Analyst Call to Review

Fiscal 2020 Financial Results
&
Fiscal 2021-2025 Outlook

November 12, 2020

10:00 a.m. Eastern

Fiscal 2020 Review

Fiscal 2020 Highlights

- **Financial Performance**
  - ✓ Adjusted Diluted EPS of $4.72; 18th consecutive year of EPS growth
  - ✓ 14% increase in capital spending to $1.9 billion; 88% allocated to safety and reliability spending
  - ✓ Initiated Fiscal 2021 EPS guidance range of $4.90 - $5.10
  - ✓ 8.7% increase in fiscal 2021 indicated annual dividend to $2.50 per diluted share - 37th consecutive year of rising dividends
- **Executed Our Regulatory Strategy**
  - ✓ Implemented $160.2 million of annualized regulatory outcomes during Fiscal 2020
  - ✓ $106.6 million to be implemented in Q1 Fiscal 2021
- **Strong Balance Sheet**
  - ✓ $2.6 billion in liquidity, including $345 million available under forward agreements as of September 30, 2020
  - ✓ $1.0 billion of long-term debt financing completed in Fiscal 2020
  - ✓ $624 million of equity settled in Fiscal 2020
  - ✓ Equity capitalization at 60.0% at September 30, 2020

Consolidated Financial Results - Fiscal 2020

Segment Net Income ($millions, except EPS)	Three Months Ended September 30		Twelve Months Ended September 30	
	2020	2019	2020	2019
Distribution	$ 20	$ 10	$ 395	$ 329
Pipeline & Storage	$ 45	$ 48	$ 206	$ 182
Net Income	**$ 65**	**$ 58**	**$ 601**	**$ 511**
Nonrecurring One Time Tax Benefit	-	-	(21)	-
Adjusted Net Income[1]	**$ 65**	**$ 58**	**$ 580**	**$ 511**
Diluted EPS[2]	**$ 0.53**	**$ 0.49**	**$ 4.89**	**$ 4.35**
Nonrecurring One Time Tax Benefit	-	-	(0.17)	-
Adjusted Diluted EPS[1]	**$ 0.53**	**$ 0.49**	**$ 4.72**	**$ 4.35**

1. *Adjusted Net Income and adjusted diluted EPS are non-GAAP measures defined as Net Income and diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020.*

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.*

Segment Operating Income Results

Twelve Months Ended September 30 *($millions)*	2020	2019	Change
Distribution	$ 528.2	$ 470.8	$ 57.4
Pipeline & Storage	295.9	275.3	20.6
Operating Income	**$ 824.1**	**$ 746.1**	**$ 78.0**

Distribution Key Drivers

- **$86.8MM – Increase in rates**
- **$13.7MM – Increase in customer growth**
- **$12.2MM – COVID-related decrease in consumption/service order revenues**
- **$7.5MM – Decrease in O&M**
  - ✓ Decrease in T&E spending
  - ✓ Decrease in employee costs
  - ✓ Increase in bad debt expense
- **$30.6MM – Increase in D&A and property tax expense**
  - ✓ Increased capital investments

Pipeline & Storage Key Drivers

- **$53.2MM – Increase in rates**
- **$13.6MM – Decrease in through-system revenue**
- **$6.8MM – Increase in O&M**
  - ✓ Well integrity costs
  - ✓ Storage and Compression
- **$12.5MM – Increase in D&A**
  - ✓ Increased capital investments

Segment Operating Income Results

Three Months Ended September 30 *($millions)*	2020	2019	Change
Distribution	$ 31.9	$ 23.7	$ 8.2
Pipeline & Storage	68.9	66.0	2.9
Operating Income	**$ 100.8**	**$ 89.7**	**$ 11.1**

Distribution Key Drivers

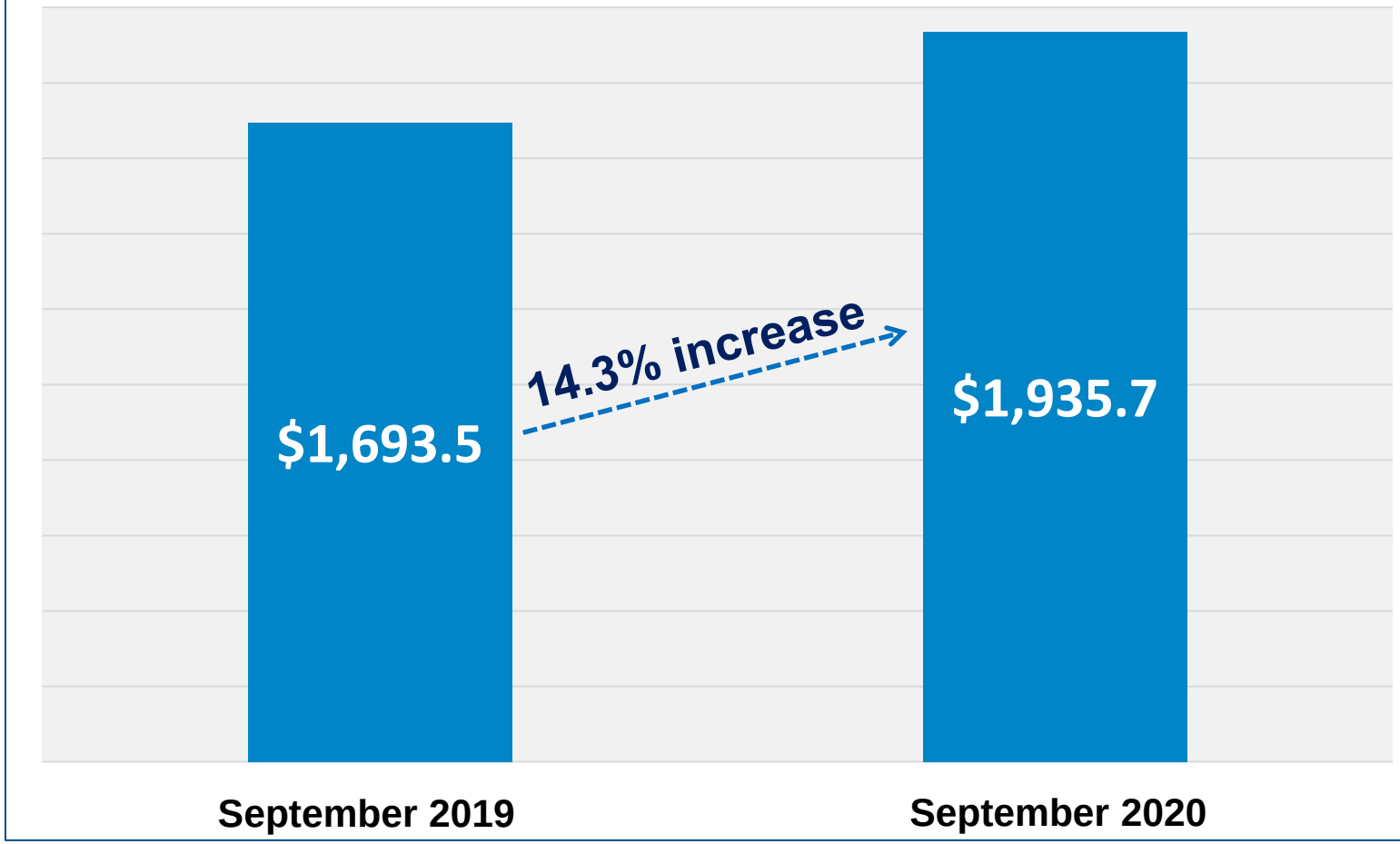
- **$16.0MM – Increase in rates**
- **$3.4MM – Increase in customer growth**
- **$2.1MM – Net decrease in consumption and service order revenues**
- **$2.2MM – Increase in O&M**
  - ✓ Increase in bad debt expense
  - ✓ Decrease in T&E spending
  - ✓ Decrease in employee costs
- **$5.8MM – Increase in D&A and property tax expense**
  - ✓ Increased capital investments

Pipeline & Storage Key Drivers

- **$13.3MM – Increase in rates**
- **$5.0MM – Decrease in thru system revenue**
- **$4.6MM – Increase in D&A and property tax expense**
  - ✓ Increased capital investments

