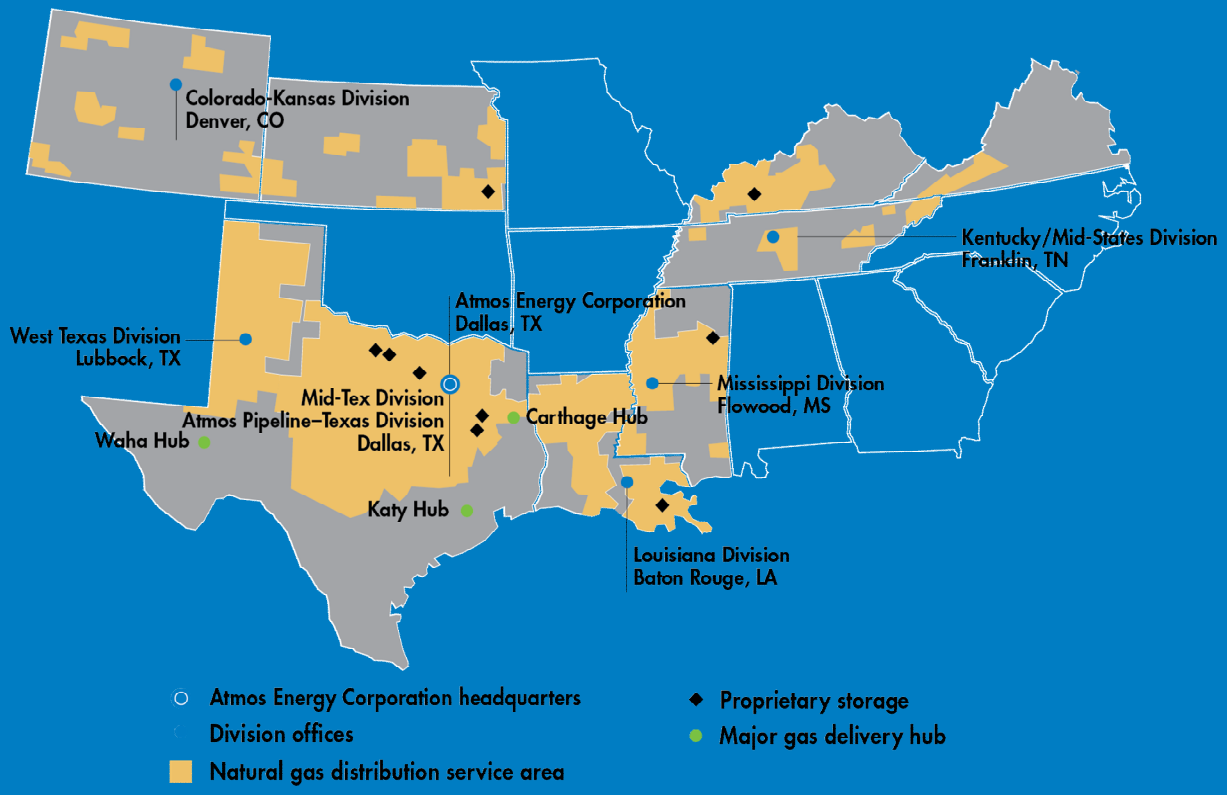


Our vision is for Atmos Energy to be the Safest provider of natural gas services. We will be recognized for Exceptional Customer Service, for being a Great Employer and for achieving Superior Financial Results.

November 2021

Fiscal 2021 Review

FY 2021 Financial Performance

Fiscal 2021 Highlights

- **Financial Performance**
  - YTD Diluted EPS of $5.12; 19th consecutive year of EPS growth
  - $2.0 billion in capital spending; 88% allocated to safety and reliability spending
  - 8.7% increase in fiscal 2021 annual dividend to $2.50 per diluted share
    - 37th consecutive year of rising dividends

- **Executed Our Regulatory Strategy**
  - Implemented $226.2 million; $185.7 million net of excess deferred tax amortization
  - $68.5 million to be implemented in Q1 Fiscal 2022; $25.0 million net of excess deferred tax amortization

- **Strong Balance Sheet**
  - Approximately $2.9 billion in liquidity
  - $1.2 billion of financing to support operations
  - $2.2 billion of long-term debt financing related to Winter Storm Uri
  - Equity capitalization at 60.6% as of September 30, 2021 excluding storm-related financing

FY 2021 Financial Performance

Consolidated Financial Highlights

Segment Net Income ($millions, except EPS)	Three Months Ended September 30		Twelve Months Ended September 30	
	2021	2020	2021	2020
Distribution	$ 7	$ 20	$ 446	$ 395
Pipeline & Storage	42	45	220	206
Net Income	**$ 49**	**$ 65**	**$ 666**	**$ 601**
Nonrecurring One Time Tax Benefit	-	-	-	(21)
Adjusted Net Income[1]	**$ 49**	**$ 65**	**$ 666**	**$ 580**
Diluted EPS[2]	**$ 0.37**	**$ 0.53**	**$ 5.12**	**$ 4.89**
Nonrecurring One Time Tax Benefit	-	-	-	(0.17)
Adjusted Diluted EPS[1]	**$ 0.37**	**$ 0.53**	**$ 5.12**	**$ 4.72**
Capital Expenditures	**$ 612**	**$ 530**	**$ 1,970**	**$ 1,936**

1. *Adjusted Net Income and diluted EPS are non-GAAP measures defined as Net Income and diluted EPS before the one-time, non-cash income tax benefit 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.*

FY 2021 Financial Performance

Segment Operating Income Highlights

Twelve Months Ended September 30 ($millions)	2021	2020	Change
Distribution	$ 618.5	$ 528.2	$ 90.3
Pipeline & Storage	286.5	295.9	(9.4)
Operating Income	**$ 905.0**	**$ 824.1**	**$ 80.9**

Distribution Key Drivers

- **$150.6MM – Net increase due to rate case outcomes**
- **$19.2MM – Increase in customer growth**
- **$8.4MM – Decrease in service order revenues**
- **$7.4MM – Decrease due to EDIT refunds[1]**
- **$28.4MM – Increase in O&M including bad debt expense**
- **$43.6MM – Increase in D&A and property tax expense**

Pipeline & Storage Key Drivers

- **$56.2MM – Increase due to rate case outcomes**
- **$8.2MM – Decrease in through system revenues**
- **$26.5MM – Decrease due to EDIT refunds[1]**
- **$17.1MM – Increase in system maintenance spending**
- **$17.0MM – Increase in D&A and property tax expense**

1. *Reductions to operating income from excess deferred income tax (EDIT) refunds substantially offset by lower income tax expense.*

FY 2021 Financial Performance

Segment Operating Income Highlights

Three Months Ended September 30 ($millions)	2021	2020	Change
Distribution	$ 37.6	$ 31.9	$ 5.7
Pipeline & Storage	53.4	68.9	(15.5)
Operating Income	**$ 91.0**	**$ 100.8**	**$ (9.8)**

Distribution Key Drivers

- **$22.9MM – Net increase due to rate case outcomes**
- **$7.8MM – Decrease due to EDIT refunds[1]**
- **$2.9MM – Increase in O&M including bad debt expense**
- **$12.2MM – Increase in D&A and property tax expense**

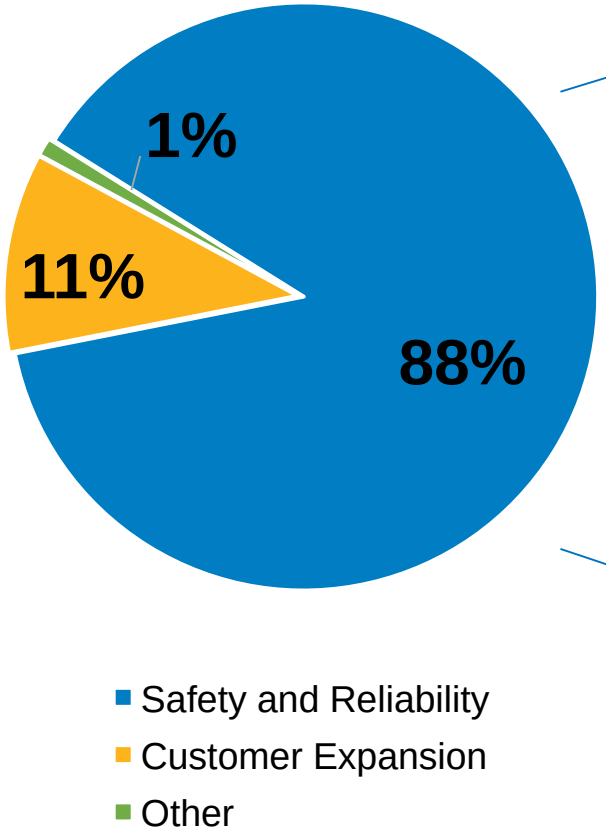
Pipeline & Storage Key Drivers

- **$14.4MM – Increase due to rate case outcomes**
- **$1.7MM – Decrease in through system revenues**
- **$10.0MM – Decrease due to EDIT refunds[1]**
- **$16.4MM – Increase in system maintenance spending**
- **$2.2MM – Increase in D&A expense**

