income increase of \$35.6 million
  - Requested ROE: 9.80%; ROR: 7.43%
  - Requested capital structure: 42% debt / 58% equity
  - Requested rate base: \$1.2 billion

# Mid-Tex Division



- **Mid-Tex Cities: Filed Rate Review Mechanism RRM on April 1, 2024**
  - Requested an increase in annual operating income of \$133.4 million
  - Requested ROE: 9.80%; ROR: 7.51%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$7.2 billion
  - Test year ending December 31, 2023
  
- **Mid-Tex ATM Cities: Filed 2023 GRIP on February 23, 2024**
  - Requested an increase in annual operating income of \$17.1 million
  - Requested ROE: 9.80%; ROR: 7.97%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$7.0 billion
  - Test year ending December 31, 2023
  
- **Mid-Tex Cities Environs: Filed 2023 GRIP on February 23, 2024**
  - Requested an increase in annual operating income of \$8.5 million
  - Requested ROE: 9.80%; ROR: 7.97%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$7.0 billion
  - Test year ending December 31, 2023

# Mid-Tex Division



- **Mid-Tex Cities: Filed Dallas Annual Rate Review DARR on January 12, 2024**
  - Requested an increase in annual operating income of \$40.4 million
  - Requested ROE: 9.80%; ROR: 7.47%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$6.8 billion
  - Test year ending September 30, 2023
- **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: Implemented Annual System Integrity Rider (SIR) on December 1, 2023**
  - Authorized an increase in annual operating income of \$11.0 million
  - Authorized ROE: 10.34%; ROR: 7.82%
  - Authorized capital structure: 39% debt / 61% equity
  - Authorized 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: Implemented Annual Stable Rate Filing (SRF) on December 1, 2023**
  - Authorized an increase in annual operating income of \$11.5 million
  - Authorized ROE: 10.34%; ROR: 7.82%
  - Authorized capital structure: 39% debt / 61% equity
  - Authorized rate base: \$591.9 million
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2023 - October 2024
  - Approved the recovery of uncollectible accounts through purchased gas cost mechanism rather than through base rates.

# West Texas Division



- **West Texas Cities: Filed Rate Review Mechanism RRM on April 1, 2024**
  - Requested an increase in annual operating income of \$6.7 million
  - Requested ROE: 9.80%; ROR: 7.51%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$1.1 billion
  - Test year ending December 31, 2023
- **West Texas Environs: Filed 2023 GRIP on February 23, 2024**
  - Requested an increase in annual operating income of \$1.4 million
  - Requested ROE: 9.80%; ROR: 7.97%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$1.1 billion
  - Test year ending December 31, 2023
- **West Texas Triangle: Filed 2023 GRIP on February 23, 2024**
  - Requested an increase in annual operating income of \$1.3 million
  - Requested ROE: 9.80%; ROR: 7.71%
  - Requested capital structure: 40% debt / 60% equity
  - Requested rate base: \$65.1 million
  - Test year ending December 31, 2023

# West Texas Division



- **West Texas ALDC: Filed 2023 GRIP on February 23, 2024**
  - Requested an increase in annual operating income of \$7.3 million
  - Requested ROR: 7.35%
  - Requested capital structure: 41% debt / 59% equity
  - Requested rate base: \$1.1 billion
  - Test year ending December 31, 2023
- **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 May 8, 2024.