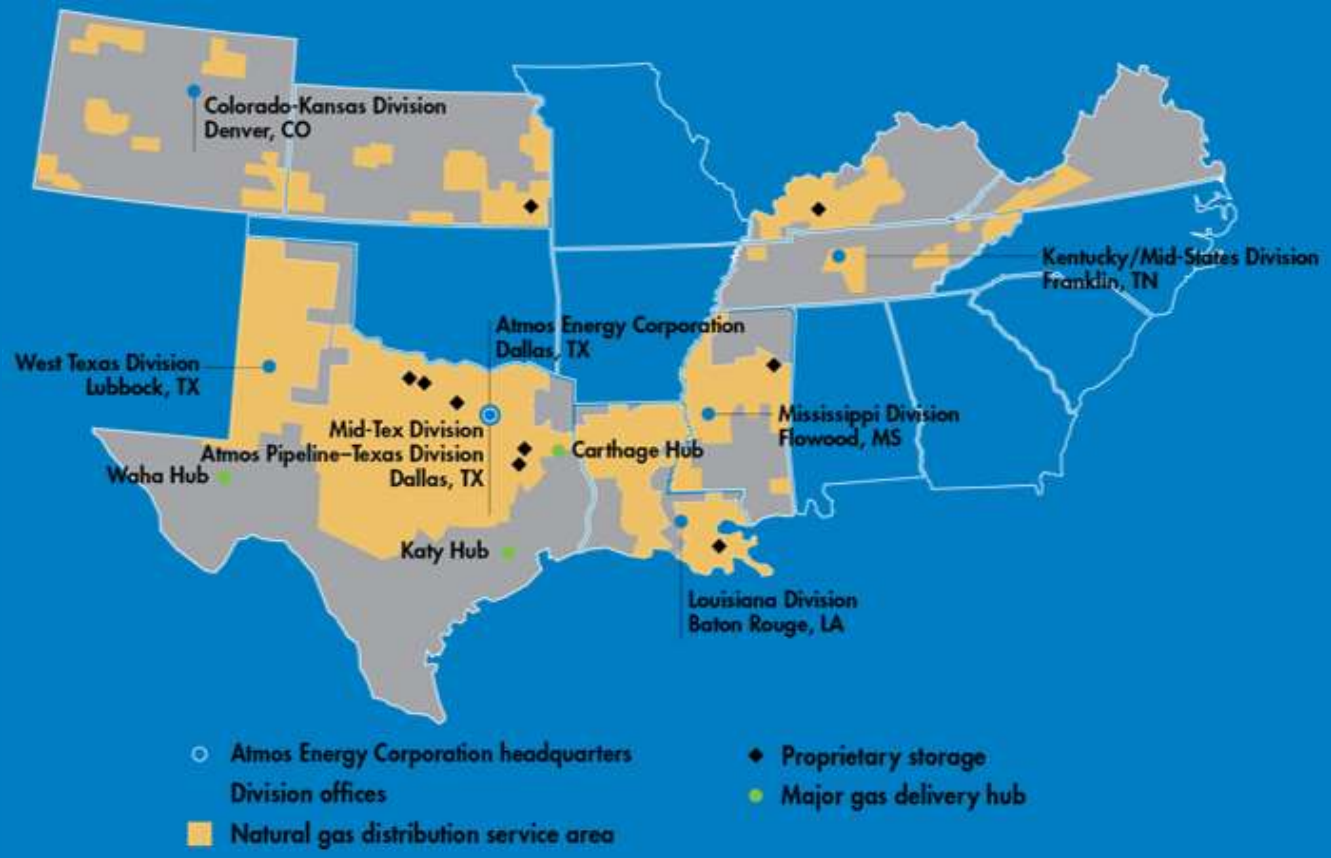
ATMOS energy®

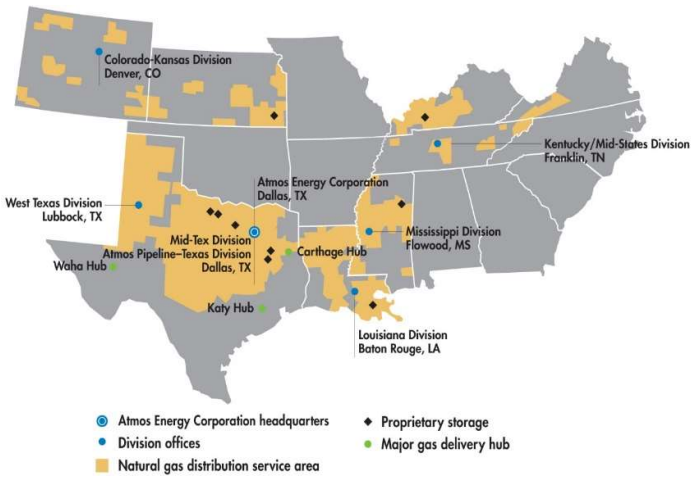


Our vision is for Atmos Energy to be the Safest provider of natural gas services. We will be recognized for Exceptional Customer Service, for being a Great Employer and for achieving Superior Financial Results.

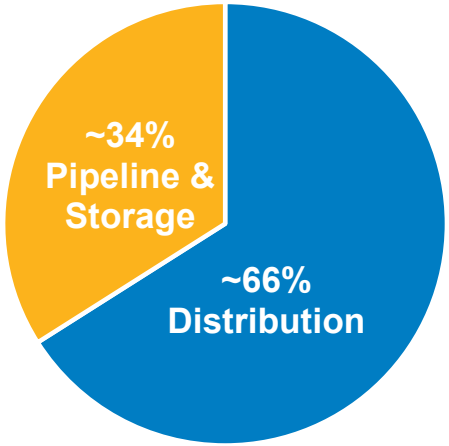
December 2023

Leading Natural Gas Delivery Platform

Eight-state distribution territory

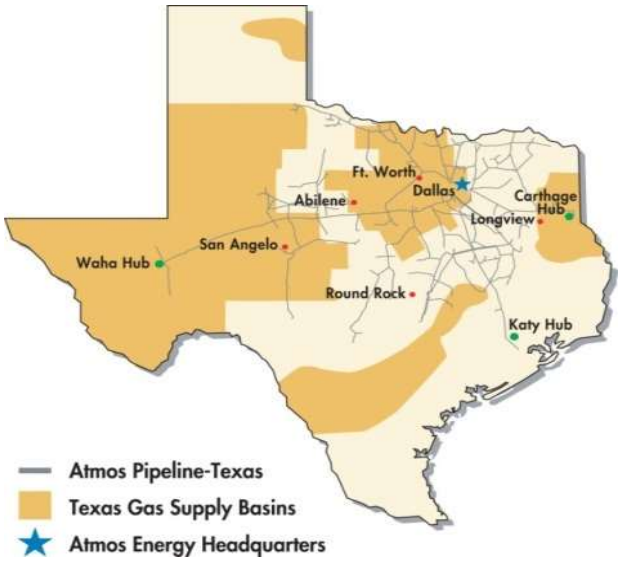


Business Mix



2024 Estimated Net Income

Intrastate pipeline system



Diversified LDC platform in 8 states

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

Favorably positioned pipeline spans Texas shale gas supply basins

- ~5,700 miles of intrastate pipeline
  - Spans multiple key shale gas formations
  - Connection to major market hubs
- ~53 Bcf of working storage capacity
- Allowed ROE of 11.5%
- Margin derived from tariff-based rates primarily serving Mid-Tex and other LDCs

Sustainable Performance Supported By Focused Business Model

Attractive pure-play total return supported by strong financial foundation

- Safety-driven, organic growth strategy supports 6% - 8% earnings per share and dividend per share growth through Fiscal 2028
- 100% of earnings from fully regulated, leading natural gas delivery platform
- 21 consecutive years of EPS growth; 40 consecutive years of dividend growth
- Strong investment-grade credit ratings/ liquidity

Diversified and growing jurisdictional footprint

- Regulated distribution assets in 8 states serving over 3 million customers
- 97% of rate base in states that offer policy support for investment in natural gas infrastructure
- Strong customer growth
- Favorably positioned regulated pipeline spans Texas shale gas supply basins

Transparent Capital Spending Horizon

- Comprehensive risk-based replacement program
- Further enhance resiliency and supply reliability while reducing methane emissions
- Support strong customer growth in our existing footprint

Constructive Regulation Focused on Safety and Reliability

- Annual filing mechanisms in most jurisdictions offer regular, consistent rate adjustments
- Earning on ~90% of annual capex within 6 months; ~99% within 12 months
- Significant percentage of revenue earned through fixed or tariff-based charges

Sustainability Integrated Into Strategy

- Formal Board of Director oversight over sustainability
- Comprehensive plan to reduce environmental impact from operations
- Safely providing reliable, efficient and abundant natural gas with a lower carbon footprint than electricity
- Investing in the communities we serve

Safety Driven, Organic Growth Strategy

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

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

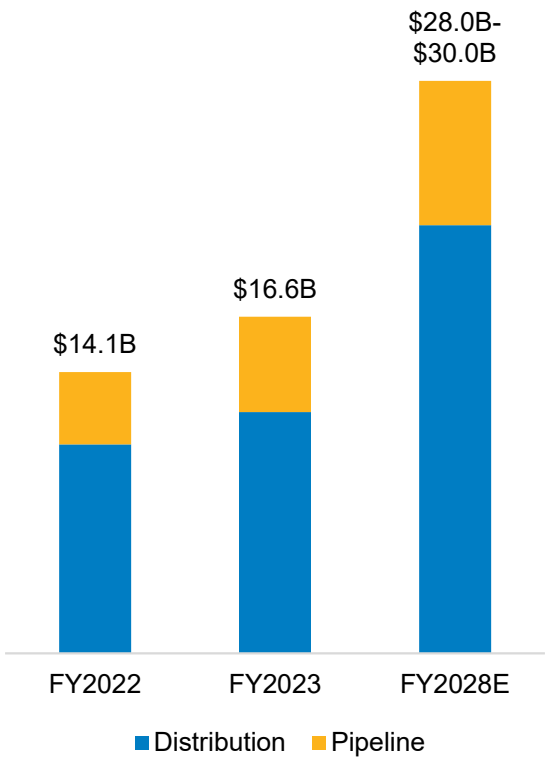
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Constructive rate mechanisms that reduce regulatory lag

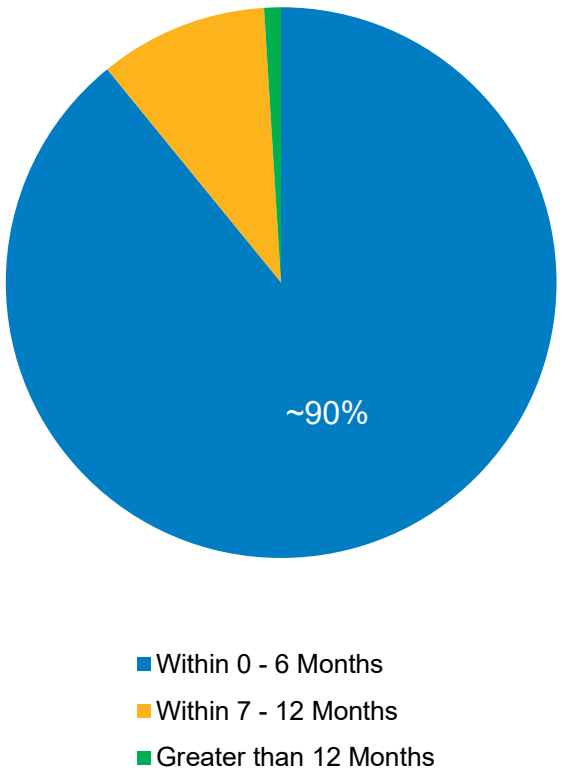
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6% - 8% Consolidated EPS growth