1. *Reductions to operating income from excess deferred income tax (EDIT) refunds substantially offset by lower income tax expense.*

FY 2021 Financial Performance

Capital Spending Highlights



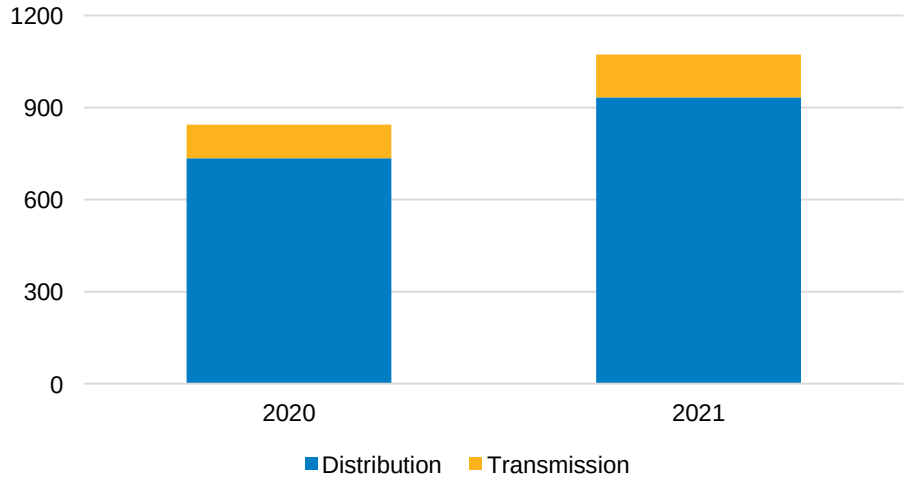
$millions		Fiscal 2021 YTD CapEx
$	1,051	Repair and replace transmission and distribution pipelines
	240	Service line replacement
	187	Pipeline integrity management projects
	145	Install & replace measurement & regulating equipment
	66	Fortifications
	45	Enhance storage and compression capabilities
$	**1,734**	**Total Safety and Reliability Spending**
$	**1,970**	**Total Capital Spending**

FY 2021 System Modernization

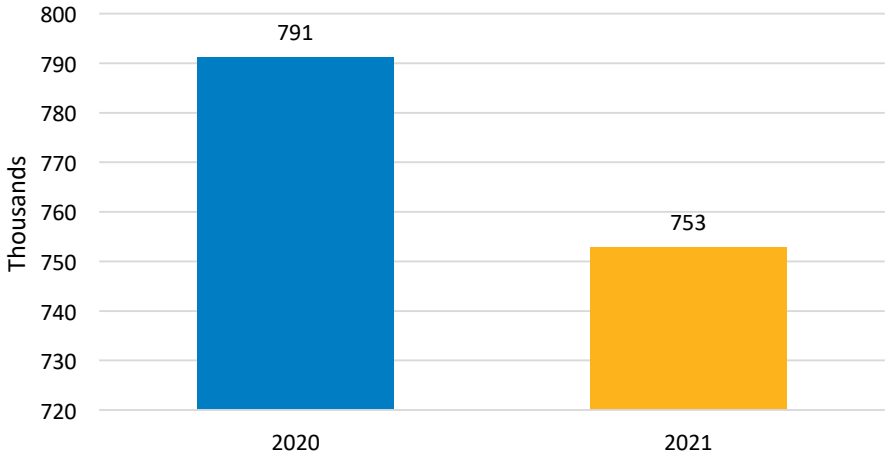
$2.0 Billion Capital spent in 2021; 88% Focused On Safety and Reliability

- **Replaced ~1,100 miles of distribution and transmission pipe**
  - ~1.4% of total system
- **On track to eliminate all cast iron in CY2021**
- **Replaced ~38,000 steel service lines**
  - ~4.8% reduction
- **~230,00 wireless meter readers installed**
  - 55% system covered by WMR
- **Reduced methane emissions**
  - Achieved an approximate 20% reduction since 2017 for EPA reported distribution mains and services.
- **Support Customer Growth**
  - ~51,000 new customers in FY 2021

Distribution & Transmission Miles Replaced[1,2]



Inventory of Steel Service Lines[1,2]



1. *2020 DOT Report*
2. *2021 figures are based on fiscal year data*

FY 2021 Financial Performance

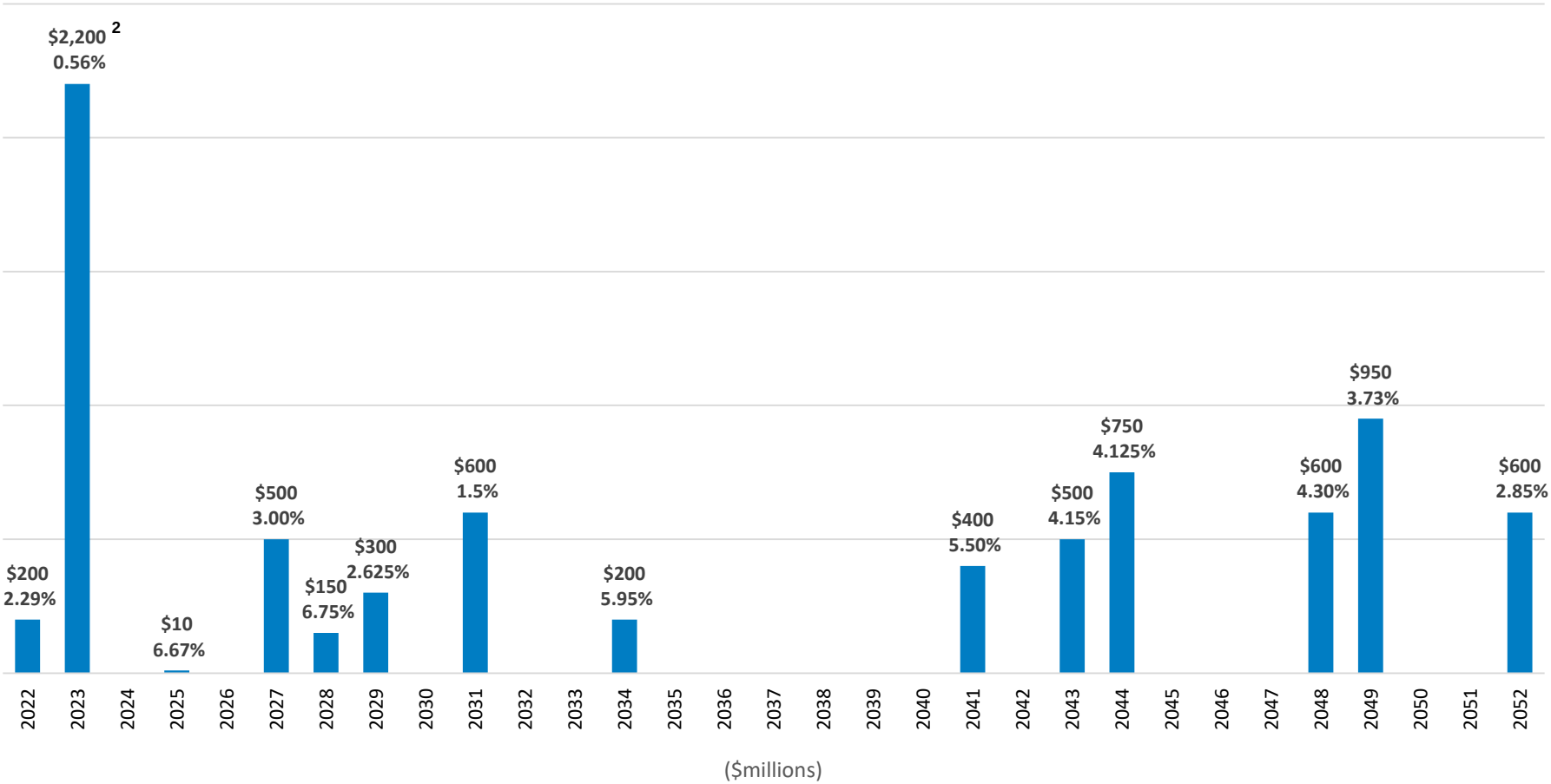
Financing Highlights

- **$2.8 billion of long-term debt financing issued**
  - $2.2 billion 2-year senior notes issued in March 2021 to finance Winter Storm Uri costs
    - $1.1 billion 0.625%
    - $1.1 billion LIBOR + 0.38%
  - $600 million 1.50% 10-year senior notes issued in October 2020
- **Equity needs satisfied through our ATM program**
  - $578 million of equity priced YTD fiscal 2021
  - $607 million in settled equity forward arrangements
  - $302 million available under forward agreements as of September 30, 2021
    - Maturity: June 30, 2022 to September 30, 2022
    - Shares: 3,071,724
    - Forward Share Price: $98.31
  - $760 million available for issuance program as of September 30, 2021
- **$5.0 billion shelf registration statement filed June 29, 2021**
  - $4.0 billion available as of September 30, 2021; $3.4 billion after October 2021 debt issuance