Capital Spending

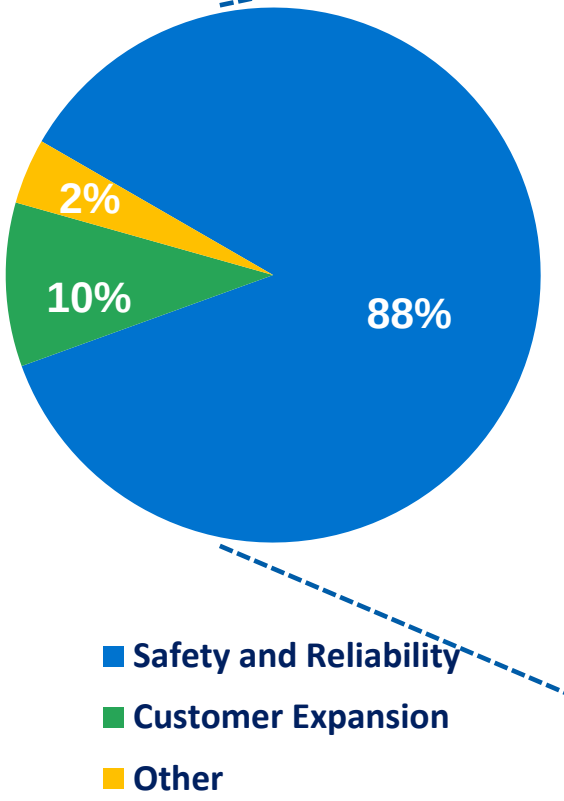
88% Spent On Safety and Reliability



$ millions

Capital Spending Mix

Safety & Reliability Investments Support Infrastructure Modernization



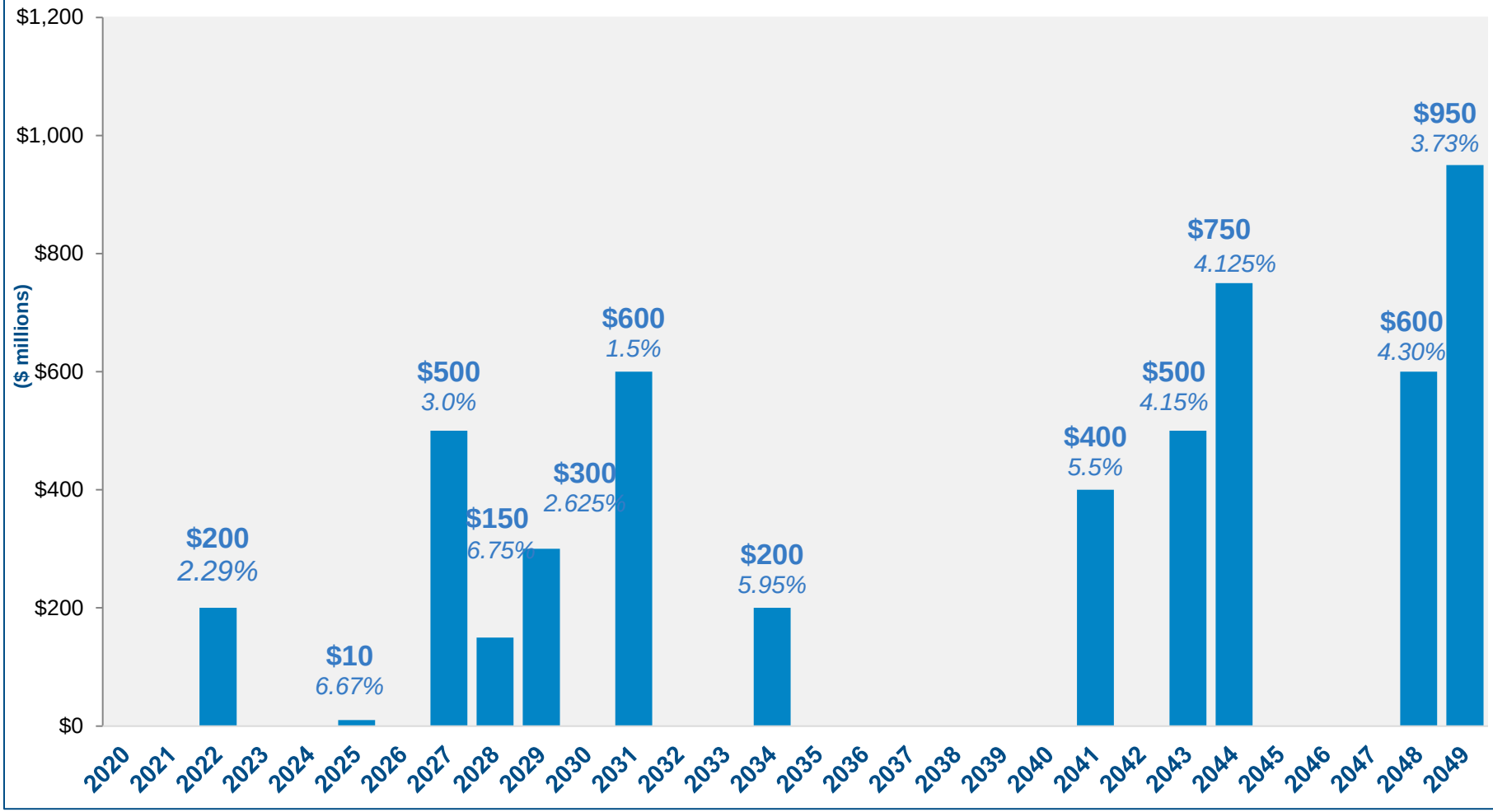
$millions		Fiscal 2020 YTD CapEx
$	955	Repair and replace transmission and distribution pipelines
	263	Service line replacement
	217	Pipeline integrity management projects
	123	Install & replace measurement & regulating equipment
	91	Fortifications
	52	Enhance storage and compression capabilities
$	**1,701**	**Total Safety and Reliability Spending**
$	**1,936**	**Total Capital Spending**

Fiscal 2020 YTD Financing Recap

- **$1.0 billion of long-term debt financing issued**
  - ✓ $800 million in long-term debt issued in October 2019
    - $300 million 2.625% 10-year senior notes
    - $500 million 3.375% 30-year senior notes
  - ✓ $200 million term loan issued in April 2020
- **Equity needs satisfied through our ATM program**
  - ✓ $523 million of equity priced in fiscal 2020
  - ✓ $624 million in settled equity forward arrangements
  - ✓ $345 million net proceeds available under forward agreements at September 30, 2020
    - **Maturity**: March 31, 2021 to September 30, 2021
    - **Shares:** 3,335,995
    - **Forward Share Price:** $103.48
  - ✓ $552 million available for issuance as of September 30, 2020

Strong Financial Foundation

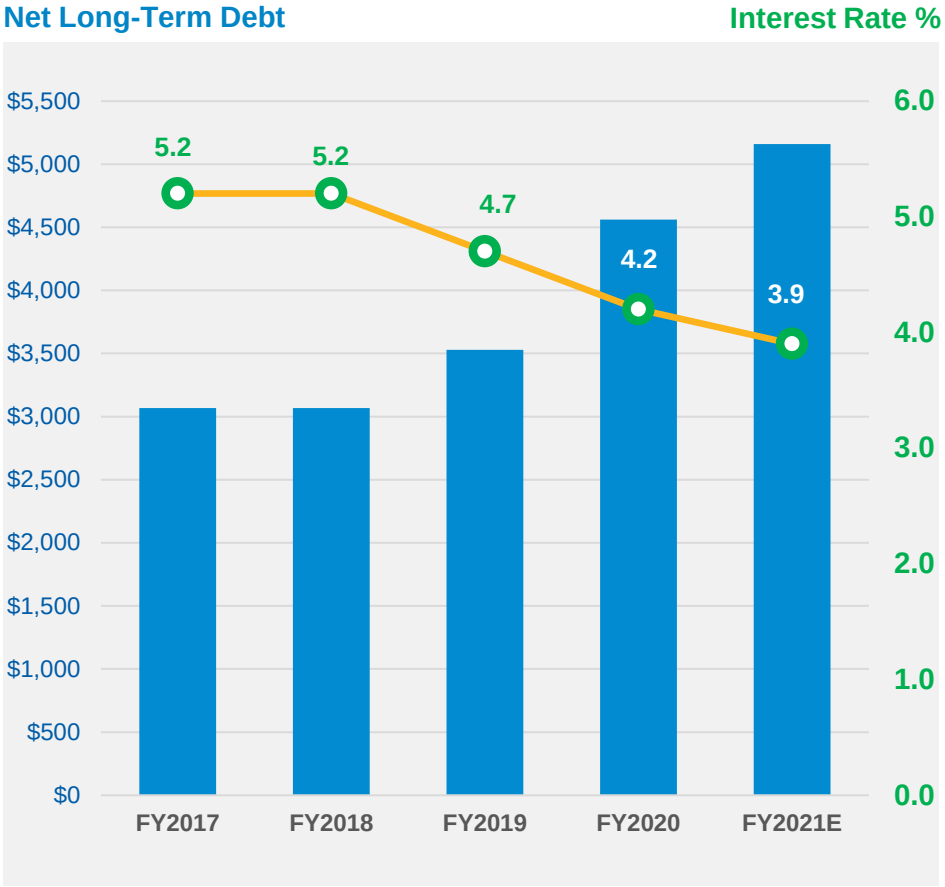
Weighted Average Maturity ~19 Years



Strong Financial Foundation

Improved Weighted Average Cost of Long-Term Debt

Credit Metrics Remain Strong

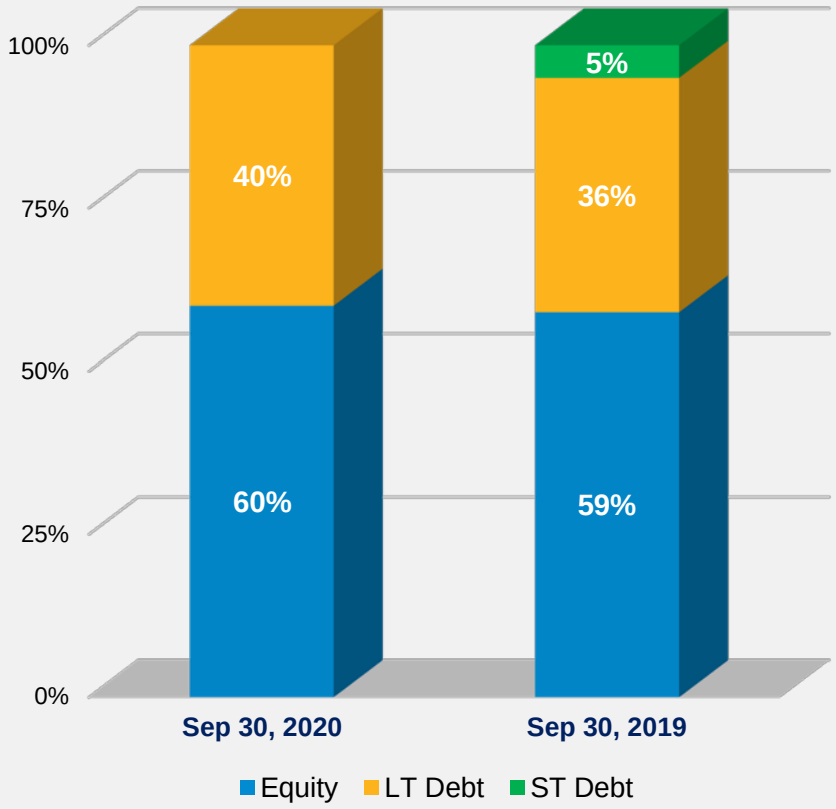


Strong Investment Grade Credit Ratings	Moody's	Standard & Poor's
• Senior Unsecured	A1	A
• Commercial Paper	P-1	A-1
• Ratings Outlook	Stable	Stable
• CFO (Pre-WC) / Adj Debt	25.2%	22.6%