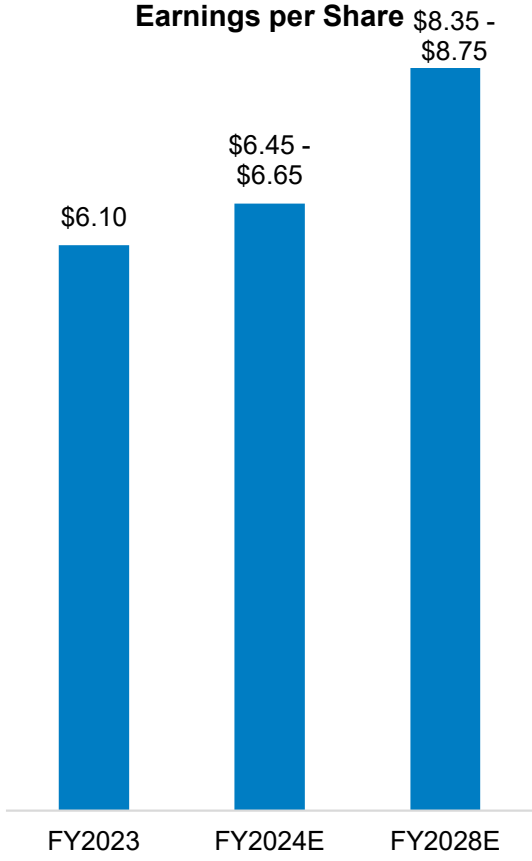
Rate Base



Annual Capex Recovery



Earnings per Share



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] ($MM)	Rate Base[1] % of Total	2024E ($MM)
Texas								
• **Mid-Tex**	8.209	✓	RRM/DARR/ GRIP	-	1,856	6,800	41	1,250-1,275
• **APT**	GRIP	-	GRIP [2]	-	NA	4,400	27	830-840
• **West Texas**	8.209	✓	RRM/GRIP	-	331	1,150	7	170-180
Louisiana	RSC	✓	RSC	-	378	1,200	7	160-170
Mississippi	SIR	✓	SRF/SIR	-	274	1,000	6	160-170
Kentucky	PRP	✓	PRP	✓	186	640	4	60-70
Tennessee	-	✓	ARM	-	165	560	3	80-90
Kansas	GSRS	-	GSRS	✓	142	320	2	40-50
Colorado	SSIR	✓	SSIR	✓	129	400	2	30-40
Virginia	SAVE	-	SAVE	✓	25	80	1	10-15

1. *Represents an estimate of rate base as of September 30, 2023*
2. *Requires a rate case every 5 years*

Constructive Regulation Focused on Safety and Reliability

Ongoing Modernization Supported By Efficient Recovery Mechanisms

Constructive Regulation Supports

- Pipe replacement via risk models and industry identified materials
- Performance of necessary maintenance & monitoring work
- Employee training to improve safety
- Compliance with evolving rules and regulations

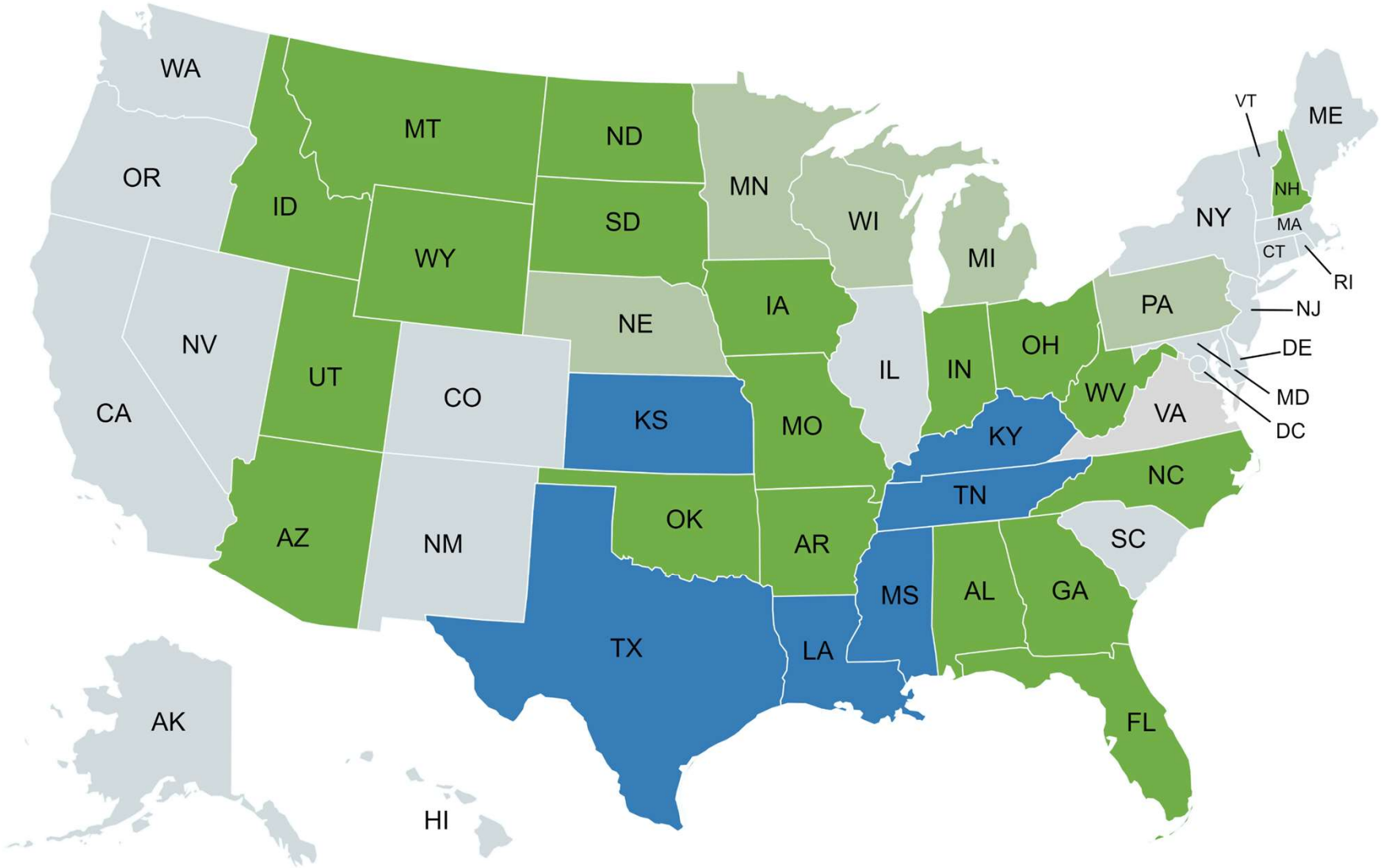
Constructive Regulation Provides

- Reduced Regulatory Lag
  - Annual mechanisms / Infrastructure mechanisms
  - Forward-looking test periods
  - Expense deferrals
- Revenue Stability
  - Base charges – 62% of residential distribution revenue[1]
  - WNA – covers 96% of distribution revenue[1]
  - Bad debt recovery covers 81% of distribution customers, insulating revenue from the commodity portion of bad debt expense
  - Pipeline & Storage segment – tariff-based revenue
- More predictable earnings and cash flow
  - Regular, consistent rate adjustments
  - Smaller annual impact to customer bills

1. *Revenue excluding gas costs*

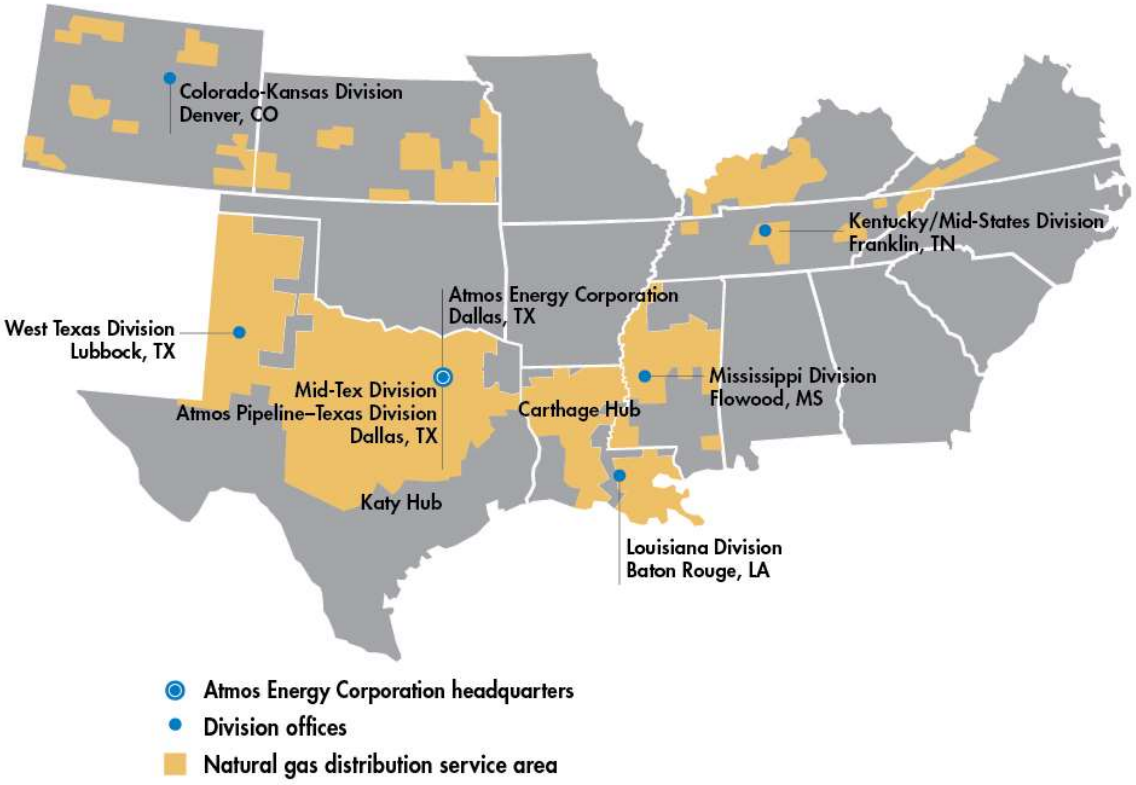
Leading Natural Gas Delivery Platform

97% of Rate Base in states that offer policy support for investment in natural gas infrastructure



Leading Natural Gas Delivery Platform

Diversified LDC Platform in Eight States

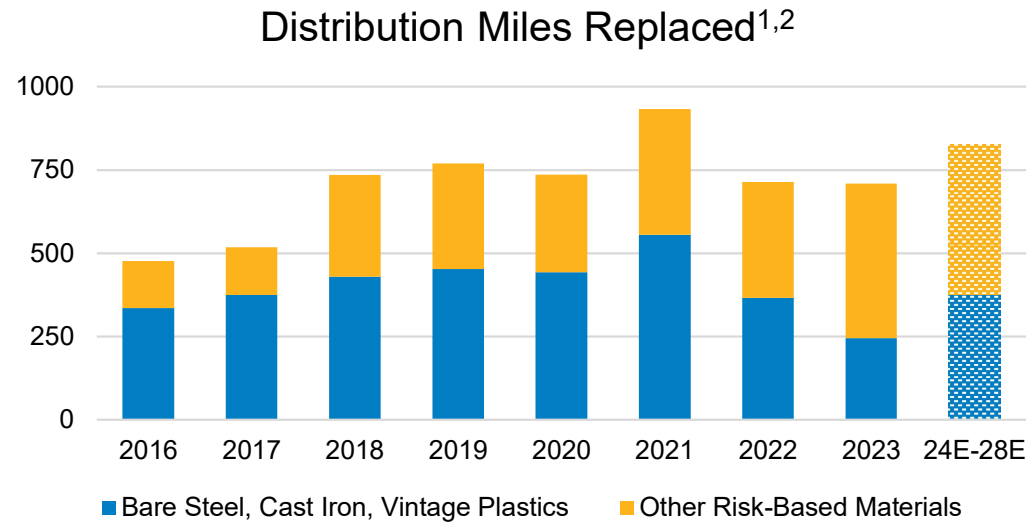


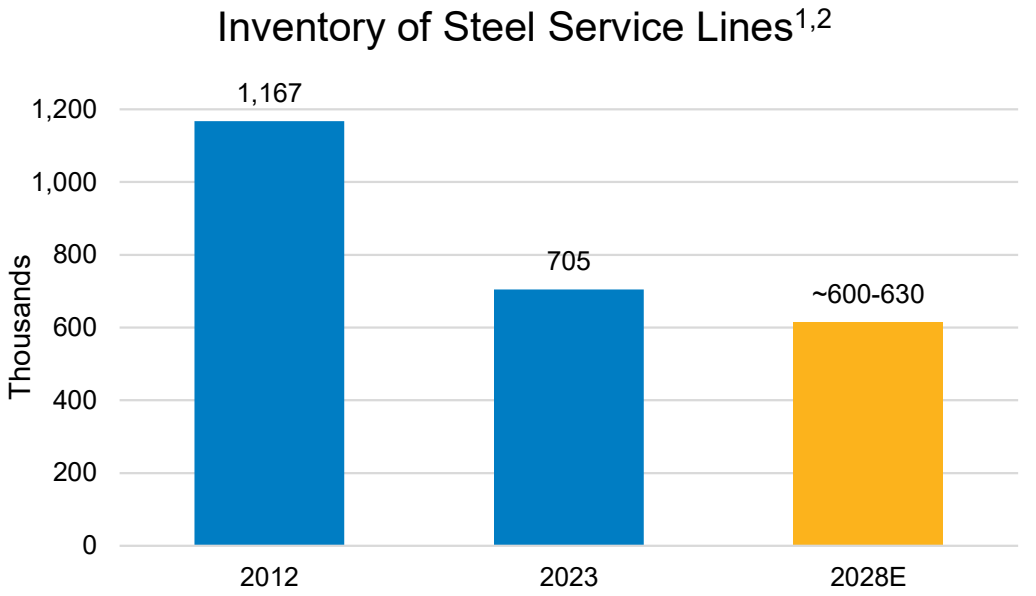
- Largest pure-play natural gas LDC with over 3 million customers
  - Largest Natural Gas Distributor in Texas with ~ 2.1 million customers
- ~73,000 miles of distribution and transmission mains
- Connected to 38 different pipelines across 8 states providing supplier diversity
- Blended allowed ROE of 9.8%
- Constructive regulatory mechanisms reduce lag
- ~65% of revenues earned in the first 6 months of the fiscal year
- $12.2 billion estimated rate base as of September 30, 2023
- Represents 67% of consolidated net income