Financial Outlook

Manageable Debt Maturity Schedule Supports Capital Spending Program

Weighted Average Maturity ~19.2 Years[1]

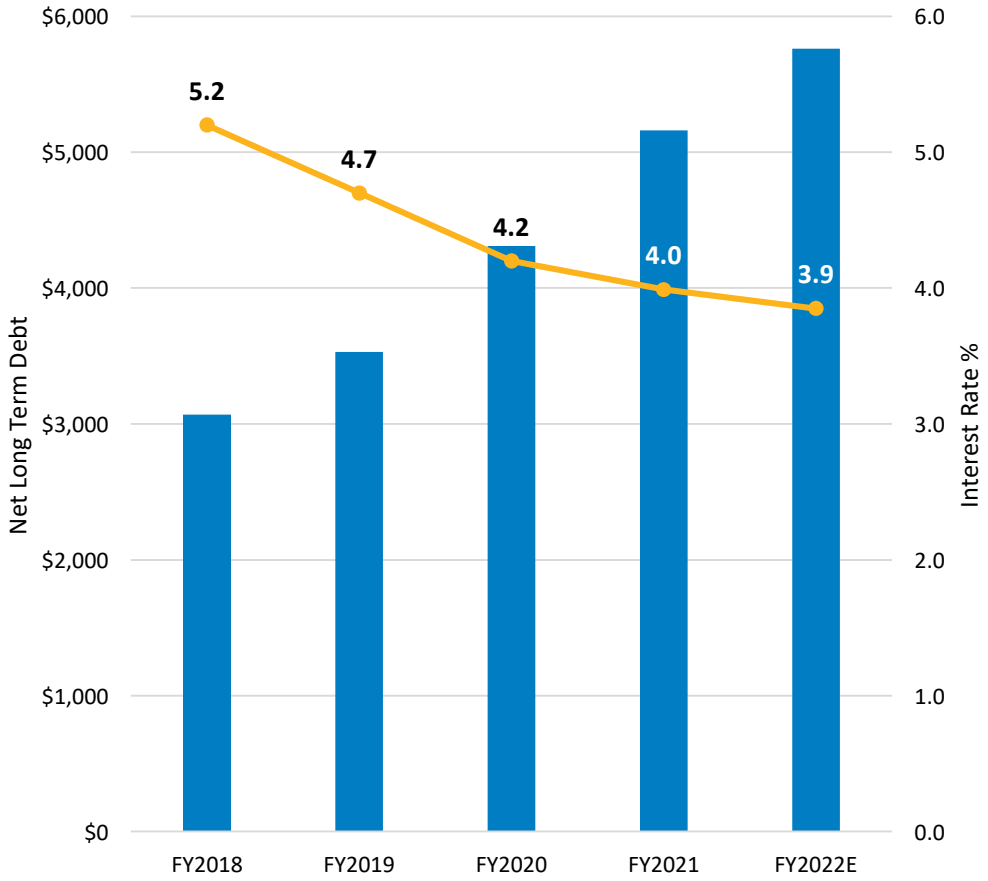


1. *Excluding the $2.2 billion of incremental Winter Storm Uri financing. Weighted average maturity is 14.3 years including the incremental financing.*
2. *Figure includes a LIBOR floating rate component that may change over time.*

Financial Outlook

Strong Investment Grade Ratings Support Affordable Customer Bills

Declining Weighted Average Cost of Debt[1]



Strong Investment Grade Credit Ratings

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

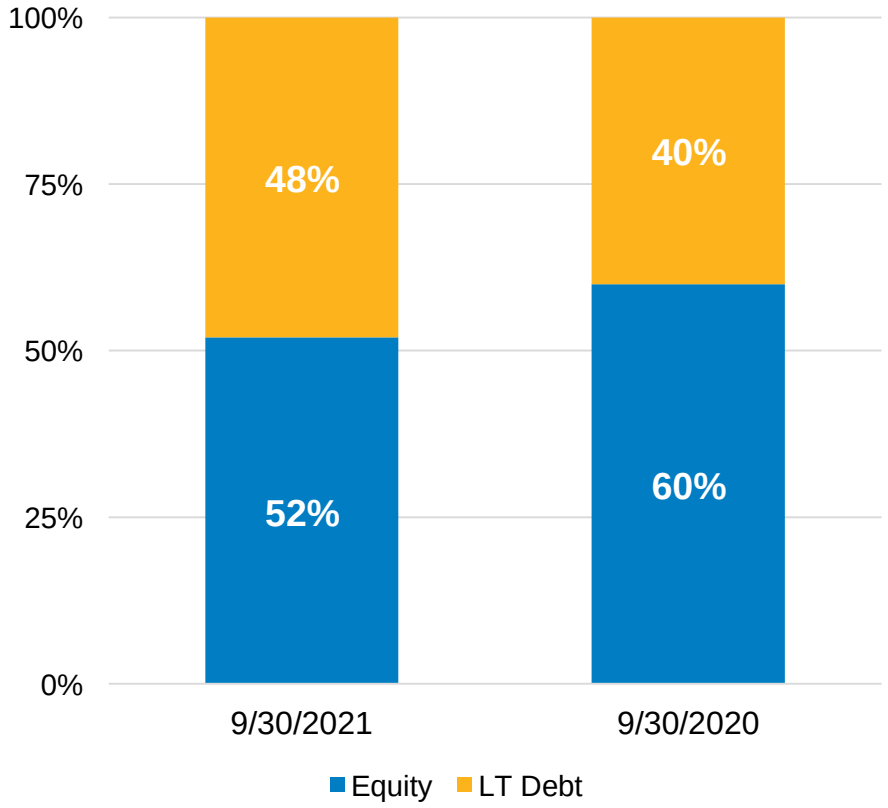
1. *Values exclude the $2.2 billion of Winter Storm Uri financing*

Financial Outlook

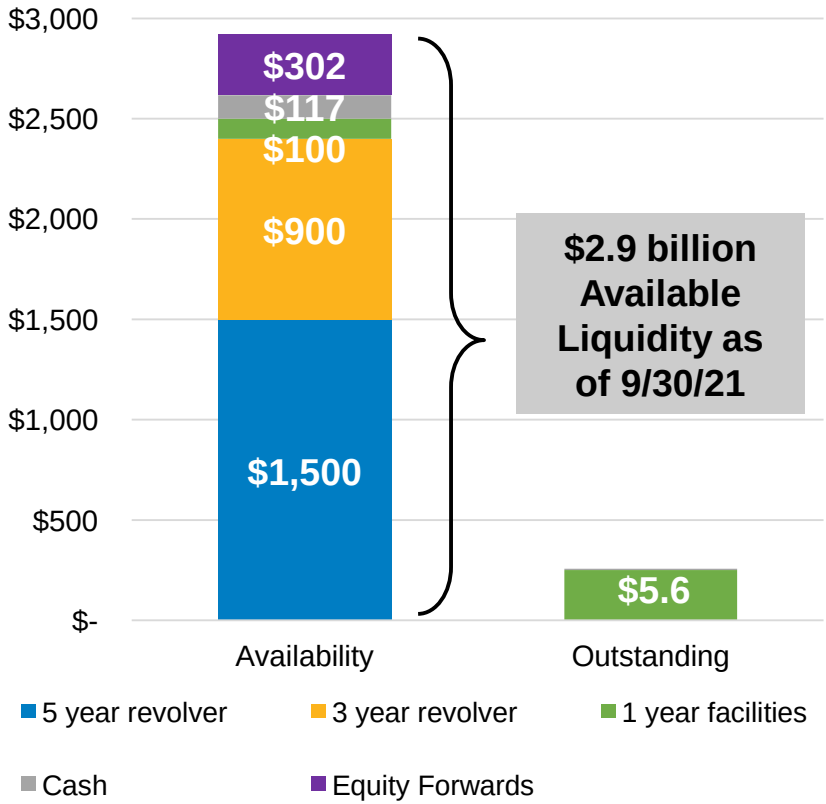
Strong Financial Foundation Supports Capital Spending Program

Capitalization and Liquidity Profile

Total Capitalization[1]



Liquidity Profile as of September 30, 2021



1. *Excluding the $2.2 billion of Winter Storm Uri financing, the equity capitalization rate is 60.6% as of September 30, 2021*