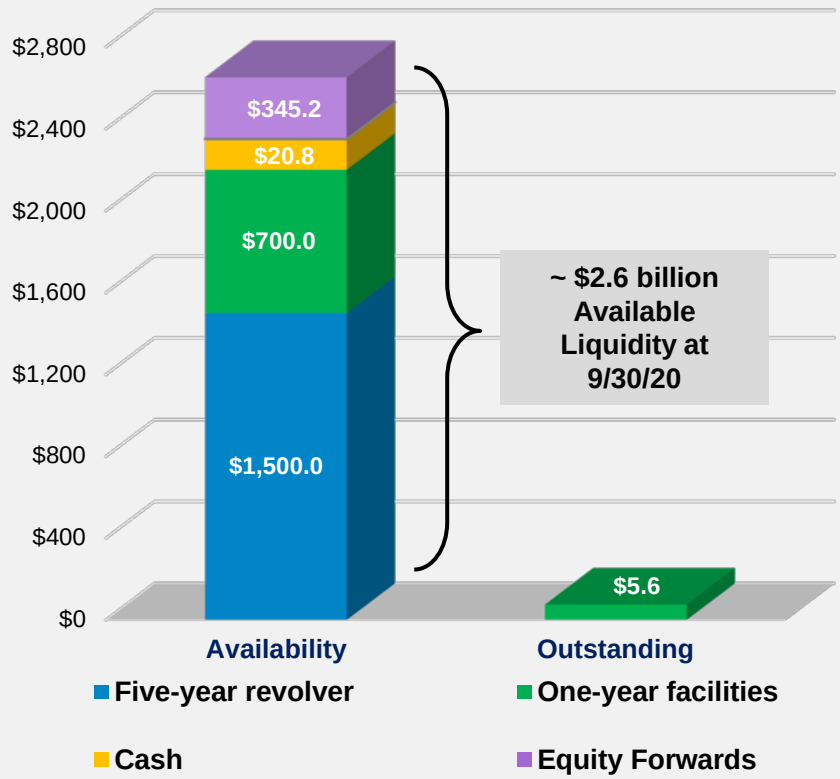
Strong Financial Foundation Further Enhanced

Capitalization and Liquidity Profile

Total Capitalization



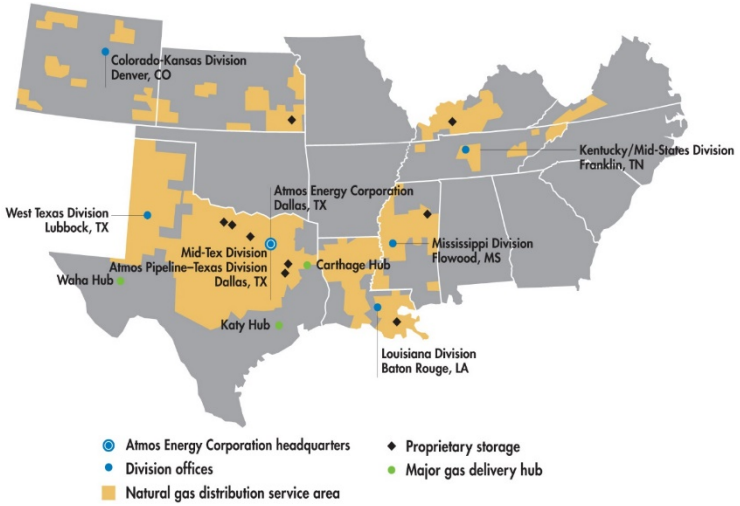
Liquidity Profile as of September 30, 2020



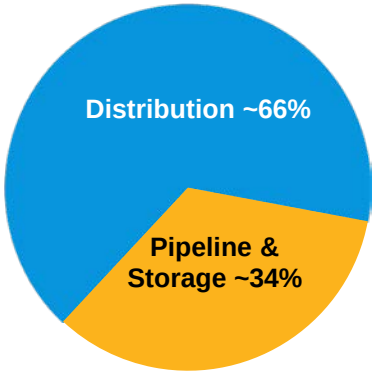
Fiscal 2021 - 2025 Financial Outlook

Leading Natural Gas Delivery Platform

Eight-state distribution territory

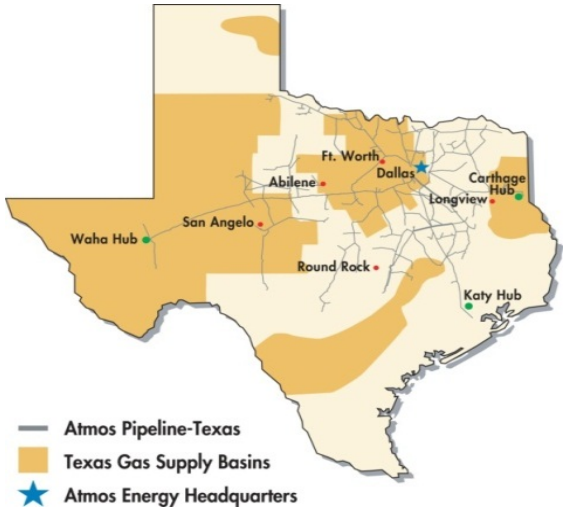


Business Mix



2020 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
- ~72,000 miles of distribution and transmission mains
- ~62% of distribution rate base is located in Texas
- Blended allowed ROE of 9.8%
- Constructive regulatory mechanisms reduce 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

Safety Driven, Organic Growth Strategy

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

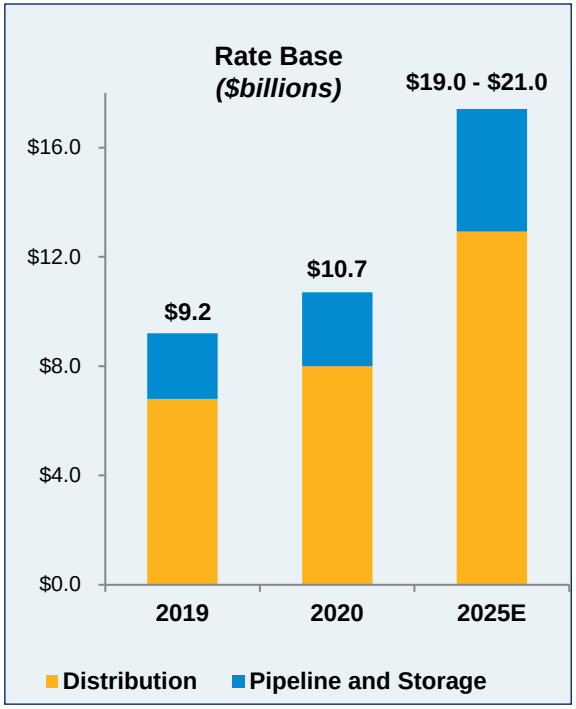
~ $11 - $12 billion in capital investment through 2025; >80% allocated to safety

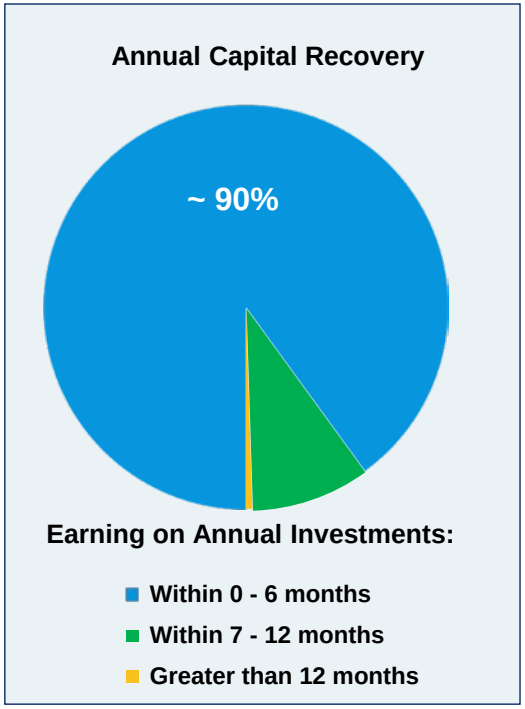
+

Constructive rate mechanisms that reduce regulatory lag

=

6% - 8% Consolidated EPS growth







1. *Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020.*

Fiscal 2021E Guidance

($millions, except EPS)	FY 2020	FY 2021E[1]
Distribution	$ 395	$ 425 - 440
Pipeline & Storage	206	205 - 220
Total Net Income	**$ 601**	**$ 635 - 665**
Average Diluted Shares	122.9	129.0 - 131.5
Adjusted Diluted EPS[2]	**$ 4.72[3]**	**$ 4.90 - $ 5.10**
Capital Spending	**$ 1,936**	**$ 2,000 - $ 2,200**

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2021 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. *Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020.*