Modernizing Our Distribution System

~$12.5 Billion Capital Plan Through 2028; > 82% Focused On Safety and Reliability

- **Replace 4,000 – 5,000 miles of distribution system pipe**
  - 6% - 8% of total system
- **Replace 120,000-170,000 steel service lines**
  - 15% - 20% reduction
- **Install wireless meter reading**
  - ~75% anticipated WMR coverage
- **Support Customer Growth**

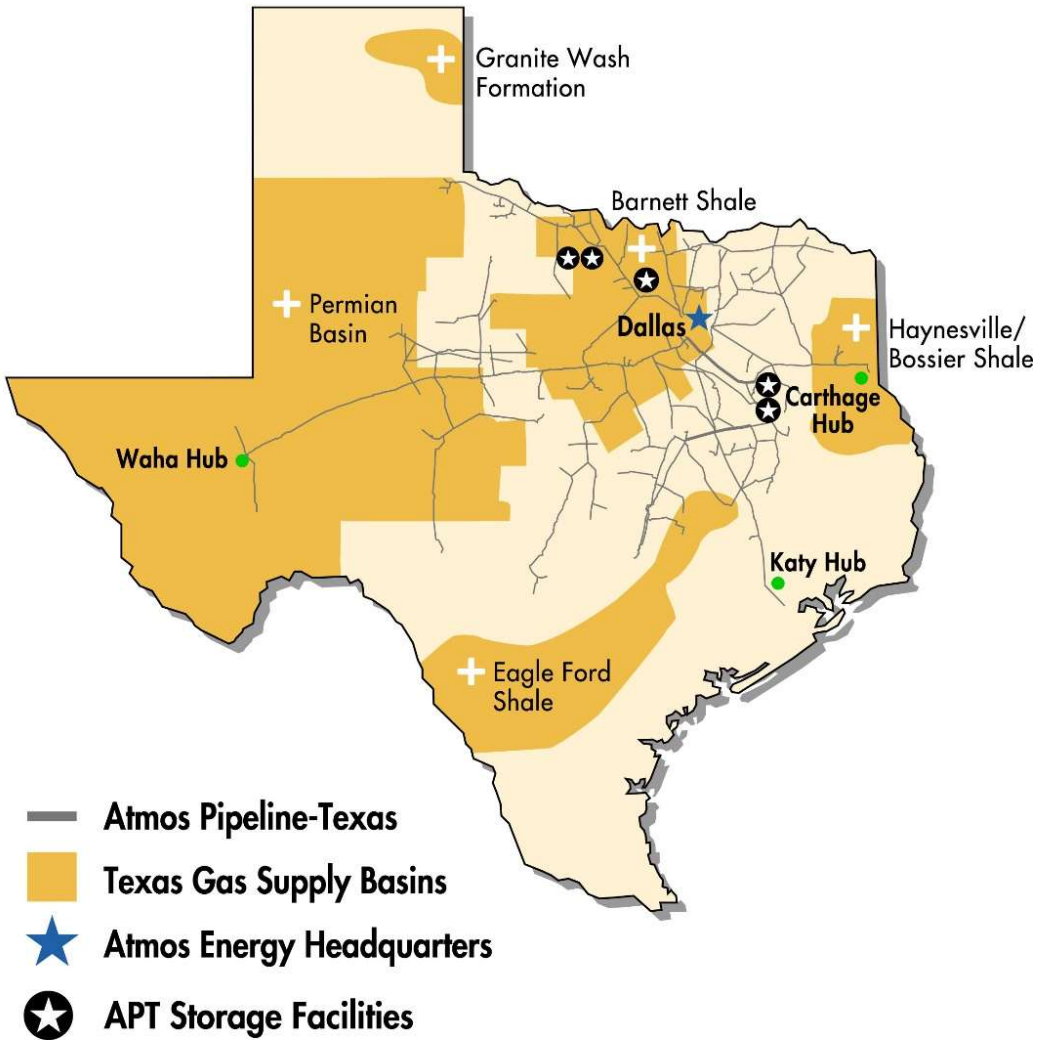




1. *2022 DOT Report*
2. *2023 figures are based on fiscal year data*

Leading Natural Gas Delivery Platform

APT is Favorably Positioned Intrastate Pipeline Spans Texas Shale Gas Supply Basins

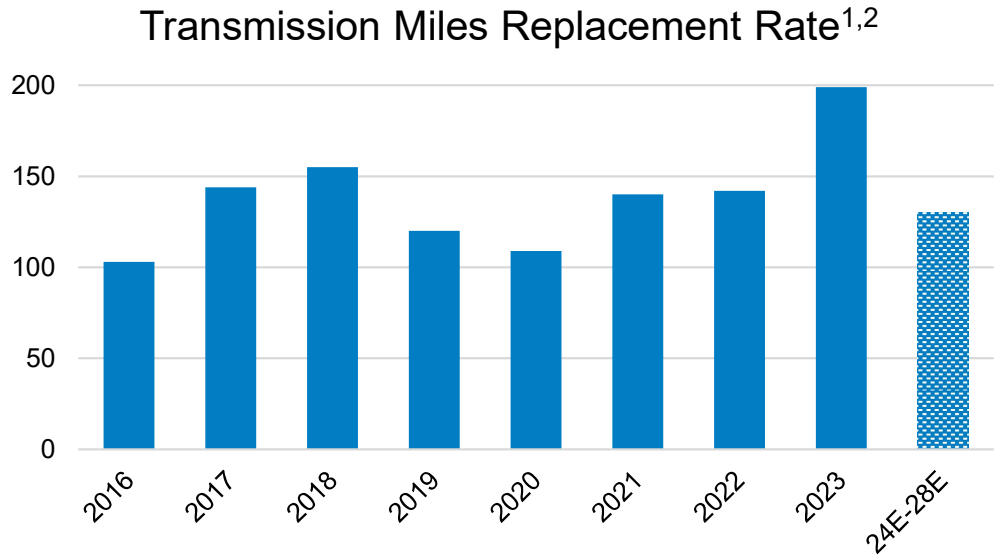


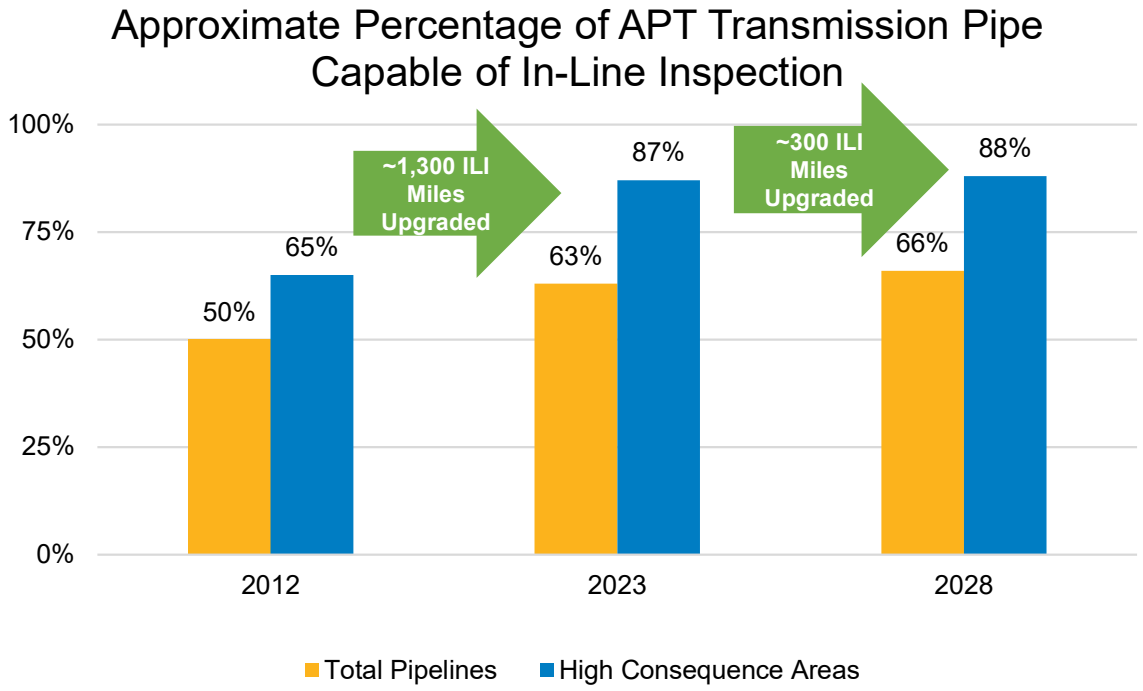
- Regulated by the Railroad Commission of Texas
  - Established to provide gas supply service to Mid-Tex and other LDCs
  - 100% of margin derived from tariff-based rates
- ~5,700 miles of intrastate pipeline
  - Spans multiple key shale gas formations
  - Connections at all 3 Texas Hubs - Waha, Katy & Carthage
  - Transported approximately 831 Bcf in Fiscal 2023
    - Average throughput of 2.3 Bcf/d
- Five storage facilities with 53 Bcf of working capacity
- Allowed ROE of 11.5%
- Margin derived from tariff-based rates primarily serving Mid-Tex and other LDCs
- $4.4 million estimated rate base as of September 30, 2023
- Represents ~33% of consolidated net income

Modernizing our Transmission System

~$4.5 Billion Capital Plan for APT Through 2028

- **Pipeline Integrity Management**
  - 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 400-600 miles APT transmission pipe through 2028
  - Line S-2 east of Dallas
  - WA Loop – West of Fort Worth
  - Permian Highway Connector
  - Bethel to Groesbeck line
  - Bethel Cavern upgrade