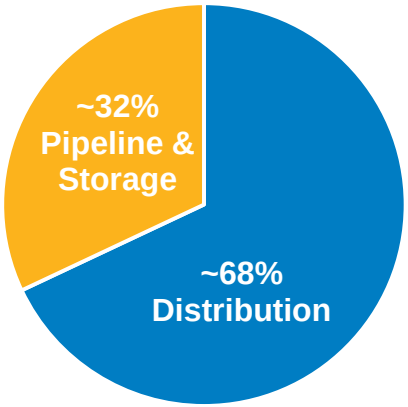
Fiscal 2022-2026
Financial Outlook

Leading Natural Gas Delivery Platform

Eight-state distribution territory

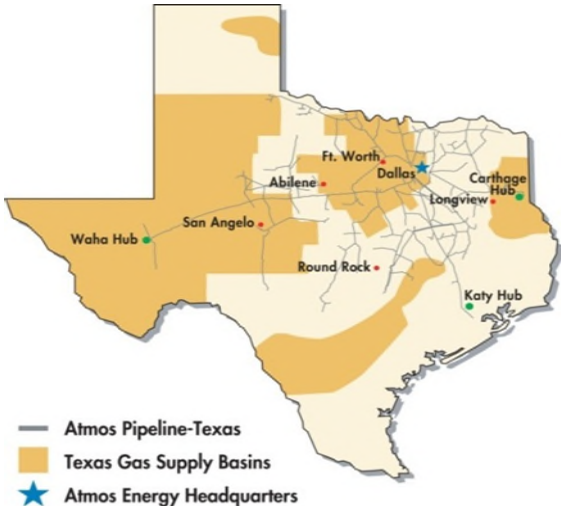


Business Mix



2022 Estimated 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
- ~63% of distribution rate base is located in Texas
- Blended allowed ROE of 9.8%
- 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
- ~46 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

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

~ $13 - $14 billion in capital investment through 2026; >80% allocated to safety

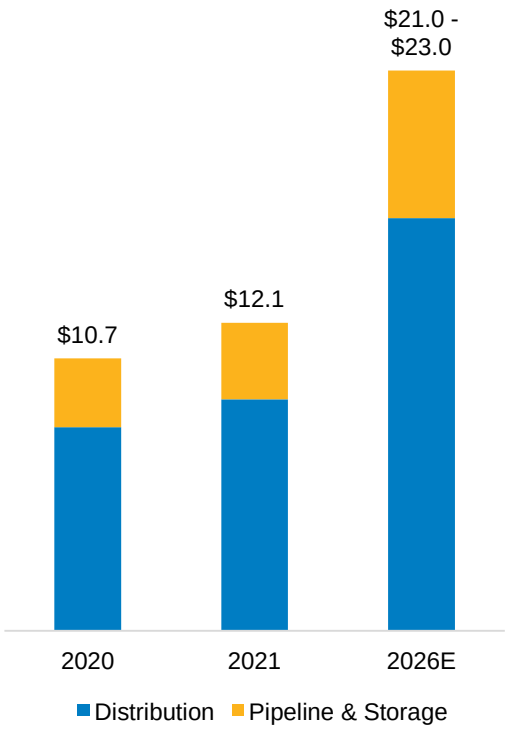
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Constructive rate mechanisms that reduce regulatory lag

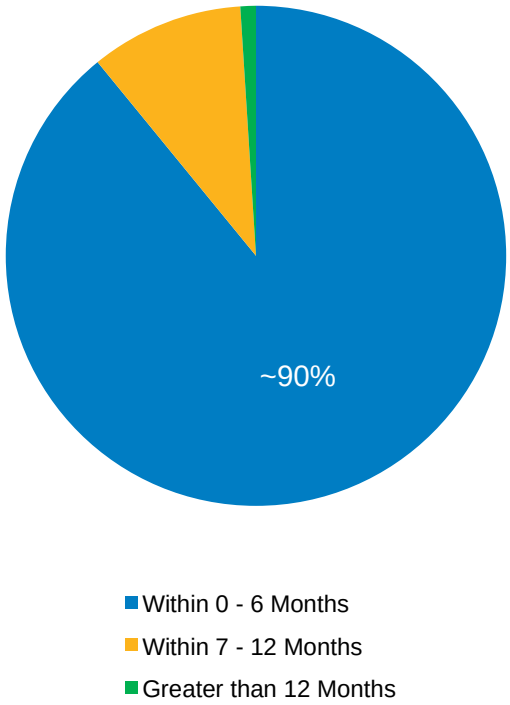
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6% - 8% Consolidated EPS growth

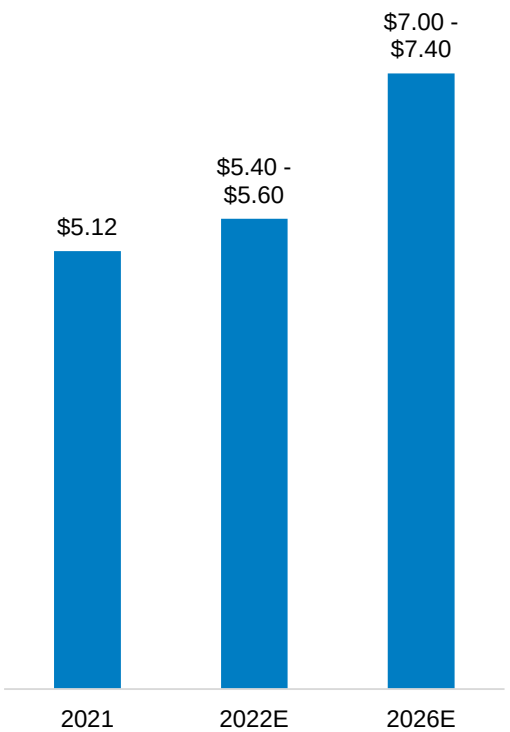
Rate Base
($billions)



Annual Capex Recovery



Earnings per Share

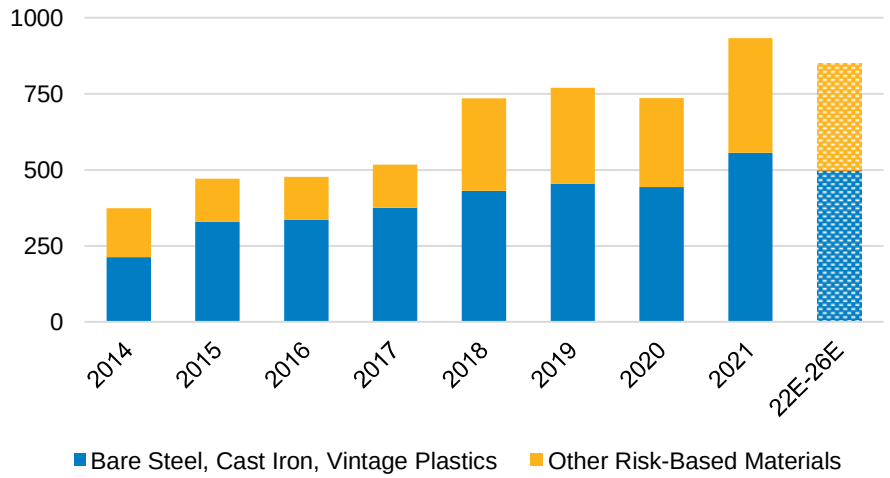


Modernizing Our Distribution System

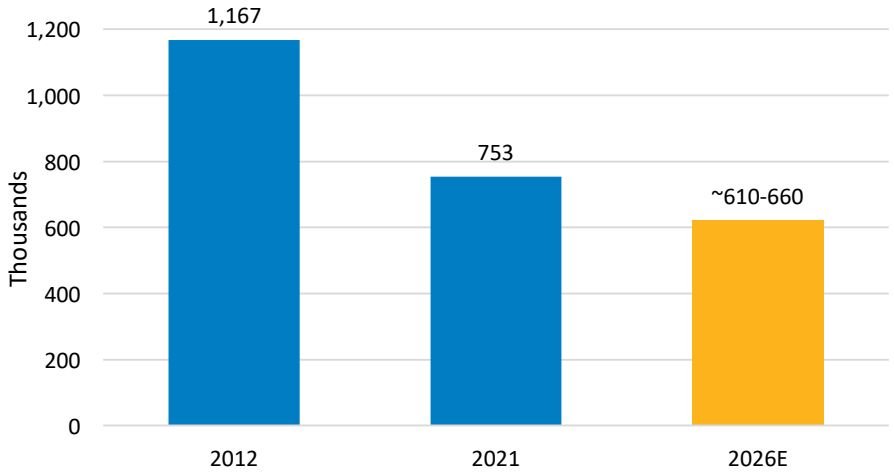
~$10 Billion Capital Plan Through 2026; > 85% Focused On Safety and Reliability