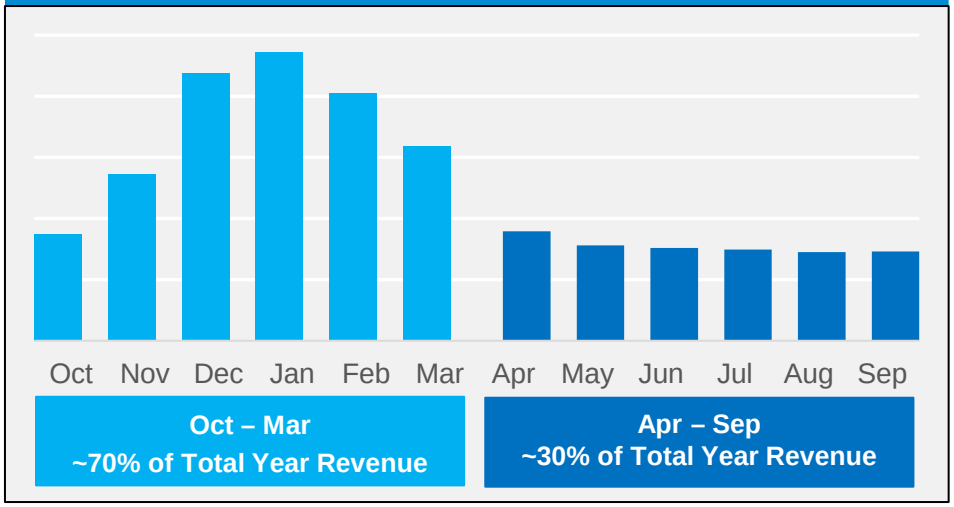
Fiscal 2021E Guidance

Selected Expenses *($millions)*	FY 2020	FY 2021E[1]
O&M	$ 630	$ 660 - 690
D&A	$ 430	$ 470 - 480
Interest	$ 84	$ 75 - 85
Adjusted Income Tax	$ 166[2]	$ 175 - 185
Adjusted Effective Tax Rate	22.2%[3]	20% - 23%[4]

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2021 significantly above or below this outlook.*
2. *Adjusted Income Tax is a Non-GAAP measure defined as Income Taxes of $145 million before a $21 million one-time, non-cash income tax benefit recognized in Q3 2020.*
3. *Adjusted Effective Tax Rate is a Non-GAAP measure calculated using Income before Income Taxes and Adjusted Income Tax, which excludes the $21 million one-time, non-cash income tax benefit recognized in Q3 2020.*
4. *Excluding the amortization of excess deferred tax liabilities the effective rate is expected to be 23% - 25%.*

Volume by Customer Class

Fiscal 2021 Budget



Base Charge as a % of Revenue(1)

Residential	65%
Commercial	44%
Industrial	24%
Transport/Other	22%
Total	**58%**

FY21 Estimated Revenue by Customer Class

Residential		**66%**
Nonresidential		
• Commercial	27%	
• Industrial	2%	
• Transport/Other	5%	
Total Nonresidential	**34%**	**34%**
Total		**100%**

FY21Estimated EPS Sensitivity

1% change in volumes

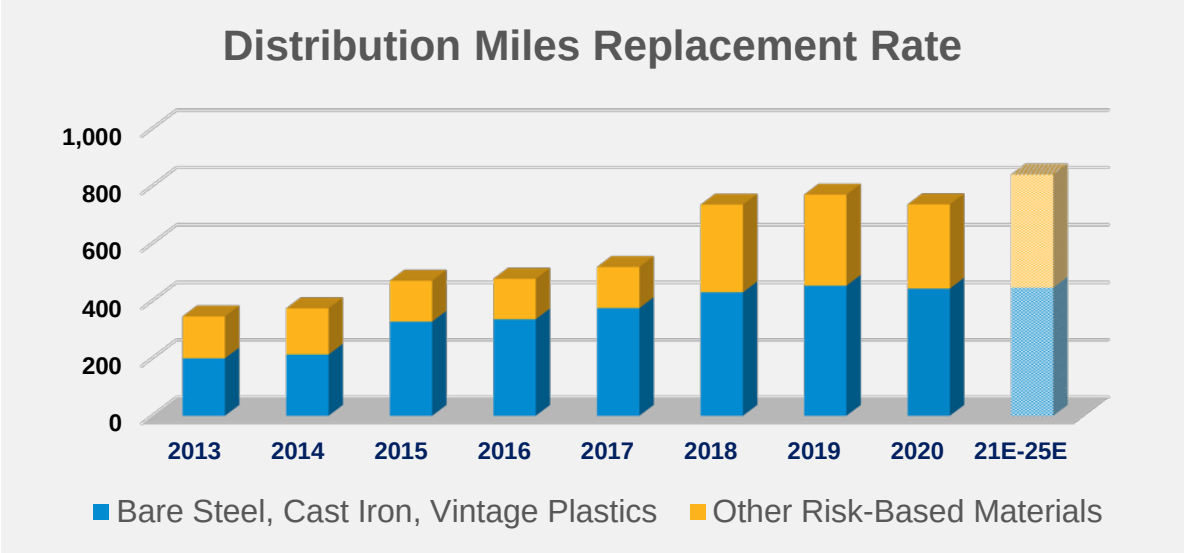
Residential		**$ 0.0235**
Nonresidential		
• Commercial	$ 0.0117	
• Industrial	$ 0.0008	
• Transport/Other	$ 0.0038	
Total Nonresidential	**$ 0.0163**	**$ 0.0163**
Total		**$ 0.0398**

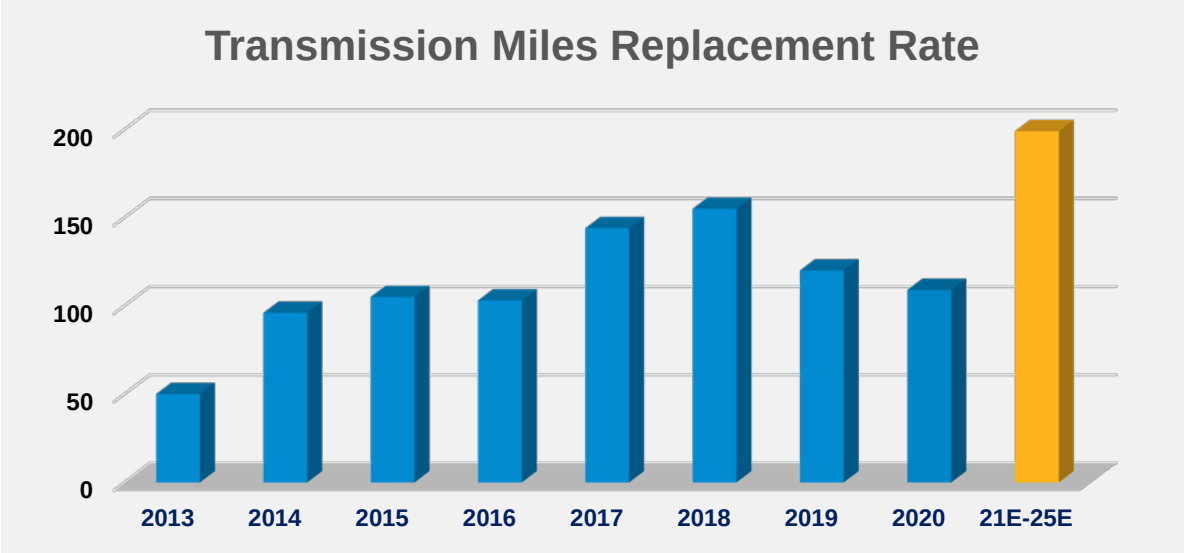
(1) *Revenue excluding gas costs*

Modernizing with Focus on Safety

Next Five Years

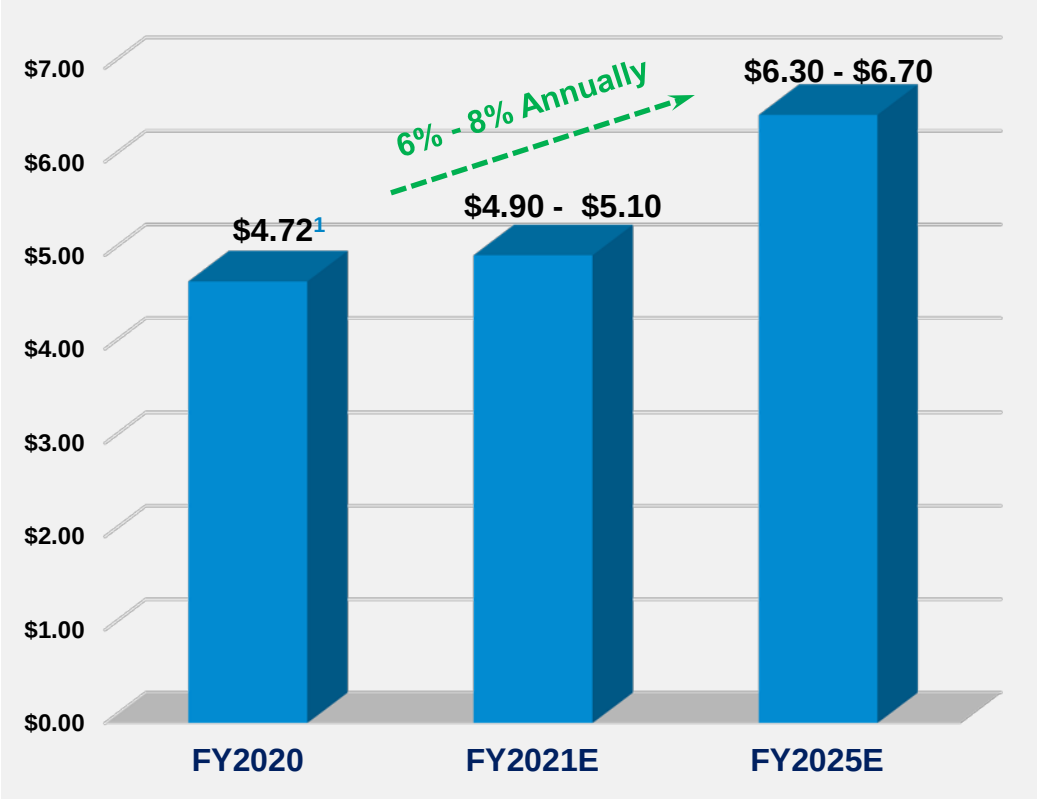
- Replace 5,000 – 6,000 miles of distribution and transmission pipe
  - ✓ 6% - 8% of total system
- Eliminate all known cast iron by end of CY2021
  - ✓ 356 miles remaining
- Replace 100,000-150,000 steel service lines
  - ✓ 22% reduction
- Install wireless meter reading
  - ✓ 75% system covered by WMR
- Reduce methane emissions
  - ✓ 15% - 20% reduction