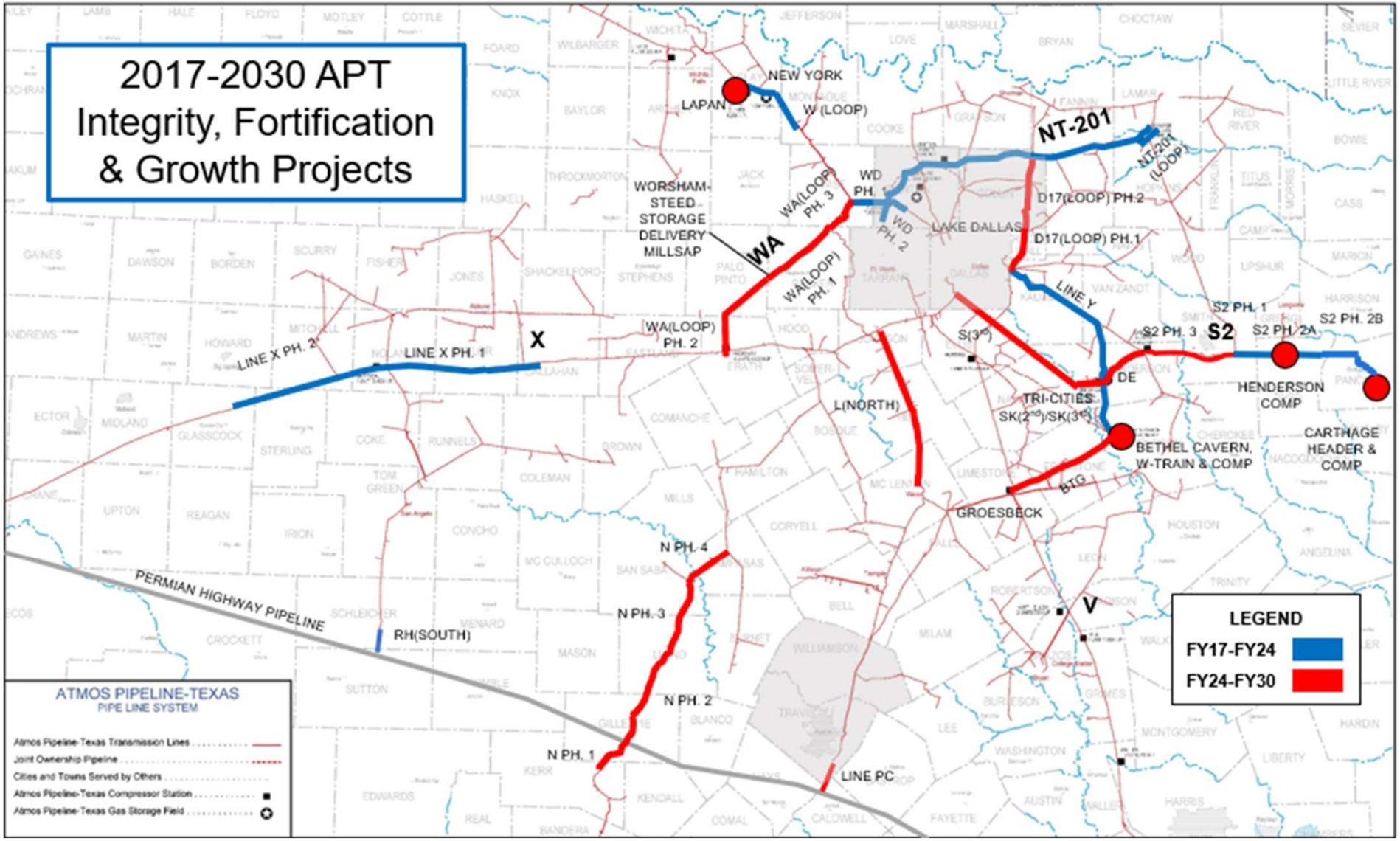




1. *2022 DOT Report*
2. *2023 figures are based on fiscal year data*

Modernizing our Transmission System

2017-2030 Significant APT Capital Projects



FY17 – FY24 **FY24 – FY30**

Sustainability Integrated Into Strategy

Sustainability Integrated Into Strategy

Formal Board of Director Oversight Over Sustainability

Board of Directors
Corporate Responsibility, Sustainability, & Safety Committee

Strong Corporate Governance

- ✓ Diverse Board & Senior Leadership
- ✓ Accountable to Shareholders

Providing Value to Customers

- ✓ Affordable and Reliable service
- ✓ Strong Customer Service Focus

Reduce Environmental Impact

- ✓ Comprehensive plan addresses all areas of the company
- ✓ Goal to reduce methane emissions by 50% by 2035 from 2017 levels[1]

Focus on Safety and Risk Mitigation

Safety

- ✓ Comprehensive training programs
- ✓ Emphasis on technology and innovation

Supporting Communities

- ✓ Focused on Students, Community Heroes and Our Most Vulnerable Neighbors
- ✓ Investing employee and company time and financial resources

Culture

- ✓ *AtmoSpirt*, our unique culture, introduced in 1998
- ✓ Foundation for teamwork, trust & respect

1. *Reduction from 2017 values for EPA-reported distribution system mains and services*

Sustainability Integrated Into Strategy

Environmental Strategy Overview

- **Atmos Energy's comprehensive environmental strategy is focused on reducing our Scope 1, 2, and 3 emissions and environmental impact from our operations in five key focus areas: Operations, Fleet, Facilities, Gas Supply, and Customers**

- **We are implementing operating practices and solutions to reduce carbon from our operations through:**
  - Ongoing system modernization work
  - Reducing third-party damage to our system
  - Improving monitoring and measuring of methane emissions
  - Expanding supply options and opportunities including renewable natural gas (RNG)
  - Expanding customer energy efficiency programs
  - Exploring clean energy technologies through research and development
  - Collaboration with our legislators, regulators, customers, and suppliers

- **Future carbon reduction targets will be established based upon existing legislation, regulation, and technologies**

Sustainability Integrated Into Strategy

Environment Strategy - Operations

Pipeline Systems

- Goal to reduce methane emissions by 50% by 2035 from 2017 levels[1] through pipe and service line replacement
- Expand advanced mobile leak detection technology
- Continue to recycle water used in boring and hydrotesting activities
- Reuse drilling mud to reduce shipped waste



Venting

- Incorporate recompression and enclosed combustion technologies to reduce methane emissions from pipeline construction and maintenance activities



Pneumatic Devices

- Utilize bleed-free or low bleed devices on new and replacement natural gas pneumatic devices
- ~50% of existing high-bleed devices converted to bleed-free/low-bleed devices or instrument air systems
- Installing compressed air systems at APT storage and compression facilities



Storage & Compression

- Gas Cloud Imaging capabilities installed at all APT storage fields
- Installing advanced leak detection technologies on distribution storage fields



1. *Reduction from 2017 values for EPA-reported distribution system mains and services*

Sustainability Integrated Into Strategy

Environment Strategy - Fleet, Facilities, Gas Supply, and Customers

Fleet

- Transitioning fleet to gas-hybrid or CNG vehicles
  - ~10% of light duty fleet has been converted to hybrid
- Two CNG fueling stations in operation; two more under construction



Facilities

- 17 LEED certified facilities (6 Gold, 9 Silver); New facilities are designed to LEED-certified Standards
- Fuel cell installed at corporate data center
- Evaluating onsite power generation opportunities, including RNG-fueled fuel cell
- Tracking energy consumption at all facilities.
  - Source environmentally conscious electric generation



Gas Supply

- Currently selling ~ 5 Bcf of CNG and transporting ~ 8 BCF of RNG; equivalent of removing 97,870 passenger cars annually
- Evaluating potential opportunities to incorporate Responsibly Sourced Gas into our Gas Supply portfolio



Customers

- Customer efficiency tariffs currently in four jurisdictions; seek to expand tariffs in all states
- Partner with builders to build Zero Net Energy Homes featuring natural-gas appliances
- Continue to promote digital customer interactions
  - ~85% of customers pay electronically
  - ~52% of customers use eBill



Sustainability Integrated Into Strategy

Supporting research and development initiatives to further reduce emissions

The **ONE Future Coalition** is a group of more than 50 natural gas companies working together to voluntarily reduce methane emissions **across the Natural Gas value chain** to **1% (or less) by 2025**. 2022 methane intensity of 0.421% and 99.58% efficient in delivering gas from the rig to the burner tip.

Accelerating the commercial deployment of low- and zero-carbon technologies
from 2030 to scale through 2050 for economy-wide deep decarbonization

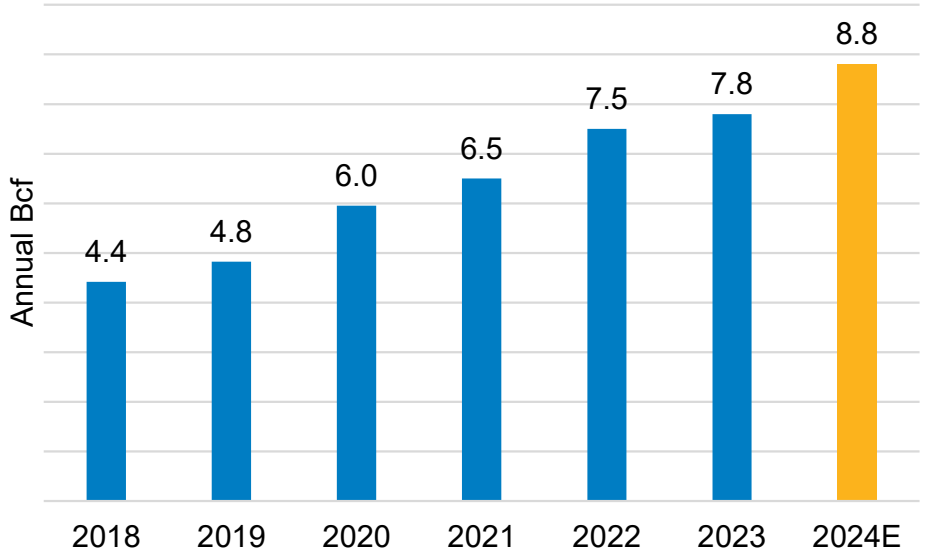
The Coalition for Renewable Natural Gas is a public policy advocate and education platform for the RNG industry in North America.

Sustainable Methane Abatement & Recycling Timeline (SMART) is an initiative **to capture and control methane from 43,000+ organic waste sites in North America by 2050**, achieving significant benchmarks by 2025, 2030 and 2040.

Sustainability Integrated Into Strategy

Supporting RNG Projects Through Transportation Contracts Helps Customers Achieve Their Environmental Objectives

Atmos Energy transports ~8 Bcf of RNG annually





- Added ~0.3 Bcf to RNG transport volume
- Equivalent to removing ~97,870 cars from roads for one year[1]
- By providing RNG transportation services this results in an increased RNG volume as a percent of our throughput without impacting customer bills

1. *Based upon the CO2e from firing fossil natural gas; does not take into account the additional offsetting capacity of RNG.*

Sustainability Integrated Into Strategy

Natural Gas Combined With Renewable Energy Affordably Reduce Customers' Carbon Footprint

Zero Net Energy (ZNE) Homes





Atmos Energy is Partnering With Local Habitat For Humanity Chapters to Build ZNE Homes

ZNE Homes can produce as much or more energy as they consume by using:

- High-efficiency natural gas appliances
- Rooftop solar panels
- Innovative weatherization

About our ZNE Homes:

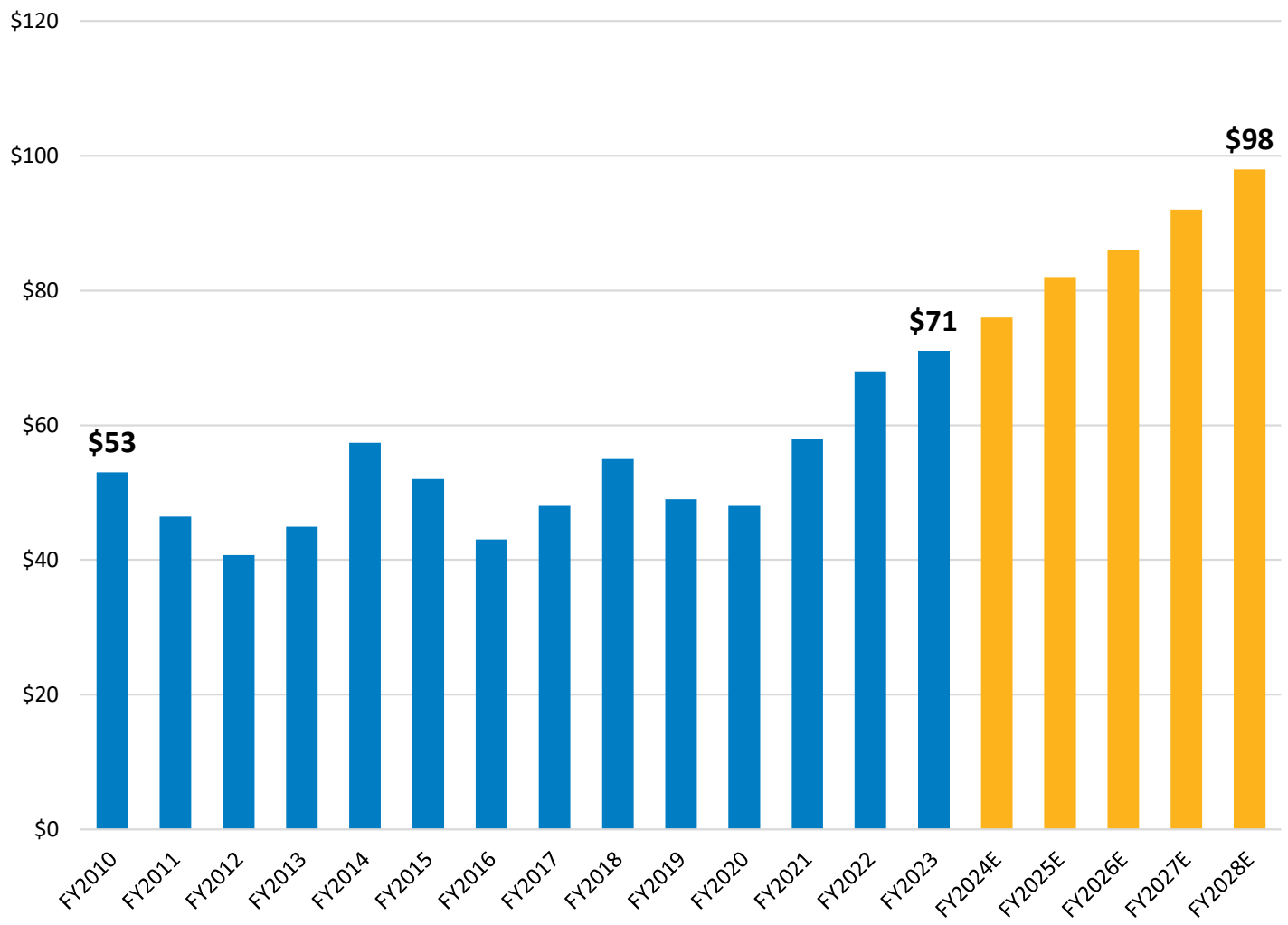
- 10 homes completed
  - HERS[1] score for each home is less than zero
- 2 homes completed in FY23; 2 more expected to be complete by end of CY23

[1] Home Energy Rating System (HERS) is a nationally recognized rating system for calculating the energy efficiency of a home. A score less than zero means the home produces more energy from renewable sources than it consumes.