- **Replace 4,000 – 5,000 miles of distribution system pipe**
  - 6% - 8% of total system
- **Replace 100,000-150,000 steel service lines**
  - 15% - 20% reduction
- **Install wireless meter reading**
  - 70%-75% anticipated WMR coverage
- **Reduce methane emissions**
  - 15% - 20% reduction[3]
- **Support Customer Growth**

Distribution Miles Replaced[1,2]



Inventory of Steel Service Lines[1,2]

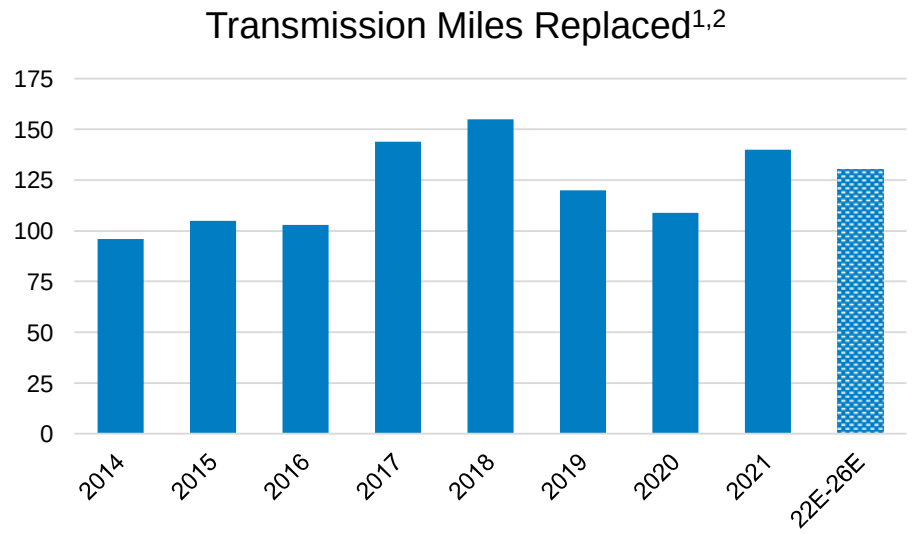


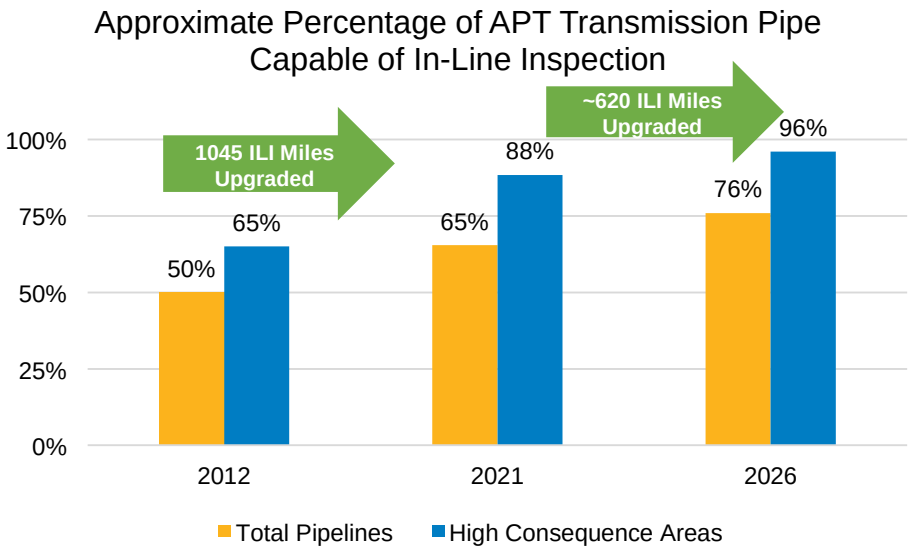
1. *2020 DOT Report*
2. *2021 figures are based on fiscal year data*
3. *Included in our goal to reduce methane emissions by 50 percent by 2035 from 2017 EPA-reported distribution system mains and services.*

Modernizing our Transmission System

~$4 Billion Capital Plan Through 2026

- **Pipeline Integrity Management**
  - Two phase Line X replacement project near Abilene
  - Upgrading lines with pigging facilities
  - Replacing valves, fittings, and pipe to allow In-Line Inspection tools to travel through pipeline
  - Prioritized replacement based on integrity management results
- **Supply Reliability and Growth**
  - Replacing 800-1,200 miles APT transmission pipe through 2026
  - Line S-2 east of Dallas
  - WA Loop – West of Fort Worth
  - Permian Highway Connector
  - Bethel to Groesbeck line
  - Bethel Cavern upgrade





1. *2020 DOT Report*
2. *2021 figures are based on fiscal year data*

Constructive Regulation Focused on Safety and Reliability

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

	Regulatory Mechanisms		Recovery Method		Service Territory Detail			CapEx
Jurisdiction	Infrastructure	Deferral/ Forward-Looking	Annual Filing	General Case	Meters (000s)	Rate Base[1] ($MM)	Rate Base[1] % of Total	2022E ($MM)
Texas								
• **Mid-Tex**	8.209	✓	RRM/DARR/ GRIP	-	1,791	4,900	40	950-975
• **APT**	GRIP	-	GRIP [2]	-	NA	3,000	25	840-860
• **West Texas**	8.209	✓	RRM/GRIP	-	326	890	7	135-145
Louisiana	RSC	✓	RSC	-	373	920	8	145-155
Mississippi	SIR	✓	SRF/SIR	-	273	750	6	135-145
Kentucky	PRP	✓	PRP	✓	184	570	5	60-70
Tennessee	-	✓	ARM	-	159	470	4	65-75
Kansas	GSRS	-	GSRS	✓	140	280	2	35-45
Colorado	SSIR	✓	SSIR	✓	125	230	2	30-40
Virginia	SAVE	-	SAVE	✓	25	60	1	5-10

1. *Represents an estimate of rate base as of September 30, 2021*
2. *Requires a rate case every 5 years*

Financial Outlook

FY 2022 Five Year Plan Key Themes

Earnings and Dividends Per Share

- Plan drives **6.0% - 8.0% annual EPS growth** through FY 2026
  - FY 2022 Guidance of **$5.40 - $5.60**; Midpoint of range implies 7.4% growth
  - FY 2026 guidance of **$7.00 - $7.40**
  - **$2.72** Indicated Dividend for FY 2022; 8.8% growth from FY 2021
- ***Incremental financing summarized below reflected in guidance***

Safety and Reliability Continues to Drive Spending

- **$13 - $14 billion** in capital expenditures included in the Plan
  - **11.4%** rise from FY 2021 Five Year Plan
  - **90%** of annual CAPEX begins to earn within 6 months from end of test year
- **$21B - $23B** targeted rate base by FY 2026
  - **11% - 13%** annual growth rate
- **3.0% - 3.5%** annual O&M expense inflation rate

FY 22 Financing Plan Consistent With FY 21 Plan

- **$7.0B - $8.0B** incremental long-term financing, excluding securitization
  - **50% - 60%** targeted equity-to-capitalization ratio, inclusive of short-term debt
  - Short-term debt used as needed to provide cost-effective financing until replaced with long-term financing
- Five Year Pan supports **current balance sheet strength**

Financial Outlook

Fiscal 2022E Guidance

($millions, except EPS)	FY 2021	FY 2022E[1]
Distribution	$ 446	$ 500 - 520
Pipeline & Storage	220	240 - 250
Total Net Income	**$ 666**	**$ 740 - 770**
Average Diluted Shares	129.8	136.0 - 138.5
Diluted EPS[2]	**$ 5.12**	**$ 5.40 - $ 5.60**
Capital Spending	**$ 1,970**	**$ 2,400 - $ 2,500**

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2022 significantly above or below this outlook.*
2. *Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.*