Sustainable Financial Performance

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



Key Assumptions

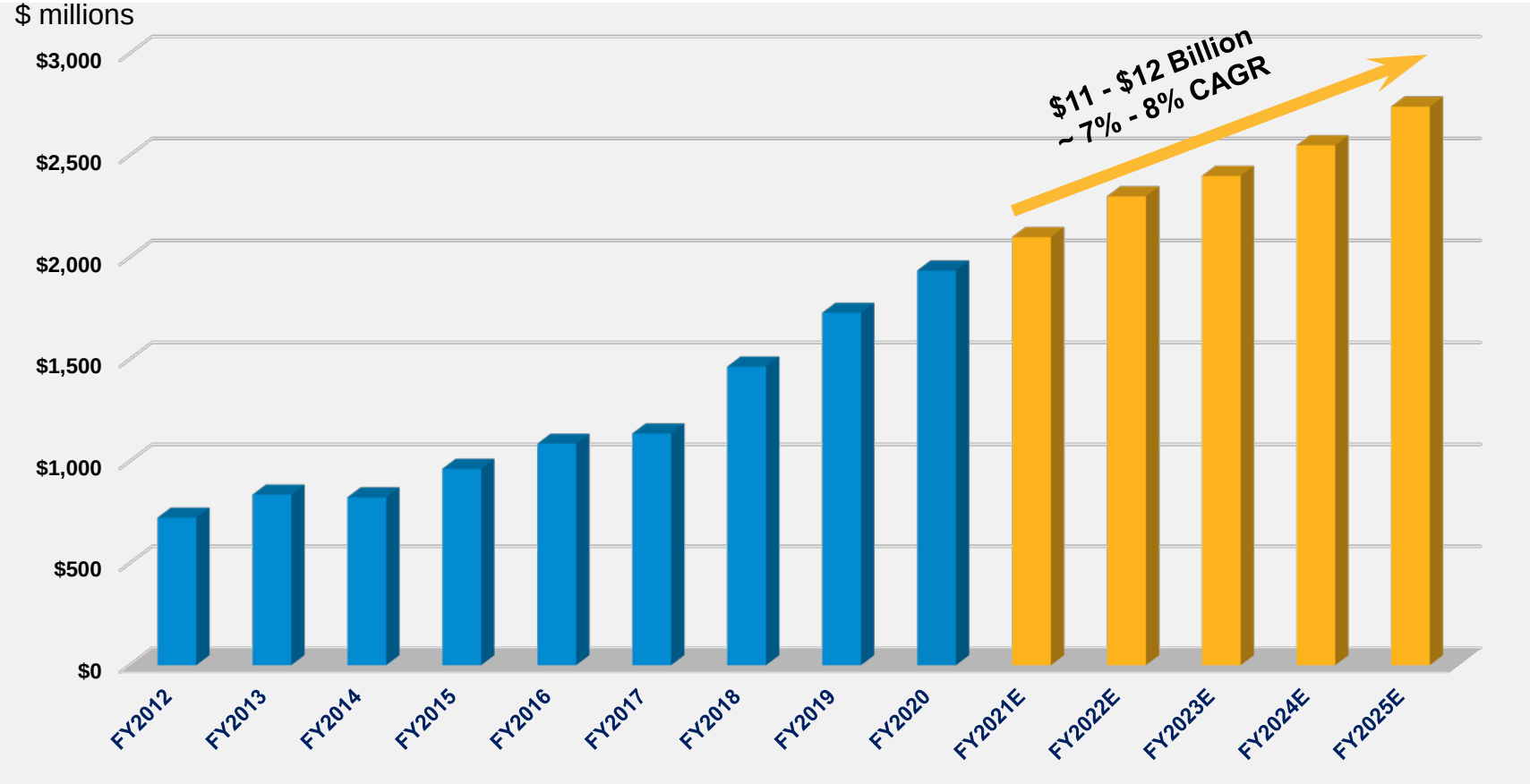
- FY21 - FY25 capital spending rising 7% - 8% annually for a total of $11 - $12 billion
- O&M expense inflation rate of 3.0% - 3.5% annually
- Maintain existing regulatory mechanisms for infrastructure investment
- Normal weather
- Approximately $6.5 - $7.5 billion of incremental long-term debt and equity financing through Fiscal 2025

1. *Adjusted diluted EPS is a non-GAAP measure defined as diluted EPS before a one-time, non-cash income tax benefit recognized in Q3 2020.*

System Modernization Driving Capital Spending

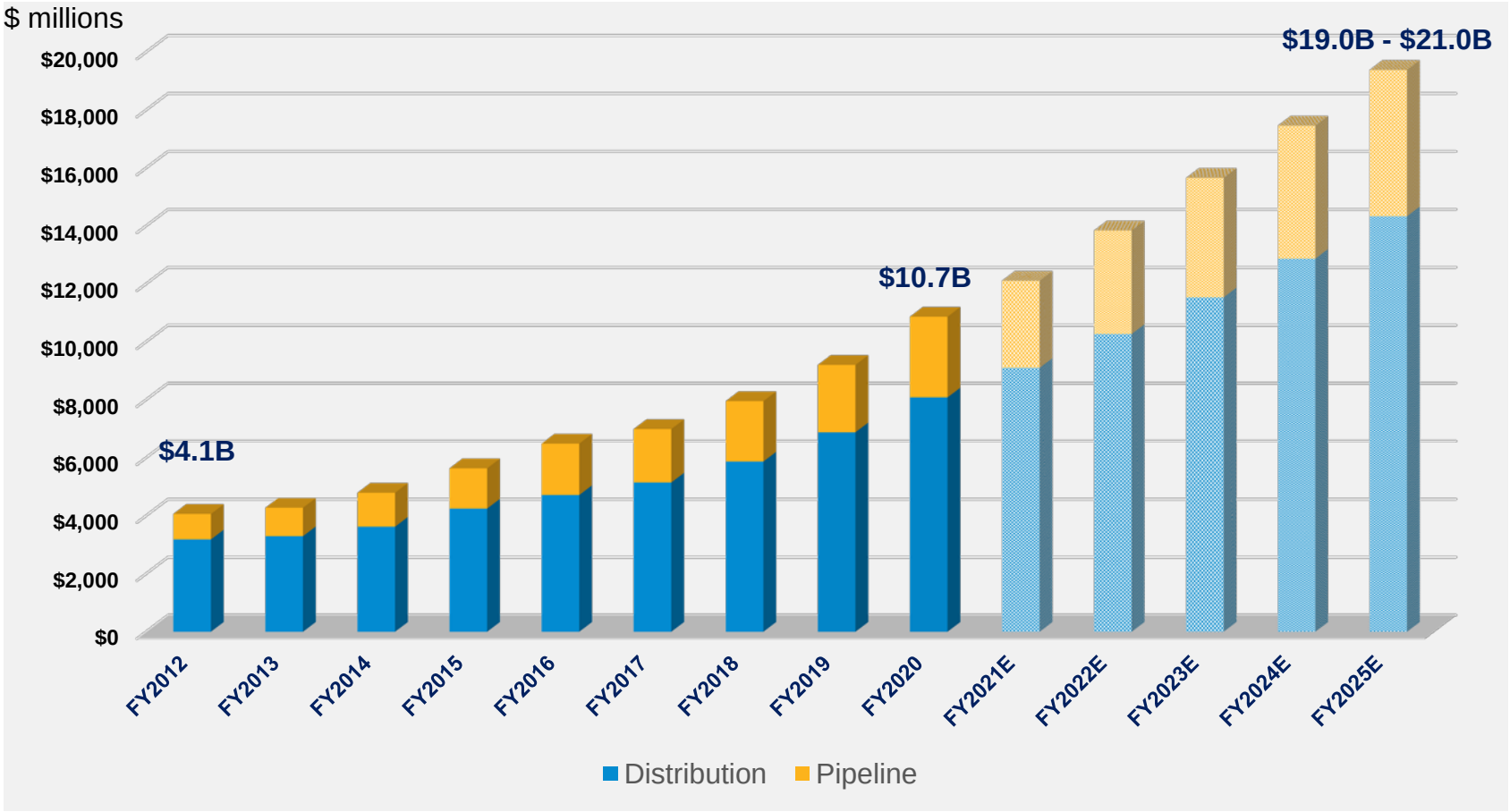
Consolidated 2021E Capital Expenditures of $2.0 billion - $2.2 billion