Sustainability Integrated Into Strategy

Residential use of natural gas remains competitive

Average Monthly Customer Bill



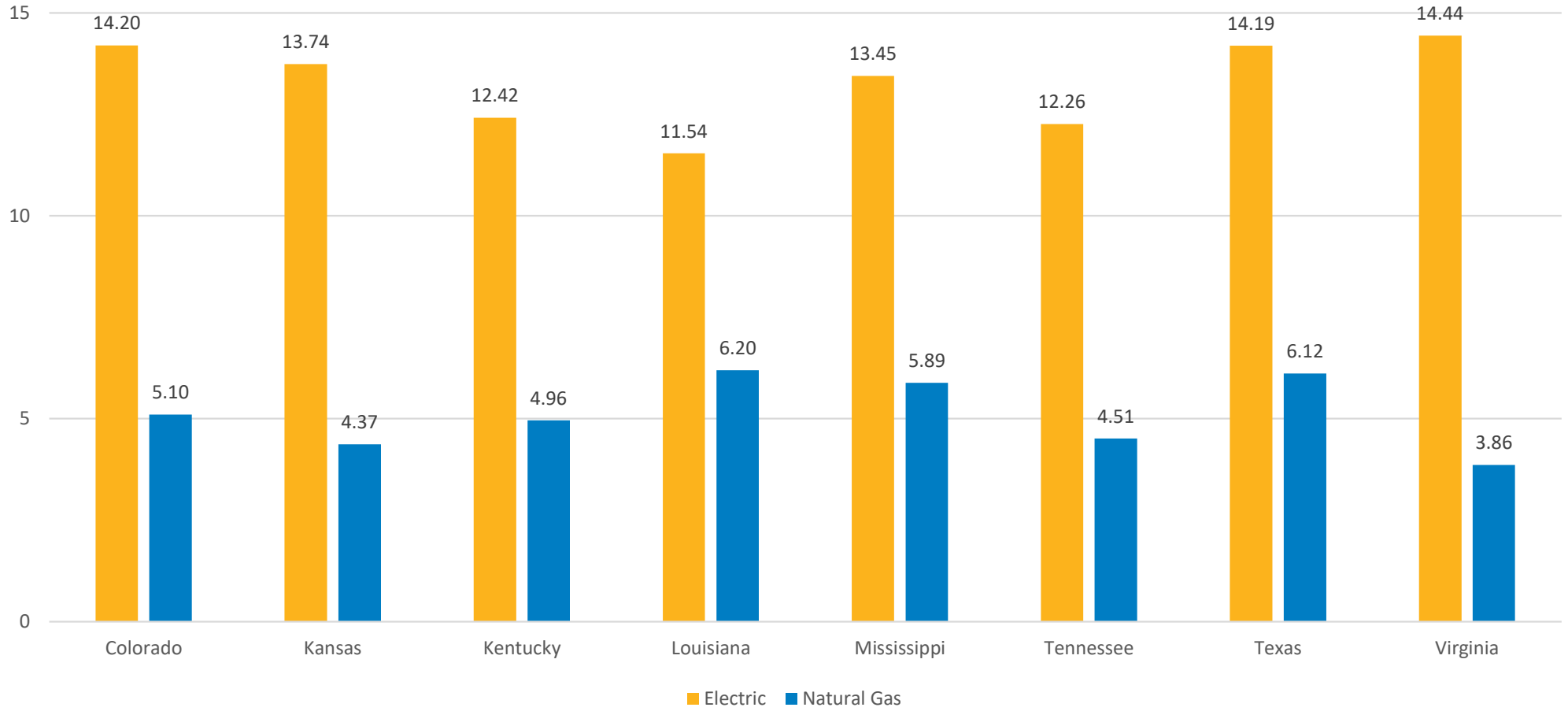
Key Assumptions

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

Sustainability Integrated Into Strategy

Natural Gas Price Advantage Over Electricity

Electricity[1] vs Natural Gas[2] - kWh Equivalent



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

1. *US Energy Information Agency, www.eia.gov residential customer electric rates for the twelve months ending August 2023*
2. *Represents Atmos Energy's average residential customer rates for the twelve months ending August 2023*

Sustainability Integrated Into Strategy

Residential Natural Gas Bills Remain the Lowest Monthly Utility Bill

Water[2]
$111

Cable & Internet[3]
$118

Natural Gas[1]
$71

Electric[4]
$127

Mobile Phone[5]
$134



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

Financial Performance and Outlook

Fiscal 2023 Financial Performance

Fiscal 2023 Highlights

- **Financial Performance**
  - YTD Diluted EPS of $6.10; 21st consecutive year of EPS growth
  - $2.8 billion in capital spending; 85% allocated to safety and reliability spending
  - 8.8% increase in fiscal 2023 annual dividend to $2.96 per diluted share
  - 39th consecutive year of rising dividends
- **Executed Our Regulatory Strategy**
  - Completed $268.8 million as of September 30, 2023; $263.1 million, net of excess deferred tax amortization
  - $135.0 million implemented in Q1 Fiscal 2024
  - $112.3 million currently in progress
- **Strong Balance Sheet**
  - Approximately $2.7 billion in available liquidity
  - $1.6 billion of financing to support operations
    - Issued $500 million 30-year senior notes at 5.75%[1]
    - Issued $300 million 10-year senior notes at 5.45%
    - Settled $806.9 million of equity forwards
  - Equity capitalization at 61.5% as of September 30, 2023

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

Fiscal 2023 Financial Performance

Consolidated Financial Highlights

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

1. *Since Atmos Energy has non-vested share-based payments with a nonforfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.*

Fiscal 2023 Financial Performance

Segment Operating Income Highlights

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

Distribution Key Drivers

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

Pipeline & Storage Key Drivers

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

Fiscal 2023 Financial Performance

Segment Operating Income Highlights

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

Distribution Key Drivers

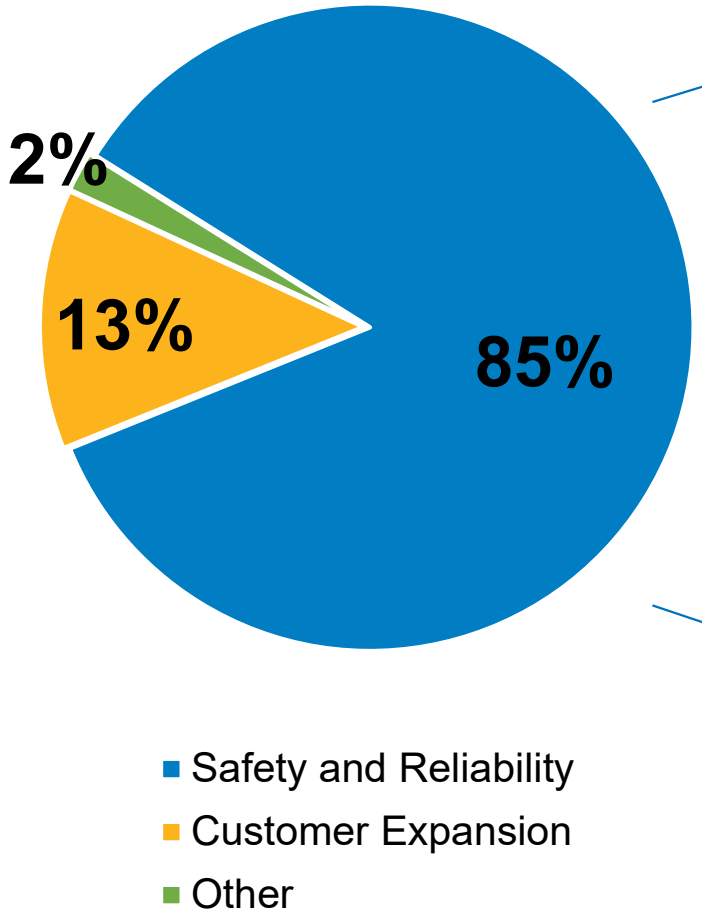
- **$27.6MM – Net increase due to rate adjustments**
- **$ 3.8MM – Increase due to residential customer and industrial load growth**
- **($14.8MM) – Increase in D&A and property tax expense**

Pipeline & Storage Key Drivers

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

Fiscal 2023 Financial Performance

Capital Spending Highlights

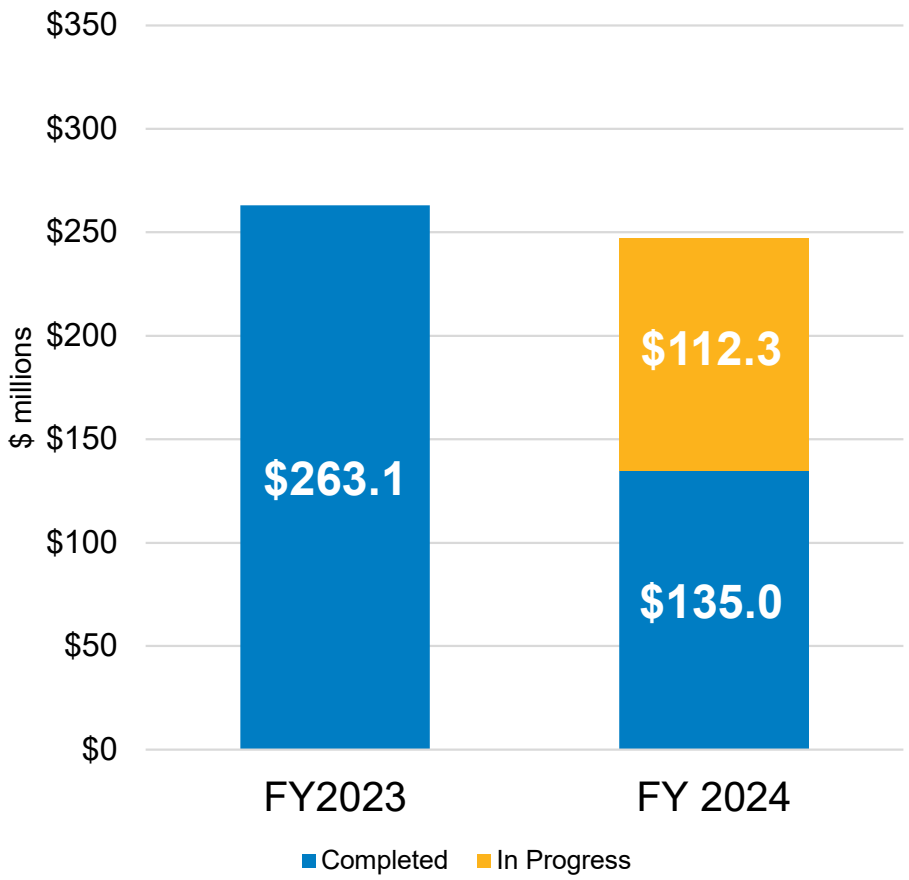


$millions		Fiscal 2023 YTD Capital Spending
$	1,258	Repair and replace transmission and distribution pipelines
	325	Fortifications
	270	Service line replacement
	249	Install & replace measurement & regulating equipment
	226	Pipeline integrity management projects
	70	Enhance storage and compression capabilities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

FY 2023 Financial Performance

Regulatory Highlights

Approved Annualized Operating Income Increases[1]



Key Rate Activity
Through December 1, 2023

- **$135.0MM Completed**
  - $ 98.6MM – Mid-Tex Cities RRM
  - $ 11.5MM – Mississippi SRF
  - $ 11.0MM – Mississippi SIR
  - $ 8.6MM – West Texas Cities RRM
  - $ 2.9MM – Kentucky PRP
  - $ 1.8MM – Kansas GSRS
  - $ 0.6MM – Virginia SAVE
- **$112.3MM In-Progress**
  - $107.4MM – APT Rate Case [2]
  - $ 2.8MM – Virginia Rate Case
  - $ 2.1MM – Colorado SSIR