Financial Outlook

Fiscal 2022E Guidance

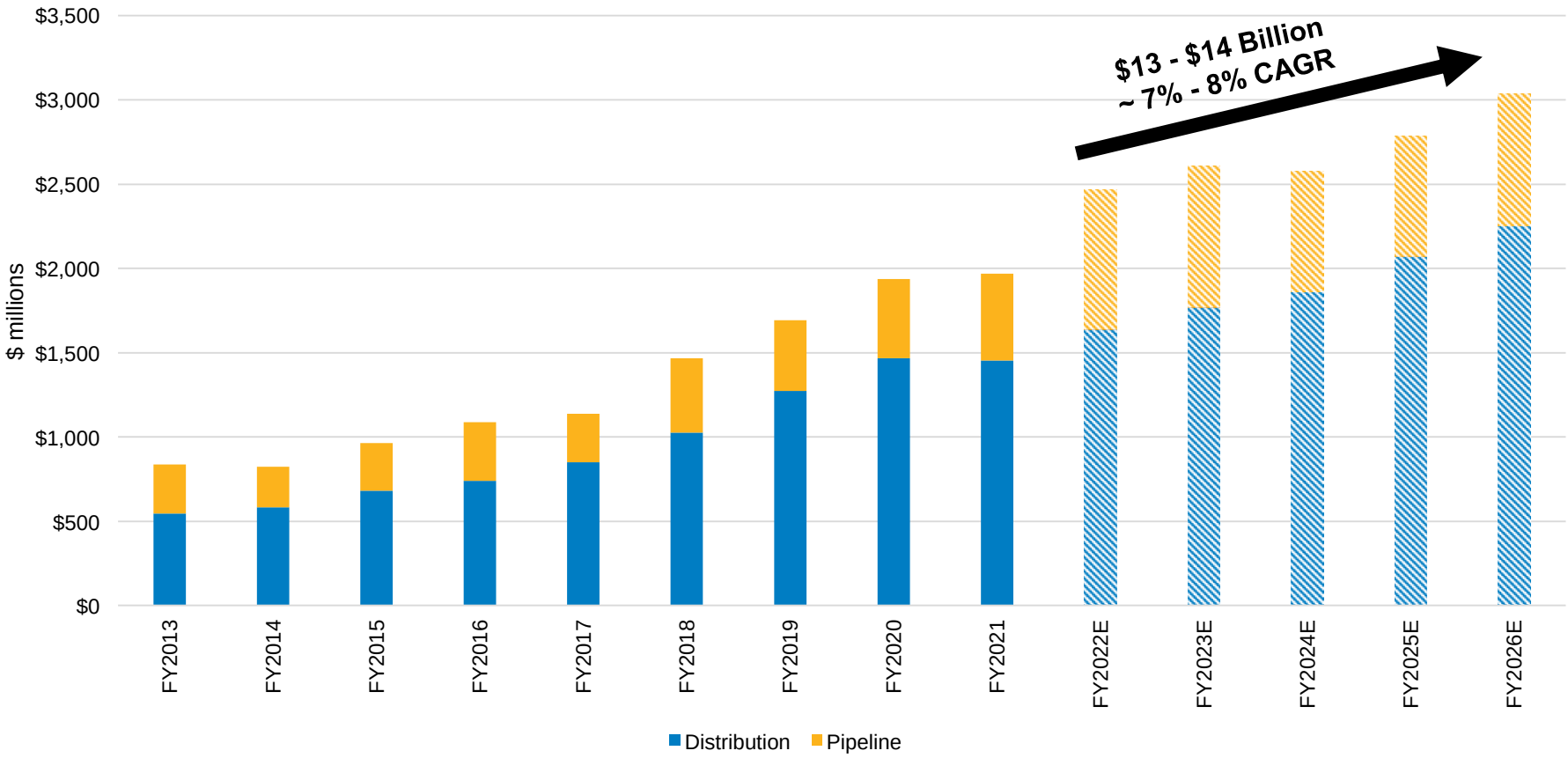
Selected Expenses *($millions)*	FY 2021	FY 2022E[1]
O&M	$ 679	$ 690 - 710
D&A	$ 478	$ 530 - 540
Interest	$ 84	$ 100 - 105
Income Tax	$ 154	$ 73 - 83
Effective Tax Rate	18.8%	9% - 11%[2]

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2022 significantly above or below this outlook.*
2. *Excluding the amortization of excess deferred tax liabilities, the effective rate is expected to be 22.5% - 24.5%.*

Financial Outlook

Capital Spending Focused on System Modernization and Growth

Consolidated 2022E Capital Expenditures of $2.4 billion - $2.5 billion

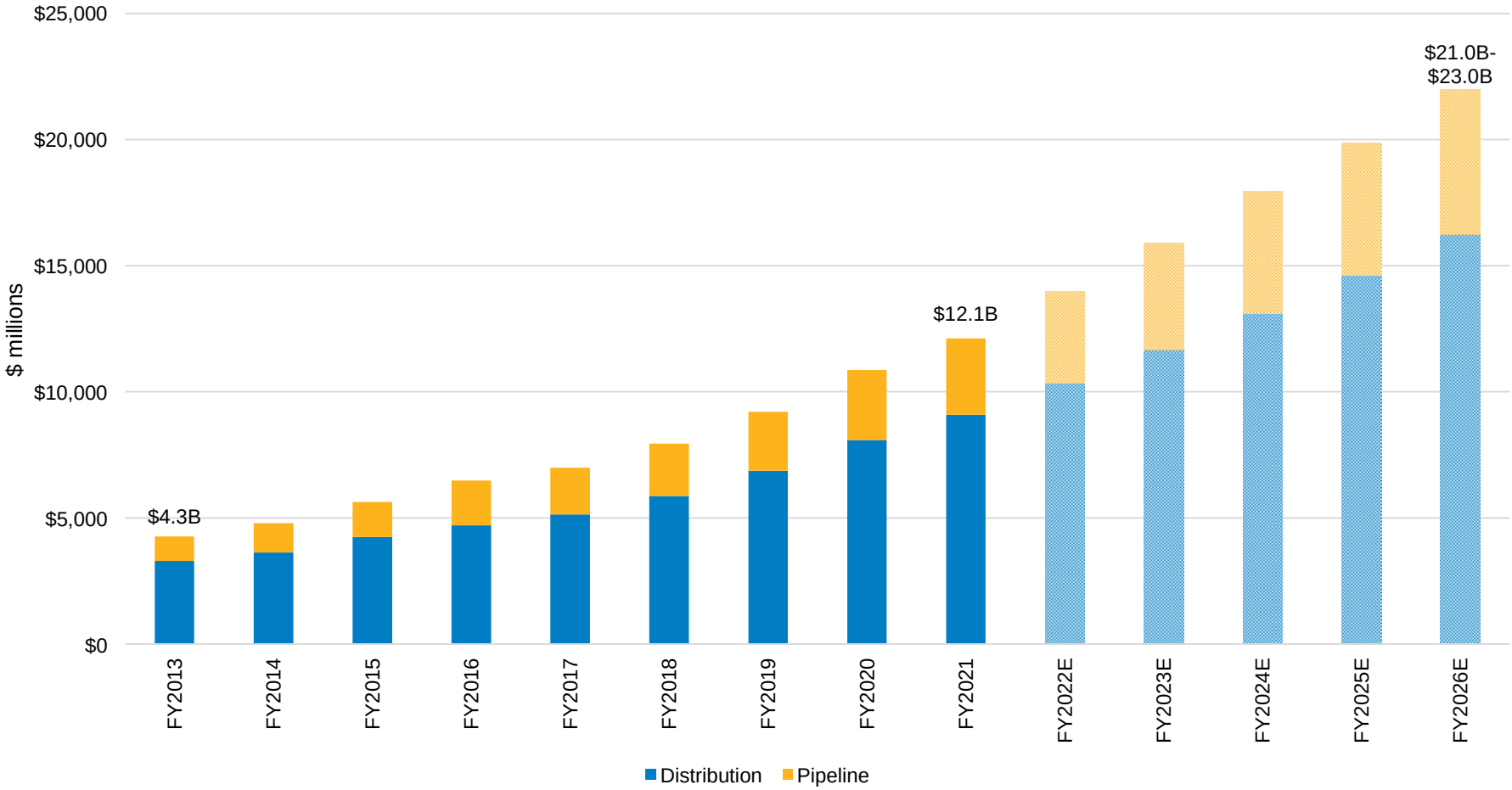


~90% of annual CAPEX begins to earn within 6 months from end of test year

Financial Outlook

Capital Spending Drives Rate Base Growth

Enhancing System Safety and Reliability[1]