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



Capital Spending Drives Rate Base Growth

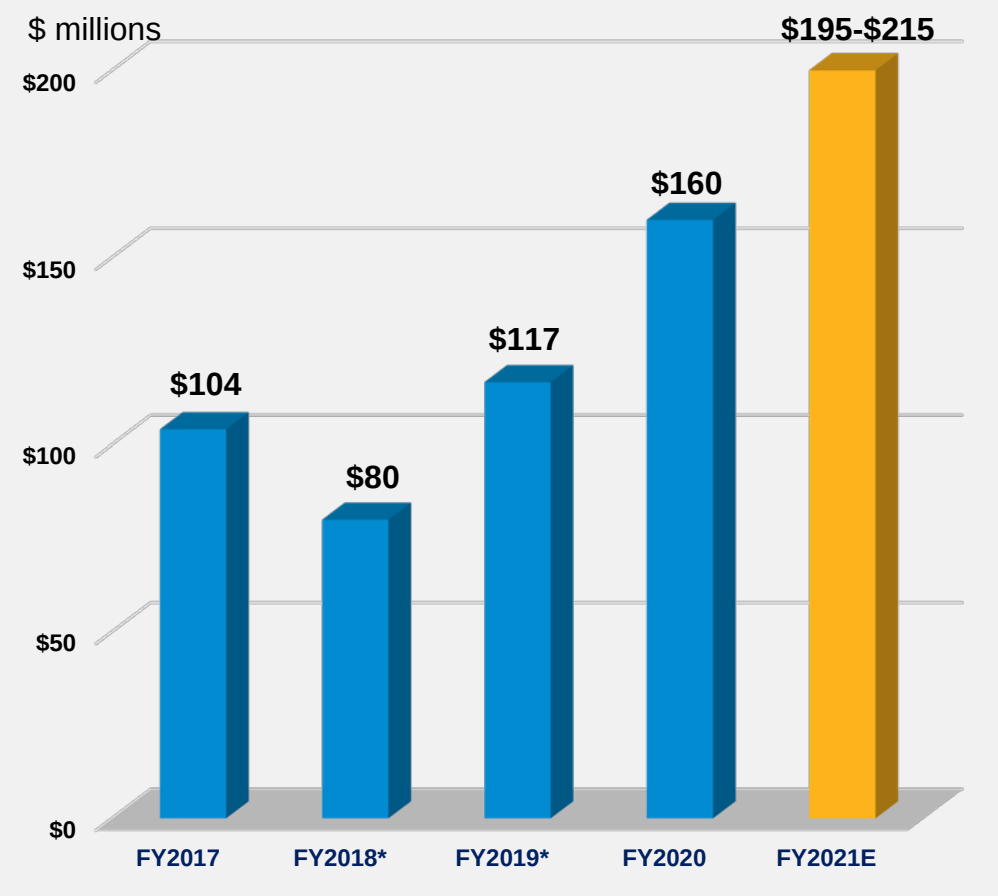
Focused on enhancing system safety and reliability



* *Estimated rate base at the end of each fiscal year*

Constructive Rate Outcomes Support Continued Investment

Annualized Increases From Implemented Rate Activity



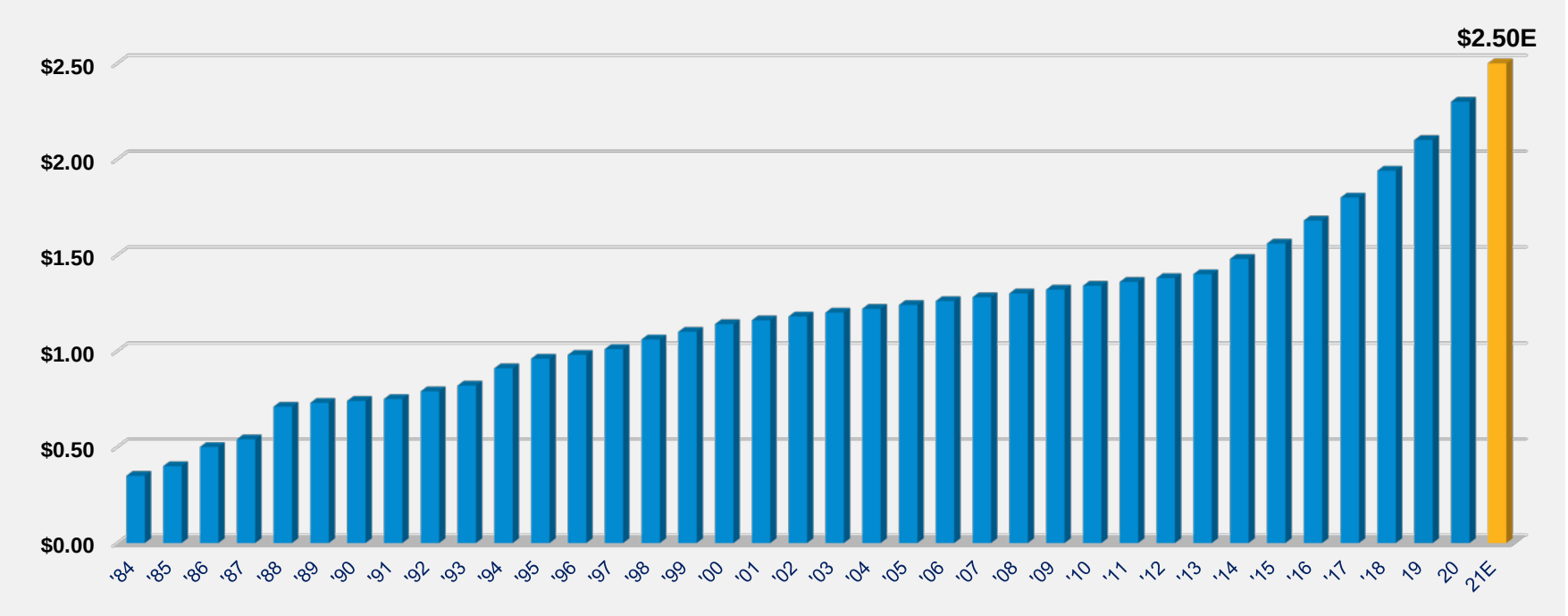
- Customers and investors benefit from fair and reasonable regulation
- Earning on ~90% of annual CAPEX within 6 months of test year end
- Distribution features:
  - ✓ 97% Weather normalization stabilizes rates and revenue
  - ✓ 78% Bad Debt Recovery insulates revenue from the commodity portion of bad debt expense

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

Sustainable and Growing Dividend

37 Consecutive Years of Dividend Increases

- Dividend increased 8.7% for Fiscal 2021
- The indicated annual dividend rate for Fiscal 2021 is $2.50
- Long-term targeted payout ratio of 50%



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

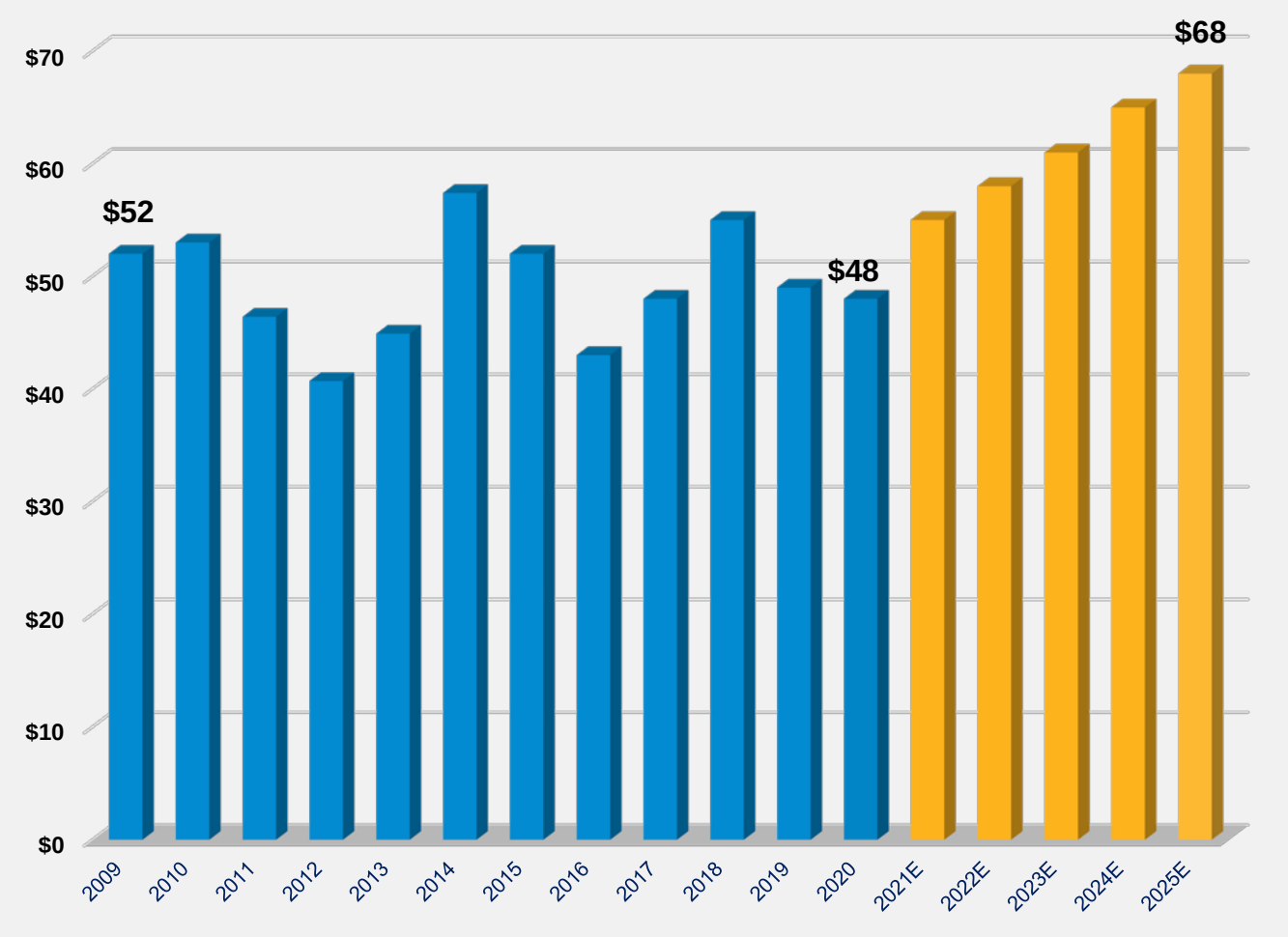
Anticipated Financing Plans
Fiscal 2021 – Fiscal 2025