1. *Excluding the impact of EDIT fiscal 2023 rate outcomes were $268.8 million.*
2. *On October 24, 2023, APT and the intervening parties in its general rate case filed a Joint Notice of Settlement and Proposed Order. The settlement proposes a rate base of $4.3 billion, an authorized return of 8.49%, a debt/equity ratio of 40/60 and an authorized ROE of 11.45%. We anticipate the settlement agreement will be on the RRC's agenda for its December 13, 2023 meeting. If approved as filed, the settlement would result in a $27.0 million increase in annualized operating income, excluding the impact of EDIT.*

Fiscal 2023 Financial Performance

Financing Highlights

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

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

Financial Outlook

FY 2024 Five Year Plan Key Themes

Earnings and Dividends Per Share

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

Safety and Reliability Continues to Drive Spending

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

FY 24 Financing Plan Consistent With FY 23 Plan

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

Financial Outlook

Fiscal 2024E Guidance

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

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2024 significantly above or below this outlook.*

2. *Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.*

Financial Outlook

Fiscal 2024E Guidance

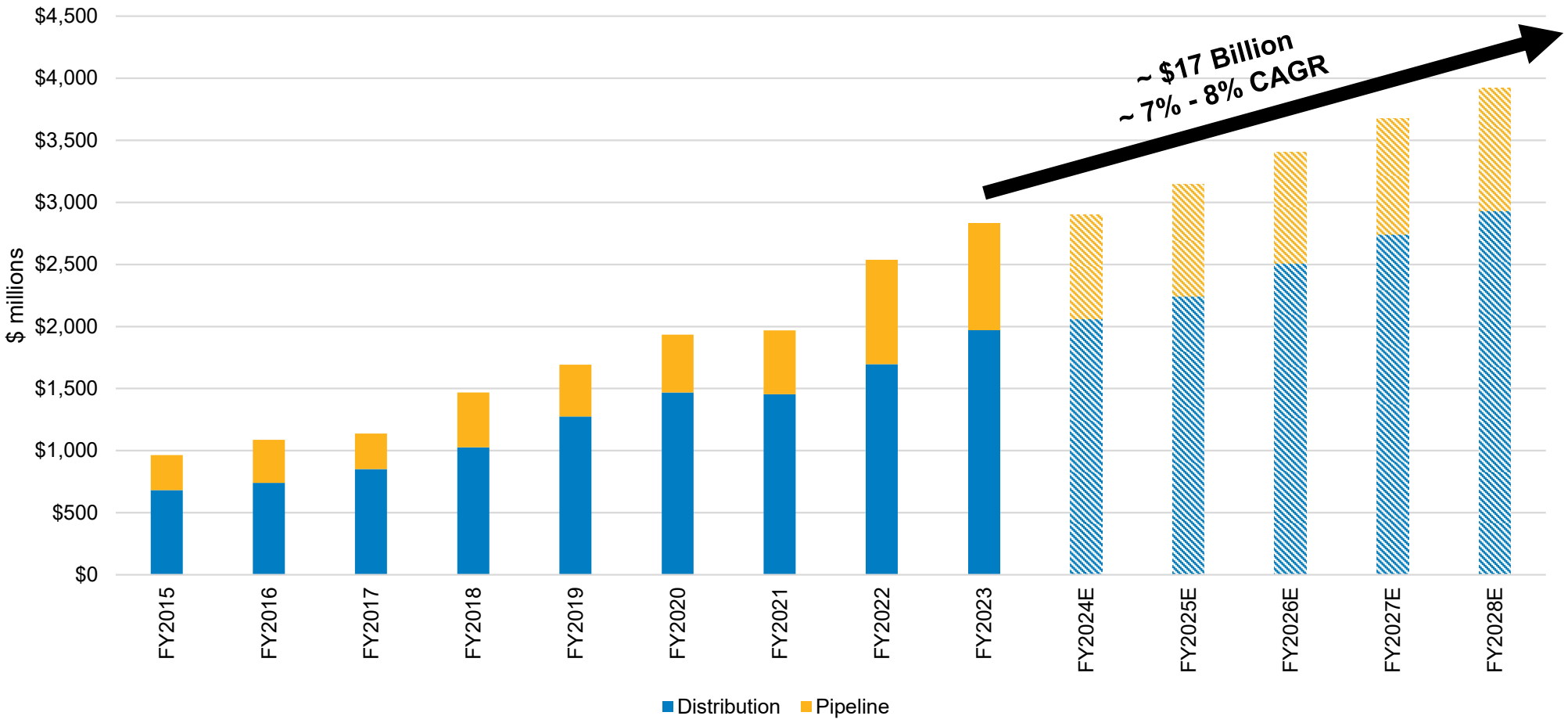
Selected Expenses *($millions)*	FY 2023	FY 2024E[1]
O&M	$ 765	$ 780 - 800
D&A	$ 604	$ 685 - 695
Interest	$ 137	$ 190 - 196
Income Tax	$ 114	$ 165 -180
Effective Tax Rate	11.4%	14% - 16%[2]

1. *Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2024 significantly above or below this outlook.*
2. *Excluding the amortization of excess deferred tax liabilities, the effective rate is expected to be 22.5% - 24.5%.*

Financial Outlook

Capital Spending Focused on System Modernization and Growth

Consolidated 2024E Capital Expenditures of ~$2.9 billion

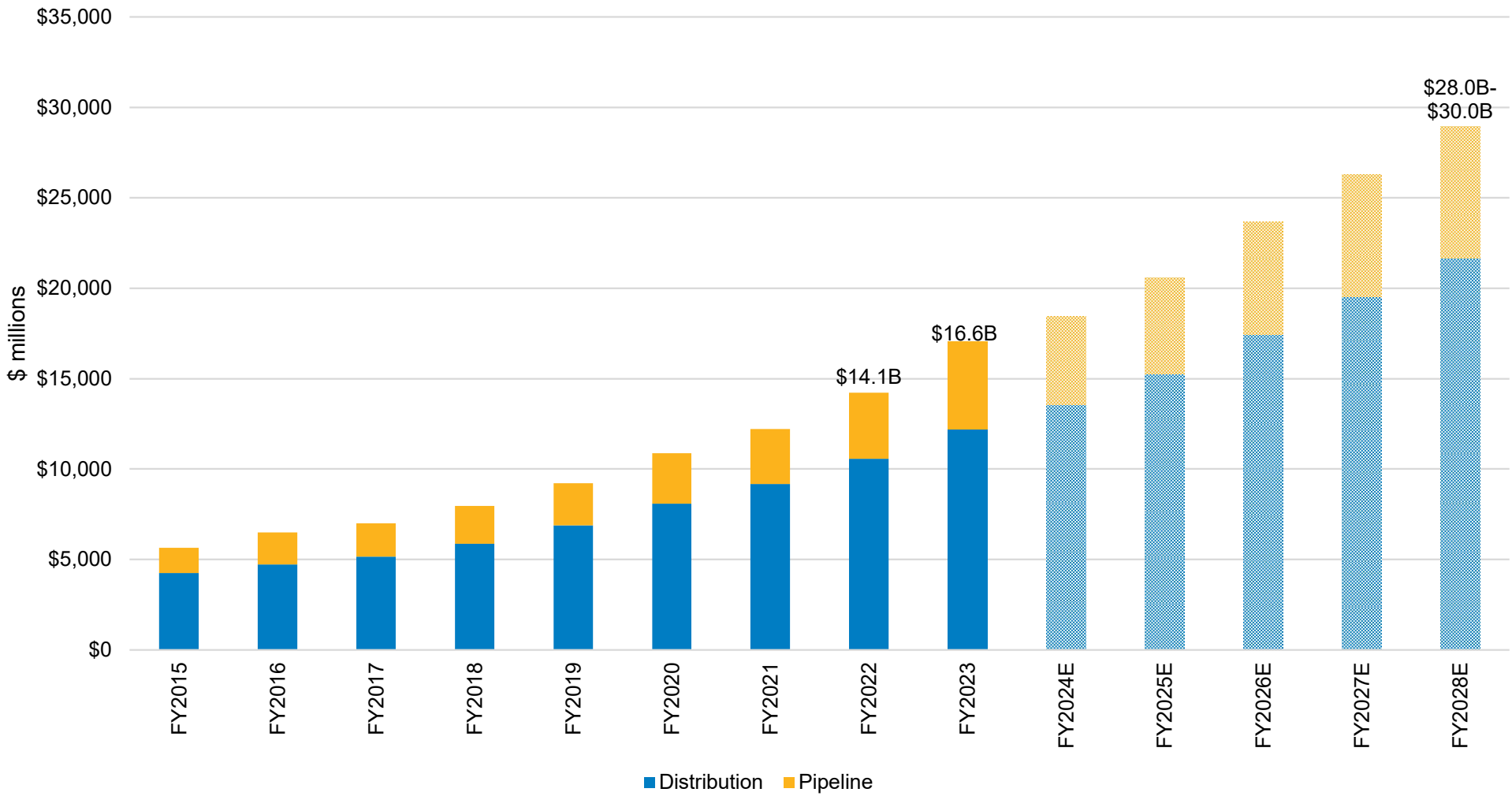


~90% of annual CAPEX begins to earn within 6 months from end of test year

Financial Outlook

Capital Spending Drives Rate Base Growth

Enhancing System Safety and Reliability[1]