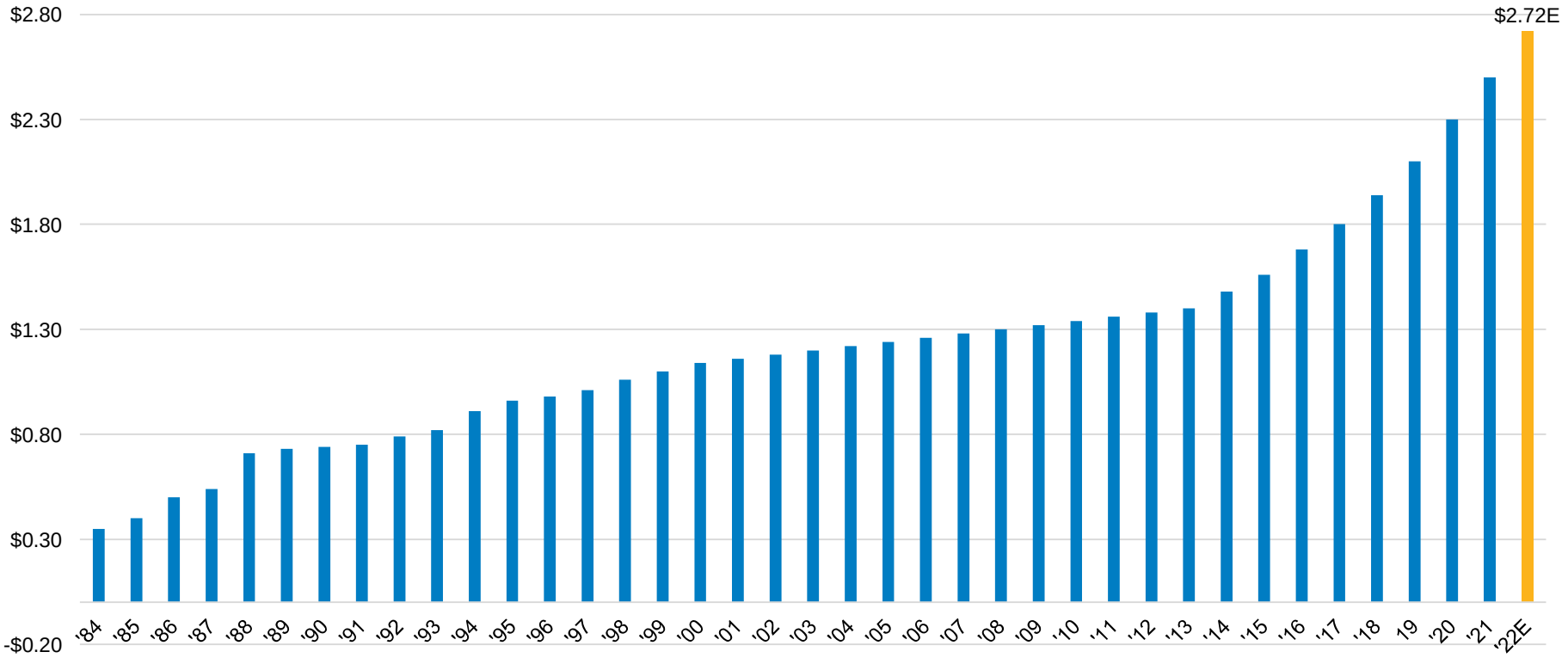


1. *Estimated rate base at the end of each fiscal year*

Financial Outlook

Sustainable Financial Performance Supports Sustained Dividend Increases

38 Consecutive Years of Dividend Increases



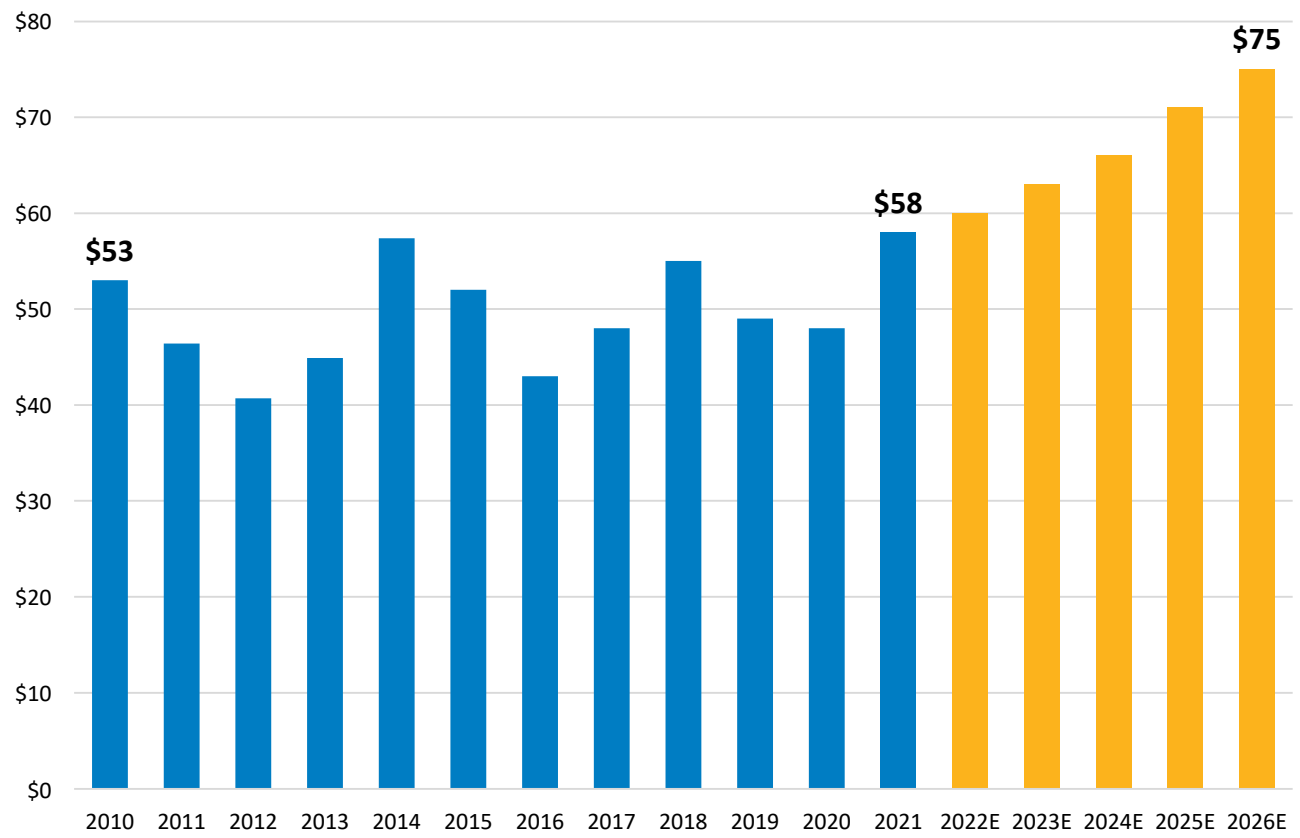
- Indicated dividend increase of 8.8% for Fiscal 2022

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

Sustainability Integrated Into Strategy

Residential use of natural gas remains affordable

Average Monthly Customer Bill[1]



Affordability

- FY 21 bill ~3.0x less expensive than average electric bill[2]
- Our bill represents ~1% of household income in our jurisdictions[3]

2022E – 2026E Assumptions

- Normal weather and consumption
- $13 - $14 billion of CAPEX spending
- Commodity / delivery cost of $4.50 to $5.50 per mcf

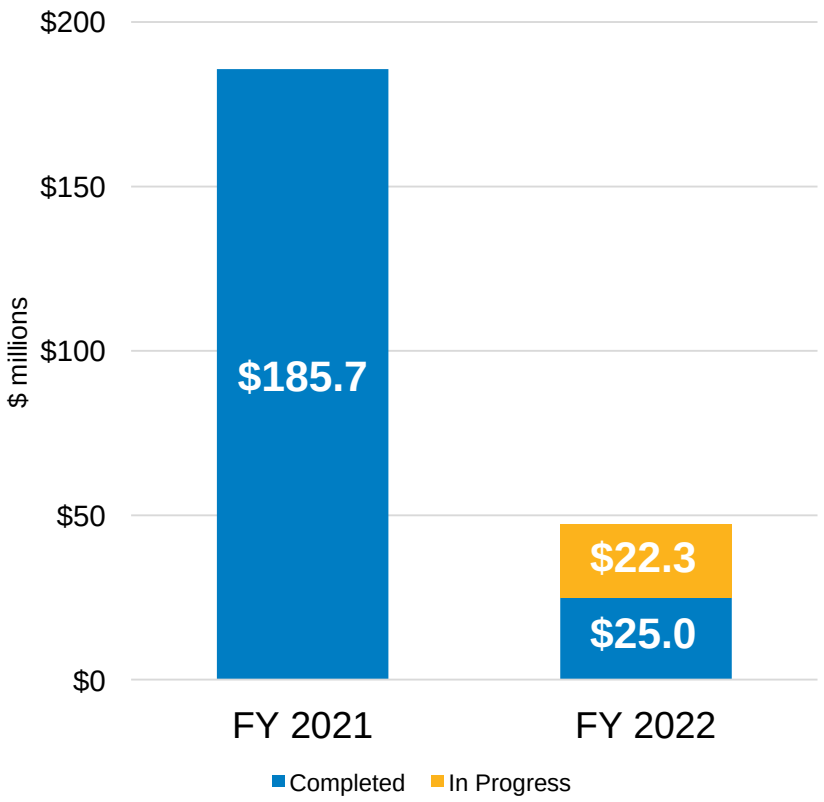
1. *Excludes $3.50-$5.50 estimated impact of securitization for residential customers in Texas and Kansas assuming a 10 to15 year recovery period.*
2. *Based on Energy Information Agency (EIA) Average Price of Electricity to Ultimate Customers by End-Use Sector as of August 31, 2021 of $0.14/Kwh*
3. *Percent of household income is based on calendar year 2020 customer bills compared to median household income data provided by Statista.*