- Currently anticipate incremental long-term financing of $6.5 billion - $7.5 billion through fiscal 2025
- 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
- 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 2021 through Fiscal 2025 and are expected to support current credit metrics

Average Residential Bill Remains Affordable

Average Monthly Customer Bill



2021E – 2025E Assumptions

- Normal weather and consumption
- $11 - $12 billion of CAPEX spending
- Average all-in gas cost of $4.50 to $5.50 per mcf

Appendix

COVID-19 Key Financial Factors

Revenue	▪ 58% of distribution revenue[1] is included in base charge ▪ >80% of APT revenues earned from LDC customers via demand charge ▪ 25% of APT through system revenue retained through Rider Rev
Bad Debt Expense	▪ Regulatory asset treatment in 6 states[2]
O&M	▪ Regulatory asset treatment for COVID-19 related costs in 5 states[2]
Capital Spending	▪ No material supply chain issues

[1] *Revenue excluding gas costs*

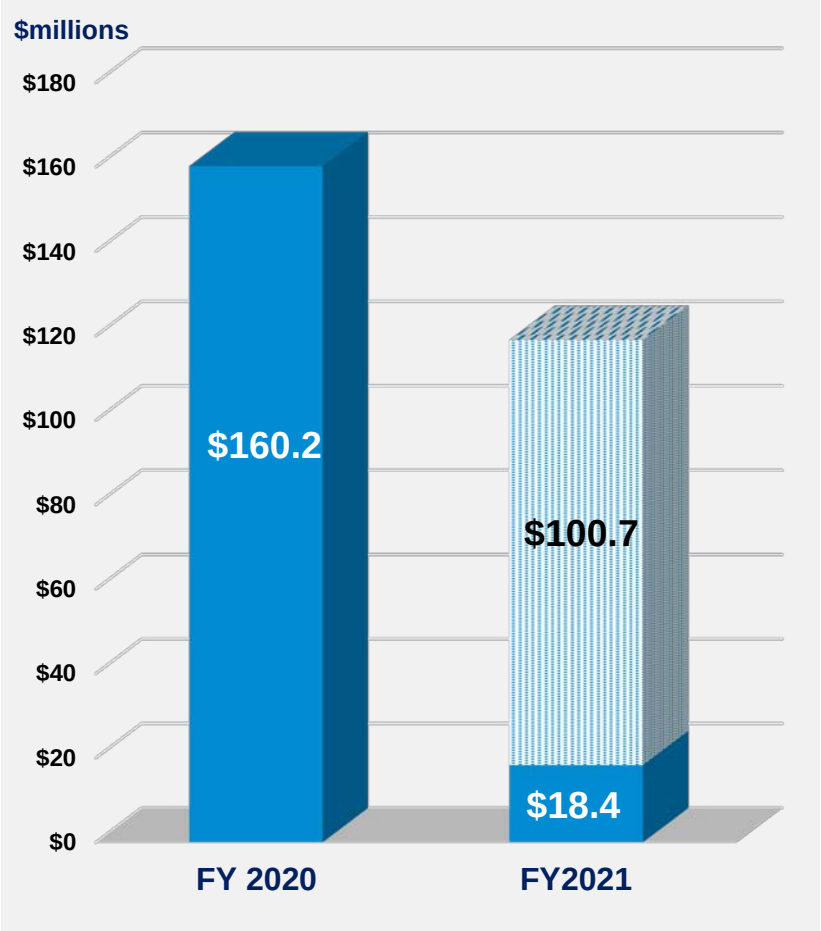
[2] *As of September 30, 2020 no amounts have been recorded as regulatory assets or liabilities for expenses related to COVID-19, including bad debt expense.*

Regulatory Approaches to COVID-19

State	Status
Colorado	**Order received 9/3/20** Authorized deferral of incremental bad debt expense
Kansas	**Order received 7/9/20** Authorized deferral of incremental bad debt expenses and foregone fee revenue that may arise from customer protections
Kentucky	**Order received 9/21/20** Authorized deferral of carrying charges on arrearages
Louisiana	**Order received 4/29/20** Authorized deferral of expenses incurred from the suspension of disconnections and collection of late fees imposed by the 3/13/20 executive order
Mississippi	**Order received 4/14/20** Authorized deferral of incremental bad debt expenses and all associated credit and collection costs
Tennessee	Tracking COVID related costs for possible future recovery
Texas	**Order received 4/8/20** Authorized deferral of expenses incurred to address the impact on utilities and their customers that otherwise would not have been incurred during the normal course of business, including incremental bad debt and associated credit and collection costs
Virginia	**Order received 4/29/20** Authorized deferral of incremental bad debt, late payment fees suspended, reconnection costs, carrying costs and other incremental incurred costs

FY2021 Regulatory Accomplishments

Approved Annualized Operating Income Increases



Key Rate Activity

Through November 11, 2020

- **$18.4MM Implemented**
  - ✓ $ 10.6MM – Mississippi SIR
  - ✓ $ 5.9MM – Mississippi SRF
  - ✓ $ 1.6MM – Kentucky PRP
  - ✓ $ 0.3MM – Virginia SAVE
- **$88.2MM Pending Implementation**
  - ✓ $ 82.6MM – Mid-Tex RRM
  - ✓ $ 5.6MM – West TX RRM
- **$12.5MM In Progress**
  - ✓ $ 8.4MM – West TX ALDC SOI
  - ✓ $ 2.4MM – Colorado SSIR
  - ✓ $ 1.7MM – Kansas GSRS

Key Regulatory Filings – Fiscal 2021E

Rate Filing Planned Timing

Q1 October → December	Q2 January → March	Q3 April → June	Q4 July → September
Mid-Tex and WTX Cities – Completed Rate Review Mechanism (RRM) of $88.2 million with new rates to be implemented December 1, 2020	**Mid-Tex (Dallas) – Anticipate filing Dallas Annual Rate Review (DARR) in January 2021; new rates anticipated Q3 fiscal 2021**	**Mid-Tex and WTX Cities – Anticipate Rate Review Mechanism (RRM) filing in April 2021; new rates implemented Q1 fiscal 2022**	**Mississippi – Anticipate Stable Rate Filing (SRF) in July 2021; new rates anticipated Q1 fiscal 2022**
Mississippi – Implemented Stable Rate Filing (SRF) and System Integrity Rider (SIR) of $16.5 million	**Atmos Pipeline Texas (APT) – Anticipate filing GRIP in February 2021; new rates anticipated Q3 fiscal 2021**	**Louisiana – Anticipate annual Rate Stabilization Clause filing in April 2021; new rates anticipated Q4 fiscal 2021**	**Kentucky – Anticipate PRP filing in August 2021; new rates anticipated Q1 2022**
Kentucky – Implemented PRP filing of $1.6 million	**Tennessee – Anticipate filing Annual Review Mechanism (ARM) in February 2021; new rates anticipated Q3 2021**	**Virginia – Anticipate SAVE Annual filing in June 2021; new rates anticipated in Q1 fiscal 2022**	**WTX ALDC – Anticipate filing GRIP in September 2021; new rates anticipated Q1 fiscal 2022;**
Virginia – Implemented SAVE filing of $0.3 million	**Mid-Tex ATM, WTX Triangle and Texas Environs – Anticipate filing GRIP in March 2021; new rates anticipated Q3 fiscal 2021**		
WTX ALDC – Filed Statement of Intent (SOI) of $8.4 million in September 2020; new rates anticipated Q4 fiscal 2021	**Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2021; new rates anticipated Q1 fiscal 2022**		
Colorado and Kansas – Filed SSIR and GSRS filings in November 2020; new rates anticipated Q2 fiscal 2021	**Kentucky – Anticipate filing General Rate Case in March 2021; new rates anticipated Q1 fiscal 2022**		

Pipeline & Storage – Regulatory Update

Atmos Pipeline - Texas

- **Atmos Pipeline - Texas: Implemented 2019 GRIP on May 20, 2020**
  - ✓ Authorized an annual operating income increase of $49.3 million
  - ✓ Authorized ROE: 11.50%; ROR: 8.87%
  - ✓ Authorized capital structure: 47% debt / 53% equity
  - ✓ Authorized rate base: $2.7 billion
  - ✓ Test year ending December 31, 2019

Distribution Operations – Regulatory Update

Colorado - Kansas Division

- **Kansas: Filed Gas Safety Reliability Surcharge filing (GSRS) on November 3, 2020**
  - ✓ Requested an annual operating income increase of $1.7 million
  - ✓ Requested ROE: 9.10%; ROR: 7.03%
  - ✓ Requested capital structure: 44% debt / 56% equity
  - ✓ Requested rate base : $17.2 million
  - ✓ Test year ended September 30, 2020
- **Colorado: Filed System Safety and Integrity Rider (SSIR) on November 2, 2020**
  - ✓ Requested an annual operating income increase of $2.4 million
  - ✓ Requested ROE: 9.45%; ROR: 7.55%
  - ✓ Requested capital structure: 44% debt / 56% equity
  - ✓ Requested rate base : $78.3 million
  - ✓ Test year ended December 31, 2020
- **Kansas: Implemented rate case on April 1, 2020**
  - ✓ Authorized a $0.2 million decrease in annual operating income
  - ✓ Authorized ROE: 9.10%; ROR: 7.03%
  - ✓ Authorized capital structure: 44% debt / 56% equity
  - ✓ Authorized rate base : $242.3 million
  - ✓ Test year ended March 31, 2019