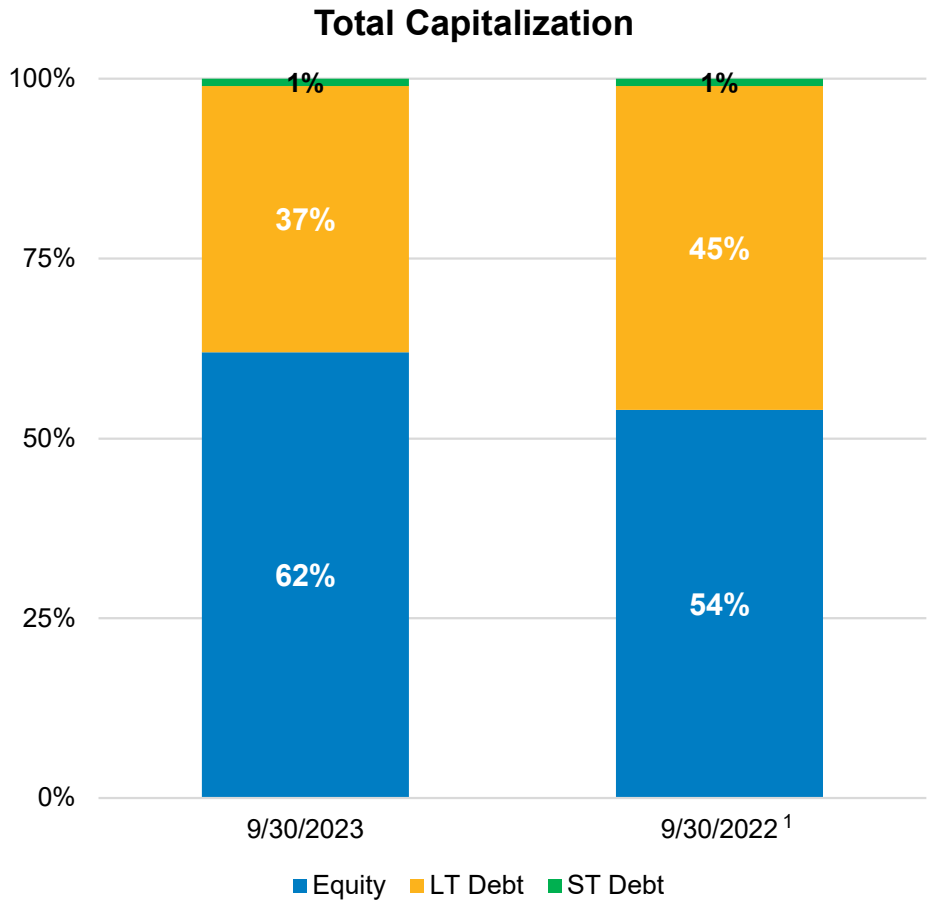


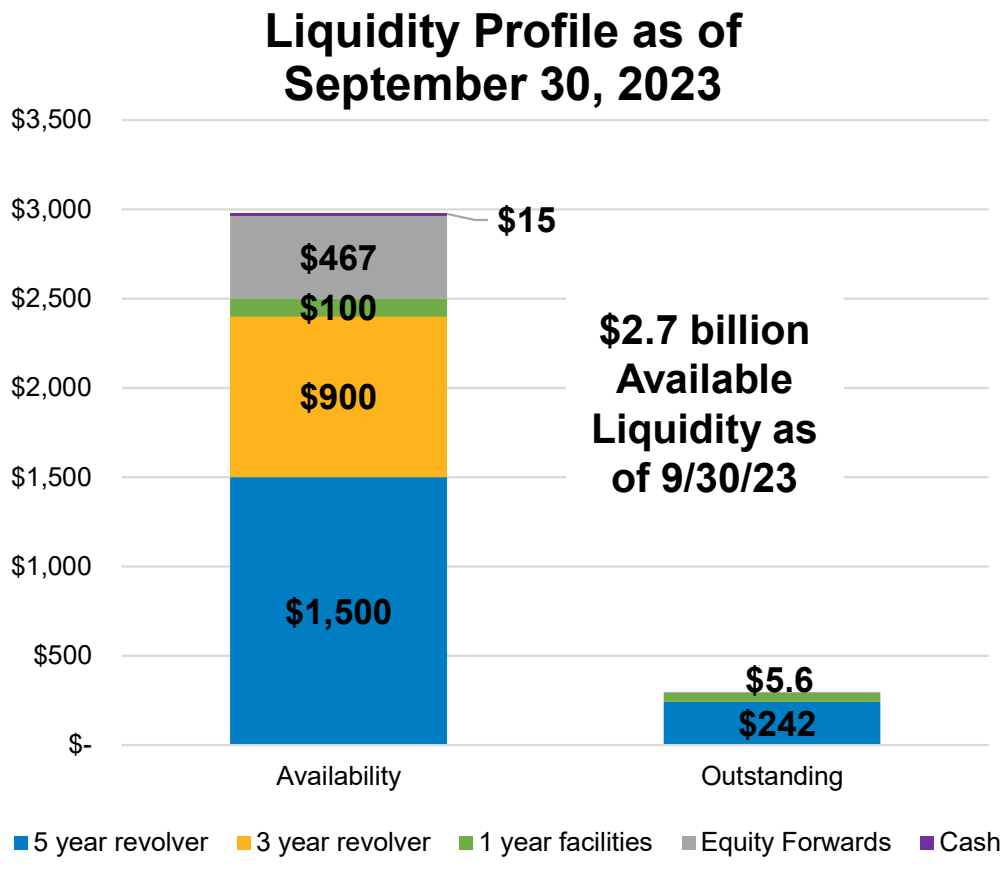
1. *Estimated rate base at the end of each fiscal year*

Fiscal 2023 Financial Performance

Strong Financial Foundation Supports Capital Spending Program

Capitalization and Liquidity Profile



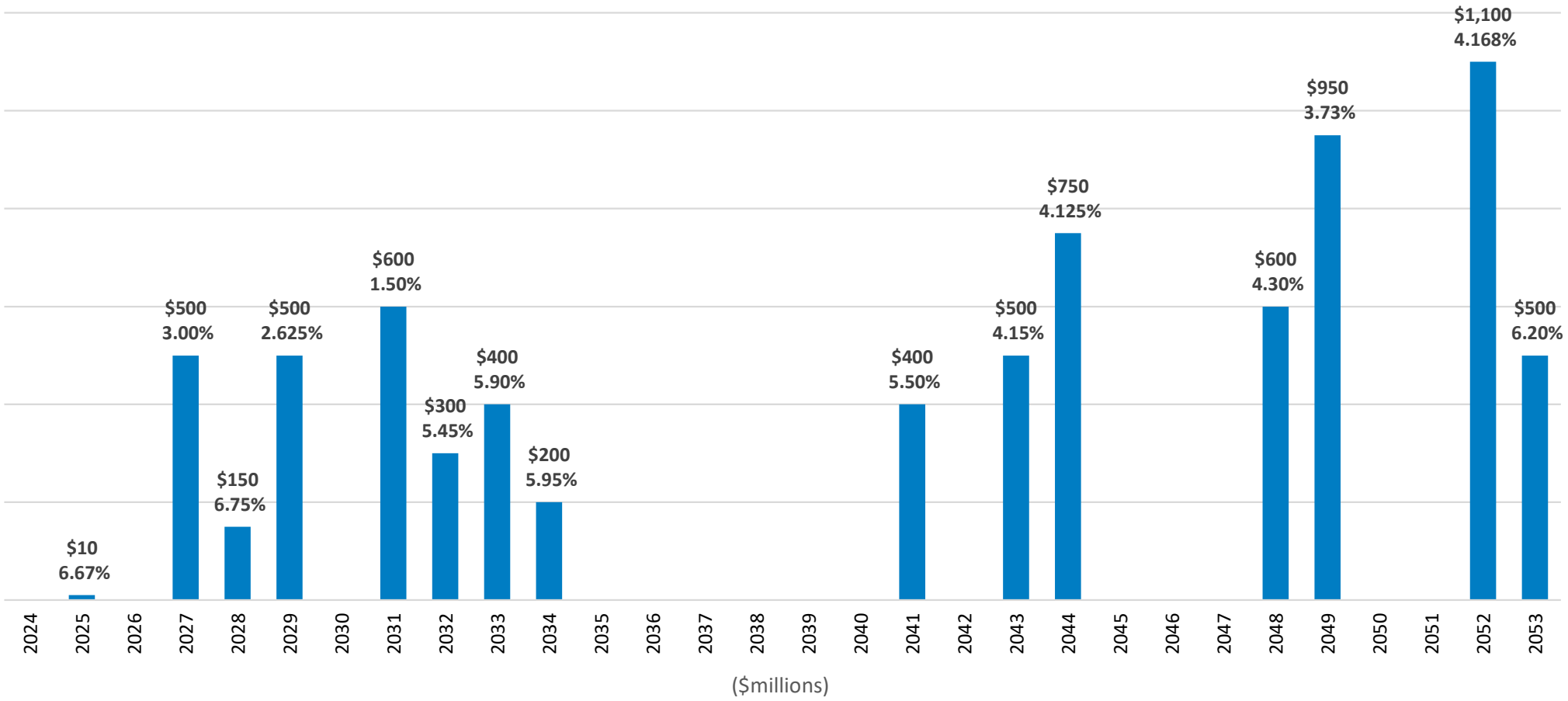


1. *Excluding the $2.2 billion of incremental Winter Storm Uri financing, the equity capitalization rate is 61.3% as of September 30, 2022*

Fiscal 2023 Financial Performance

Manageable Debt Maturity Schedule Supports Capital Spending Program

Weighted Average Maturity ~18.41 Years[1]

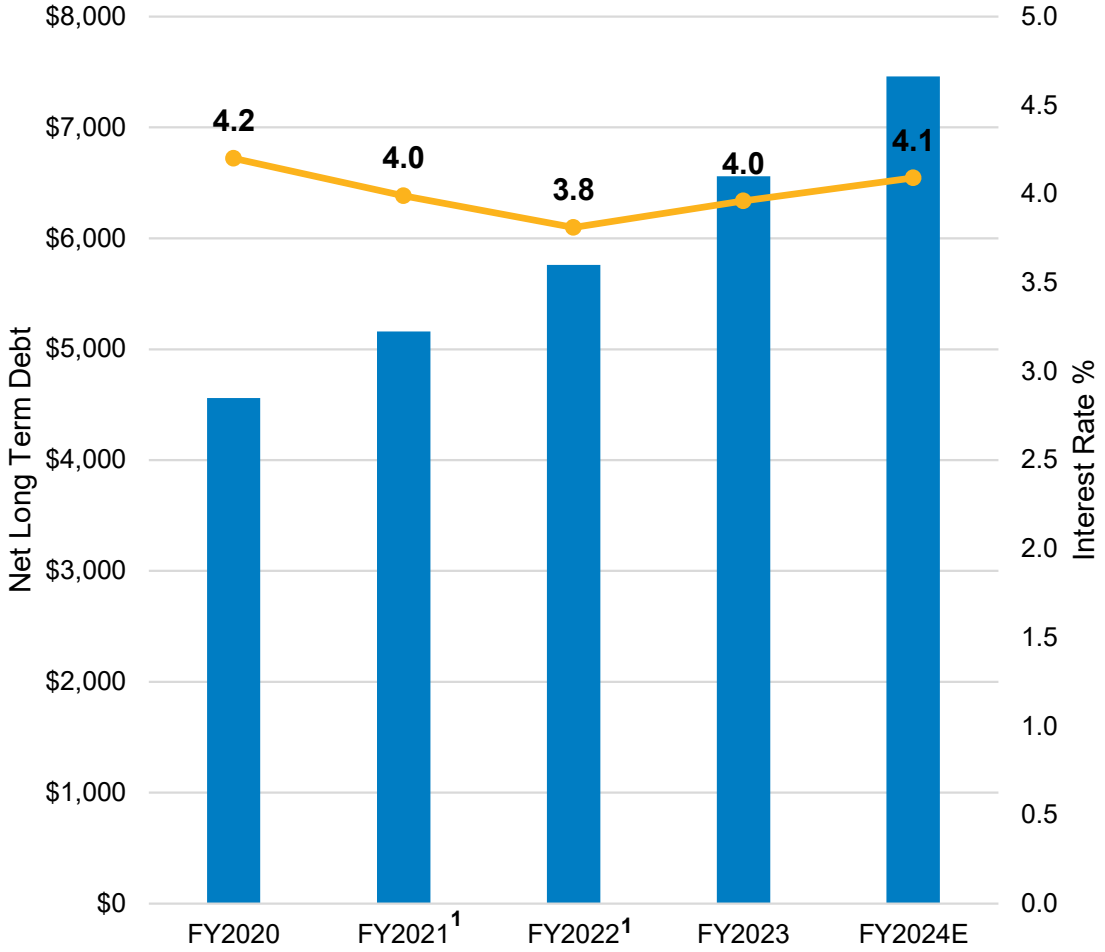


1. *Figure includes October 2023 debt issuance of $900 million.*

Fiscal 2023 Financial Performance

Strong Investment Grade Ratings Support Affordable Customer Bills

Weighted Average Cost of Debt



Strong Investment Grade Credit Ratings

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

Forward Starting Interest Rate Swaps

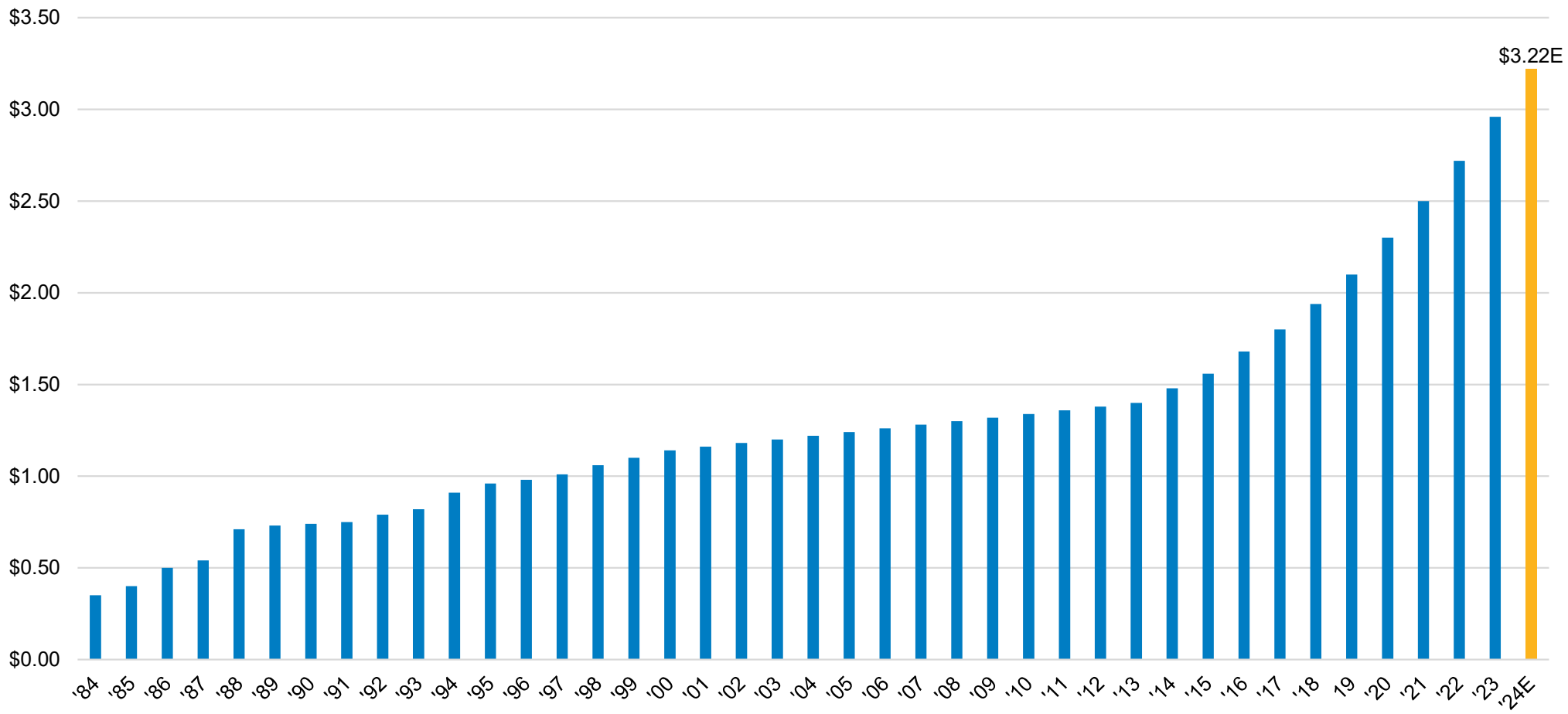
	Amount Hedged ($Millions)	Effective Interest Rate
FY2025	$600	1.75%
FY2026	$300	2.16%