Appendix

FY 2022 Financial Performance

Regulatory Highlights

Approved Annualized Operating Income Increases[1,2]



Key Rate Activity
Through November 10, 2021

- **$3.1MM Completed**
  - $ 8.4MM – Mississippi SIR
  - $ 0.3MM – Virginia SAVE
  - $ (5.6)MM – Mississippi SRF
- **$21.9MM Completed; not implemented**
  - $ 21.7MM – Mid-Tex RRM
  - $ 0.2MM – West TX RRM
- **$22.3MM In-Progress**
  - $ 14.4MM – Kentucky Rate Case
  - $ 3.5MM – Kentucky PRP
  - $ 2.6MM – Colorado SSIR
  - $ 1.8MM – Kansas GSRS

1. *Excluding the impact of EDIT fiscal 2021 rate outcomes were $226.2 million*
2. *Excluding the impact of EDIT Q1 fiscal 2022 rate outcomes were $68.5 million through November 10, 2021*

Regulatory Mechanisms To Support Recovery

	Annual Revenue and Lag Mechanisms		Revenue Stability and Lag Mechanisms			Other
Jurisdiction	Annual Rate Stabilization	Infrastructure	Pension and Retirement Cost Trackers	WNA	Bad Debt in GCA	Recovery of Certain COVID-19 Costs
Colorado		☒	☒			
Kansas		☒	☒	☒	☒	☒
Kentucky		☒		☒	☒	☒
Tennessee	☒	☒	☒	☒	☒	
Virginia		☒		☒	☒	☒
Louisiana	☒	☒	☒	☒		☒
Mississippi	☒	☒		☒		☒
Mid-Tex	☒	☒	☒	☒	☒	☒
West Texas	☒	☒	☒	☒	☒	☒
APT		☒	☒			☒

Key Regulatory Filings – Fiscal 2022E

Rate Filing Planned Timing

Q1 October – December	Q2 January – March	Q3 April – June	Q4 July – September
Mid-Tex and WTX Cities – Completed RRM filing of $59.0 million; $21.9MM net of excess deferred income tax amortization	**Mid-Tex Dallas – Anticipate filing Dallas Annual Rate Review (DARR) in January 2022; new rates anticipated Q4 fiscal 2022**	**Mid-Tex and WTX Cities – Anticipate filing Rate Review Mechanism (RRM) in April 2022; new rates anticipated Q1 fiscal 2023**	**Mississippi – Anticipate Stable Rate Filing (SRF) in July 2022; new rates anticipated Q1 fiscal 2023**
Mississippi – Implemented SRF and SIR filings of $9.2 million; $2.8MM net of excess deferred income tax amortization	**Atmos Pipeline – Texas (APT) – Anticipate filing GRIP in February 2022; new rates anticipated Q3 fiscal 2022**	**Louisiana – Anticipate filing Rate Stabilization Clause (RSC) in April 2022; new rates anticipated Q4 fiscal 2022**	**Colorado – Anticipate filing General Rate Case in July 2022; new rates anticipated Q2 fiscal 2023**
Virginia – Implemented SAVE filing of $0.3 million	**Tennessee – Anticipate filing Annual Review Mechanism (ARM) in February 2022; new rates anticipated Q3 2022**	**Virginia – Anticipate filing SAVE in June 2022; new rates anticipated Q4 fiscal 2022**	**Kansas – Anticipate filing General Rate Case in July 2022; new rates anticipated Q2 fiscal 2023**
Colorado and Kansas – Filed SSIR and GSRS filings in November 2021; new rates anticipated Q2 fiscal 2022	**Mid-Tex ATM, WTX ALDC, WTX Triangle and Texas Environs – Anticipate filing GRIP in March 2022; new rates anticipated Q3 fiscal 2022**		**Kentucky – Anticipate PRP filing in August 2022; new rates anticipated Q1 fiscal 2023**
	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2022; new rates anticipated Q1 fiscal 2023		

Implemented

Pending

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[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 9/30/21
Atmos Pipeline-TX (GUD 10580)		8/1/17		$13.0		$1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	3	5/11/21		$43.9		$2,925		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR		9/1/21		$1.7		$4,293		7.57%		9.80%		41/59		234,261
Mid-Tex Cities RRM	6	12/1/21		$21.7		$4,399		7.36%		9.80%		42/58		1,291,146
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	9/1/21		$11.1		$4,307		7.97%		9.80%		40/60		183,637
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	9/1/21		$4.6		$4,307		7.97%		9.80%		40/60		82,438
WTX Cities RRM	7	12/1/21		$0.2		$760		7.36%		9.80%		42/58		149,580
WTX ALDC SOI	4	6/1/21		$5.1		$752		7.35%		2		2		152,562
WTX ALDC GRIP	3,4	9/1/20		$5.9		$672		8.57%		10.50%		48/52		NA
WTX Environs SOI/GRIP (GUD 10945)	3	9/1/21		$1.3		$765		7.97%		9.80%		40/60		24,277
WTX Triangle (GUD 10900)		9/1/21		$0.4		$40		7.71%		9.80%		40/60		NA
Louisiana RSC (U-35525)		7/1/21		($2.4)		$837		7.30%		2		2		373,207
Mississippi SRF (2005-UN-0503)		11/1/21		($5.6)		$474		7.81%		2		2		272,993
Mississippi SIR (2015-UN-049)		11/1/21		$8.4		$324		7.81%		2		2		NA
Kentucky PRP (2019-00253)		10/1/20	7/30/21	$1.6	$3.5	$39	$68	7.49%	7.66%	9.65%	10.35%	42/58	43/57	NA
Kentucky (2018-00281)	5	5/8/19	6/30/21	$3.4	$14.4	$425	$596	7.49%	7.66%	9.65%	10.35%	42/58	43/57	183,937

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[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 9/30/21
Tennessee ARM (19-00067)		6/1/21		$10.3		$421		7.62%		9.80%		40/60		159,461
Kansas (19-ATMG-525-RTS)		4/1/20		($0.2)		$242		7.03%		9.10%		44/56		139,763
Kansas GSRS		2/1/21	11/4/21	$1.7	$1.8	$17	$36	7.03%	7.03%	9.10%	9.10%	44/56	44/56	NA
Colorado (17AL-0429G)		5/3/18		($0.2)		$135		7.55%		9.45%		44/56		125,241
Colorado SSIR (20AL-0471G)		1/1/21	11/1/21	$2.4	$2.6	$78	$99	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		24,746
Virginia SAVE (PUR-2020-00107)		10/1/21		$0.3		$7		7.43%		9.20%		42/58		NA

1. *Rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.*
2. *A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision.*
3. *GRIP filings are based on existing returns and the change in net utility plant investment.*
4. *Includes the cities of Amarillo, Lubbock, Dalhart and Channing.*
5. *This amount includes $3.5 million from the Kentucky annual pipe replacement program filing.*
6. *The Mid-Tex Cities approved a rate increase $55.5 million; $21.7MM net of excess deferred income tax amortization*
7. *The West Texas Cities approved a rate increase of $3.5 million; $0.2 million net of excess deferred income tax amortization*

Colorado - Kansas Division

- **Kansas: Filed Gas Safety Reliability Surcharge filing (GSRS) on November 1, 2021**
  - Requested an increase in annual operating income of $1.8 million
  - Requested ROE: 9.10%; ROR: 7.03%
  - Requested capital structure: 44% debt / 56% equity
  - Requested rate base: $35.9 million

- **Colorado: Filed System Safety and Integrity Rider (SSIR) on November 4, 2021**
  - Requested an increase in annual operating income of $2.6 million
  - Requested ROE: 9.45%; ROR: 7.55%
  - Requested capital structure: 44% debt / 56% equity
  - Requested rate base: $98.7 million

Kentucky/Mid-States Division

- **Kentucky: Filed Annual Pipe Replacement Program (PRP) on July 30, 2021**
  - Requested an annual operating income increase of $3.5 million
  - Requested ROE: 10.35%; ROR: 7.66%
  - Requested capital structure: 43% debt / 57% equity
  - Requested rate base: $67.9 million
  - Filing will be considered during Kentucky General Rate Case

- **Kentucky: Filed General Rate Case on June 30, 2021**
  - Requested an annual operating income increase of $14.4 million
  - Requested ROE: 10.35%; ROR: 7.66%
  - Requested capital structure: 43% debt / 57% equity
  - Requested rate base: $596.1 million

- **Virginia: Implemented SAVE Infrastructure Program on October 1, 2021**
  - Authorized an annual operating income increase of $0.3 million
  - Authorized ROE: 9.20%; ROR: 7.43%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: $7.5 million

Mid-Tex Division

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

Mississippi Division

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

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

West Texas Division

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

Forward Looking Statements

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

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2022 and beyond that appear in this presentation are current as of November 10, 2021.