Distribution Operations – Regulatory Update

Kentucky/Mid-States Division

- **Kentucky PRP Rate Filing: Implemented annual Pipe Replacement Program (PRP) filing on October 1, 2020**
  - ✓ Authorized an annual operating income increase of $1.6 million
  - ✓ Authorized ROE of 9.65%; ROR of 7.49%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: $39.4 million
  - ✓ Forward-looking test year ending September 2021
- **Virginia Rate Filing: Implemented *SAVE* Infrastructure Program on October 1, 2020**
  - ✓ Authorized an annual operating income increase of $0.3 million
  - ✓ Authorized ROE: 9.20%; ROR: 7.43%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: $3.5 million
- **Tennessee ARM Rate Filing: Implemented Annual Review Mechanism (ARM) True-Up filing on June 15, 2020**
  - ✓ Authorized an annual operating income increase of $0.7 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.70%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized rate base: $339 million

Distribution Operations – Regulatory Update

Louisiana Division

- **Louisiana: Implemented Annual Rate Stabilization Clause (RSC) on July 1, 2020**
  - ✓ Combined filing for Trans-La and LGS
  - ✓ Authorized an increase in annual operating income of $14.8 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.57%
  - ✓ Authorized capital structure of 42% debt / 58% equity
  - ✓ Authorized system-wide rate base of $747 million
  - ✓ Test year ended December 31, 2019
  - ✓ Subject to refund

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Cities: 2019 Annual Rate Review Mechanism (RRM); Rates to be Implemented on December 1, 2020**
  - ✓ Authorized an increase in annual operating income of $82.6 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.53%
  - ✓ Authorized capital structure of 42% debt / 58% equity
  - ✓ Authorized system-wide rate base of $3.7 billion
  - ✓ Test year ended December 31, 2019
- **Mid-Tex City of Dallas: Implemented Dallas Annual Rate Review (DARR) on September 1, 2020**
  - ✓ Authorized an increase in annual operating income of $14.7 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.83%
  - ✓ Authorized capital structure of 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of $3.5 billion
  - ✓ Test year ended September 30, 2019
- **Mid-Tex ATM Cities: Implemented 2019 GRIP on September 1, 2020**
  - ✓ Authorized an increase in annual operating income of $11.1 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.97%
  - ✓ Authorized capital structure of 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of $3.7 billion
  - ✓ Test year ended December 31, 2019

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Environs: Implemented 2019 GRIP on September 1, 2020**
  - ✓ Authorized an increase in annual operating income of $4.4 million
  - ✓ Authorized ROE of 9.80%; ROR of 7.97%
  - ✓ Authorized capital structure of 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of $3.7 billion
  - ✓ Test year ended December 31, 2019
- **Mid-Tex Cities: Implemented 2019 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

Distribution Operations – Regulatory Update

Mississippi Division

- **Mississippi: Implemented Annual Stable Rate Filing (SRF) on November 1, 2020**
  - ✓ Authorized an annual operating income increase of $5.9 million
  - ✓ Authorized ROR: 7.81%
  - ✓ Authorized rate base: $474.2 million
  - ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2020 - October 2021
- **Mississippi: Implemented Annual System Integrity Rider (SIR) on November 1, 2020**
  - ✓ Authorized an annual operating income increase of $10.6 million
  - ✓ Authorized ROR: 7.81%
  - ✓ Authorized rate base: $247.4 million
  - ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2020 - October 2021

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas ALDC: Filed 2020 Statement of Intent (SOI) on September 30, 2020**
  - ✓ Requested an annual operating income increase of $8.4 million
  - ✓ Requested ROE: 10.50%; ROR: 7.94%
  - ✓ Requested capital structure: 41% debt / 59% equity
  - ✓ Requested rate base: $751.9 million
  - ✓ Test year ending June 30, 2020
- **West Texas Cities: 2019 Annual Rate Review Mechanism (RRM); Rates to be Implemented on December 1, 2020**
  - ✓ Authorized an annual operating income increase of $5.6 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.53%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: $660.9 million
  - ✓ Test year ending December 31, 2019
- **West Texas Environs: Implemented 2019 GRIP on September 1, 2020**
  - ✓ Authorized an annual operating income increase of $1.0 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.97%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized rate base: $668.0 million
  - ✓ Test year ending December 31, 2019

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas ALDC: Implemented 2019 GRIP on September 1, 2020**
  - ✓ Authorized an annual operating income increase of $5.9 million
  - ✓ Authorized ROE: 10.50%; ROR: 8.57%
  - ✓ Authorized capital structure: 48% debt / 52% equity
  - ✓ Authorized rate base: $671.7 million
  - ✓ Test year ending December 31, 2019
- **West Texas Triangle: Implemented 2019 Statement of Intent (SOI) on April 21, 2020**
  - ✓ Authorized an annual operating income decrease of $0.8 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.71%
  - ✓ Authorized capital structure: 40% debt / 60% equity
  - ✓ Authorized rate base: $37.4 million
  - ✓ Test year ending March 31, 2019
- **West Texas Cities: Implemented 2018 Annual Rate Review Mechanism (RRM) on October 1, 2019**
  - ✓ Authorized an annual operating income increase of $4.9 million
  - ✓ Authorized ROE: 9.80%; ROR: 7.83%
  - ✓ Authorized capital structure: 42% debt / 58% equity
  - ✓ Authorized rate base: $591.5 million
  - ✓ 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 9/30/20
Atmos Pipeline-TX (GUD 10580)		8/1/17		$13.0		$1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	3	9/1/20		$49.3		$2,698		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR		9/1/20		$14.7		$3,511		7.83%		9.80%		40/60		232,437
Mid-Tex Cities RRM	5	7/24/20		$82.6		$3,733		7.53%		9.80%		42/58		1,264,427
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	9/1/20		$11.1		$3,655		7.97%		9.80%		40/60		178,496
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	9/1/20		$4.4		$3,655		7.97%		9.80%		40/60		76,538
WTX Cities RRM	5	7/22/20		$5.6		$661		7.53%		9.80%		42/58		146,710
WTX Division ALDC SOI	4	4/1/14	9/30/20	$8.4	$8.4	$324	$752	2	7.94%	2	10.50%	2	41/59	NA
WTX ALDC GRIP	3,4	9/1/20		$5.9		$672		8.57%		10.50%		48/52		148,939
WTX Environs SOI/GRIP (GUD 10945)	3	9/1/20		$1.0		$668		7.97%		9.80%		40/60		24,436
WTX Triangle (GUD 10900)		4/21/20		($0.8)		$37		7.71%		9.80%		40/60		NA
Louisiana RSC (U-35525)	6	7/1/20		$14.8		$747		7.57%		9.80%		42/58		368,332
Mississippi SRF (2005-UN-0503)		11/1/20		$5.9		$474		7.81%		2		2		267,482
Mississippi SIR (2015-UN-049)		11/1/20		$10.6		$247		7.81%		2		2		NA

(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 9/30/20
Kentucky PRP (2019-00253)		10/1/20		$1.6		$39		7.49%		9.65%		42/58		NA
Kentucky (2018-00281)		5/7/19		$3.4		$425		7.49%		9.65%		42/58		182,639
Tennessee ARM (19-00067)		6/1/19		$2.4		$389		7.79%		9.80%		42/58		156,820
Kansas (19-ATMG-525-RTS)		4/1/20		($0.2)		$242		7.03%		9.10%		44/56		138,009
Kansas GSRS		4/23/19	11/3/20	$ 1.6	$1.7	$26	$17	2	7.03%	2	9.10%	2	44/56	137,346
Colorado (17AL-0429G)		5/3/18		($0.2)		$135		7.55%		9.45%		44/56		123,423
Colorado SSIR (20AL-0471G)		1/1/20	11/2/20	$2.1	$2.4	$57	$78	7.55%	7.55%	9.45%	9.45%	44/56	44/56	NA
Colorado GIS (18A-0765G)		4/1/19		$0.1		$1		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00014)		4/1/19		($0.4)		$48		7.43%		9.20%		42/58		24,493
Virginia SAVE (PUR-2020-00107)		10/1/20		$0.3		$4		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. *The implementation date of the approved rates is December 1, 2020.*
6. *Louisiana RSC rates were implemented July 1, 2020 subject to refund.*

Forward Looking Statements

The matters discussed or incorporated by reference in this presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this presentation, or any of the company’s other documents or oral presentations, the words “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “goal”, “intend”, “objective”, “plan”, “projection”, “seek”, “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the credit and capital markets, and the other factors discussed in our reports filed with the Securities and Exchange Commission. These risks and uncertainties include the following: federal, state and local regulatory and political trends and decisions, including the impact of rate proceedings before various state regulatory commissions; increased federal regulatory oversight and potential penalties; possible increased federal, state and local regulation of the safety of our operations; the impact of greenhouse gas emissions or other legislation or regulations intended to address climate change; possible significant costs and liabilities resulting from pipeline integrity and other similar programs and related repairs; the inherent hazards and risks involved in distributing, transporting and storing natural gas; the availability and accessibility of contracted gas supplies, interstate pipeline and/or storage services; increased competition from energy suppliers and alternative forms of energy; adverse weather conditions; the impact of climate change; the inability to continue to hire, train and retain operational, technical and managerial personnel; increased dependence on technology that may hinder the Company's business if such technologies fail; the threat of cyber-attacks or acts of cyber-terrorism that could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee or Company information; natural disasters, terrorist activities or other events and other risks and uncertainties discussed herein, all of which are difficult to predict and many of which are beyond our control; the capital-intensive nature of our business; our ability to continue to access the credit and capital markets to execute our business strategy; market risks beyond our control affecting our risk management activities, including commodity price volatility, counterparty performance or creditworthiness and interest rate risk; the concentration of our operations in Texas; the impact of adverse economic conditions on our customers; changes in the availability and price of natural gas; increased costs of providing health care benefits, along with pension and postretirement health care benefits and increased funding requirements; the outbreak of COVID-19 and its impact on business and economic conditions. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. Further, we undertake no obligation to update or revise any of our forward-looking statements whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2021 and beyond that appear in this presentation are current as of November 11, 2020.