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

Financial Outlook

Sustainable Financial Performance Supports Sustained Dividend Increases

40 Consecutive Years* of Dividend Increases



- Indicated dividend increase of 8.8% for Fiscal 2024

*Fiscal year

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

Regulatory Developments Appendix

Regulatory Mechanisms To Support Recovery

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

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	**APT – GRC implementation anticipated January 2024**	**Mid-Tex and WTX Cities – Anticipate filing Rate Review Mechanism (RRM) in April 2024; new rates anticipated Q1 fiscal 2025**	**Mississippi – Anticipate Stable Rate Filing (SRF) in July 2024; new rates anticipated Q1 fiscal 2025**
Kentucky – Implemented PRP filing of $2.9MM	**Mid-Tex Dallas – Anticipate filing Dallas Annual Rate Review (DARR) in January 2024; new rates anticipated Q3 fiscal 2024**	**Louisiana – Anticipate filing Rate Stabilization Clause (RSC) in April 2024; new rates anticipated Q4 fiscal 2024**	**Colorado – Anticipate filing General Rate Case in July 2024; new rates anticipated Q2 fiscal 2025**
Virginia – Implemented SAVE filing of $0.6MM	**Atmos Pipeline – Texas (APT) – Anticipate filing GRIP in February 2024; new rates anticipated Q3 fiscal 2024**	**Virginia – Anticipate filing SAVE in June 2024; new rates anticipated Q4 fiscal 2024**	**Kentucky – Anticipate PRP filing in August 2024; new rates anticipated Q1 fiscal 2025**
Kansas – Implemented GSRS filing of $1.8MM	**Tennessee – Anticipate filing Annual Review Mechanism (ARM) in February 2024; new rates anticipated Q3 2024**		**Kansas – Anticipate filing Gas Safety Reliability Surcharge (GSRS) in August 2024; new rates anticipated Q1 fiscal 2025**
Colorado – Filed SSIR in November 2023; new rates anticipated Q2 fiscal 2024	**Mid-Tex ATM, WTX ALDC, WTX Triangle and Texas Environs – Anticipate filing GRIP in March 2024; new rates anticipated Q3 fiscal 2024**		**Mid-Tex – Anticipate filing General Rate Case in September 2024; new rates anticipated Q3 fiscal 2025**
Mississippi – Implemented SRF and SIR filings of $22.5MM	**Kentucky – Anticipate filing General Rate Case in March 2024; new rates anticipated Q1 fiscal 2025**		**West Texas – Anticipate filing General Rate Case in September 2024; new rates anticipated Q3 fiscal 2025**
	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2024; new rates anticipated Q1 fiscal 2025		
	Kansas – Anticipate filing System Integrity Program (SIP) in January 2024; new rates anticipated Q3 fiscal 2024		

Implemented | **Pending or anticipated**

Regulatory Summary

Jurisdiction		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $millions	Requested Operating Income $millions	Rate Base $millions[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 9/30/23
Atmos Pipeline-TX (GUD 10580)	5	8/1/17	5/19/23	$13.0	$107.4	$1,767	$4,270	8.87%	9.73%	11.50%	13.50%	47/53	40/60	NA
Atmos Pipeline-TX GRIP	3	5/17/23		$84.9		$4,055		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR		9/1/23		$17.3		$5,905		7.43%		9.80%		40/60		234,565
Mid-Tex Cities RRM		10/1/23		$98.6		$6,070		7.35%		9.80%		42/58		1,336,530
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	3	6/9/23		$12.8		$5,933		7.97%		9.80%		40/60		188,211
Mid-Tex Environs SOI/GRIP (GUD 10944)	3	6/1/23		$6.0		$5,933		7.97%		9.80%		40/60		97,050
WTX Cities RRM		10/1/23		$8.6		$965		7.35%		9.80%		42/58		151,927
WTX ALDC SOI	4	6/1/21		$5.1		$752		7.35%		2		2		154,373
WTX ALDC GRIP	3,4	6/9/23		$6.9		$961		7.35%		2		41/59		NA
WTX Environs SOI/GRIP (GUD 10945)	3	6/1/23		$1.3		$958		7.97%		9.80%		40/60		24,190
WTX Triangle (GUD 10900)		6/1/23		$0.7		$56		7.71%		9.80%		40/60		NA
Louisiana RSC (U-36721)		7/1/23		$14.5		$1,094		7.30%		2		2		378,483
Mississippi SRF (2005-UN-0503)		12/1/23		$11.5		$592		7.82%		2	2	2	2	273,586
Mississippi SIR (2015-UN-049)		12/1/23		$11.0		$473		7.82%		2	2	2	2	NA
Kentucky (2018-00281)		5/20/22		$5.9		$569		6.82%		9.23%		45/55		185,630
Kentucky PRP (2023-00231)		10/1/23		$2.9		$41		6.94%		9.45%		45/55		NA

Regulatory Summary (continued)

Jurisdiction		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $millions	Requested Operating Income $millions	Rate Base $millions[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 9/30/23
Tennessee ARM (22-00010)		6/1/23		$0.0		$499		7.58%		9.80%		38/62		165,267
Kansas (23-ATMG-538-RTS)		5/9/23		$2.0		$295		2		2		2		142,292
Kansas GSRS		11/2/23		$1.8		$17		2		2		2		NA
Kansas SIP		4/1/23		$0.8		$13		7.03%		9.10%		44/56		NA
Colorado (22AL-0348G)		5/14/23		$0.9		$230		7.00%		9.3%-9.6%		42-45/55-58		129,197
Colorado SSIR (22AL-0488G)		1/1/23	11/1/23	$2.0	$2.1	$32	$53	7.00%	7% / 3.97%	9.3%-9.6%	2	42-45/55-58	42/58	NA
Colorado GIS (18A-0765G)		4/1/19		$0.1		$1		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00014)		4/1/19	6/30/23	($0.4)	$2.8	$48	$67	7.43%	8.63%	9.20%	11.15%	42/58	39/61	25,083
Virginia SAVE (PUR-2023-00091)		10/1/23		$0.6		$16		7.43%		9.20%		42/58		NA

1. *Rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.*
2. *A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision.*
3. *GRIP filings are based on existing returns and the change in net utility plant investment.*
4. *Includes the cities of Amarillo, Lubbock, Dalhart and Channing.*
5. *On October 24, 2023, APT and the intervening parties in its general rate case filed a Joint Notice of Settlement and Proposed Order. The settlement proposes a rate based of $4.3 billion, an authorized return of 8.49%, a debt/equity ratio of 40/60 and an authorized ROE of 11.45%. We anticipate the settlement agreement will be on the RRC's agenda for its December 13, 2023 meeting. If approved, the settlement would result in a $27.0 million increase in annualized operating income increases excluding the impact of EDIT.*

Atmos Pipeline - Texas

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

Colorado - Kansas Division

- **Kansas: Implemented Gas Safety Reliability Surcharge (GSRS) on November 2, 2023**
  - Approved an increase in annual operating income of $1.8 million
  - Approved rate base: $16.5 million
  - Test Year October 2022 through June 2023

- **Colorado: Filed System Safety and Integrity Rider (SSIR) on November 1, 2023**
  - Requested an increase in annual operating income of $2.1 million
  - Requested rate base: $53.4 million
  - Test Year Ending December 31, 2024

Kentucky/Mid-States Division

- **Kentucky: Implemented Annual PRP on October 1, 2023**
  - Authorized an annual operating income increase of $2.9 million
  - Authorized ROE: 9.45%; ROR: 6.94%
  - Authorized capital structure: 45% debt / 55% equity
  - Authorized rate base: $40.5 million

- **Virginia: Implemented SAVE Infrastructure Program on October 1, 2023**
  - Authorized an annual operating income increase of $0.6 million
  - Authorized ROE: 9.20%; ROR: 7.43%
  - Authorized capital structure: 42% debt / 58% equity
  - Authorized rate base: $16.4 million

- **Virginia: Filed General Rate Case on June 30, 2023**
  - Requested an annual operating income increase of $2.8 million
  - Requested ROE: 11.15%; ROR: 8.63%
  - Requested capital structure: 39% debt / 61% equity
  - Requested rate base: $66.6 million

Mid-Tex Division

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

Mississippi Division

- **Mississippi: Implemented Annual System Integrity Rider (SIR) on December 1, 2023**
  - Authorized an increase in annual operating income of $11.0 million
  - Authorized ROR: 7.82%
  - 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 ROR: 7.82%
  - 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

West Texas Division

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

Jurisdictional Summaries

Mid-Tex Division - Overview

Key Regulatory Features:

- Each municipality has original jurisdiction
- Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over environs customers
- Weather normalization from November - April
- Rule 8.209 – System safety and reliability capital deferral mechanism
- Bad debt gas cost & pension post-retiree expense deferral

Mechanism	Regulator	Cities %	Cust. %	ROE	Equity
Annual Rate Review					
ACSC	Cities	72%	72%	9.8%	58% Cap
Dallas	City	0.2%	13%	9.8%	Actual
GRIP					
Environs	RRC	19%	5%	9.8%	Actual
ATM	Cities	9%	10%	9.8%	Actual

Communities Served	**550**
Customers Served	**1,843,000**
Miles of Distribution Pipe	**~32,200**[1]



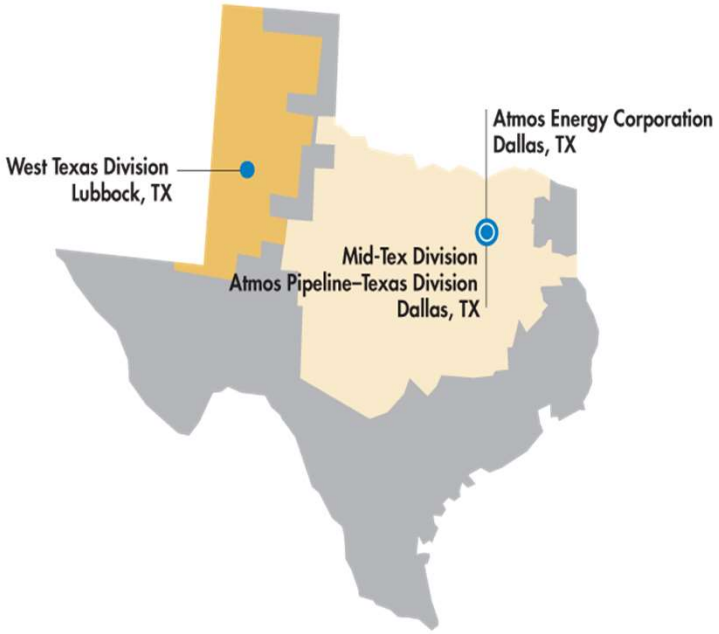
1. *2022 DOT Report*

West Texas Division - Overview

Key Regulatory Features:
• Each municipality has original jurisdiction
• Railroad Commission of Texas (RRC) has appellate jurisdiction and original jurisdiction over environs customers
• Weather normalization from October – May
• Rule 8.209 – System safety and reliability capital deferral mechanism
• Bad debt gas cost & pension post-retiree expense deferral

Mechanism	Regulator	Cities %	Cust. %	ROE	Equity
RRM Cities	Cities	85%	45%	9.8%	58% Cap
GRIP					
ALDC	RRC	5%	47%	10.5%	Actual
Environs	RRC	10%	8%	9.8%	Actual

Communities Served	**80**
Customers Served	**330,000**
Miles of Distribution Pipe	**~8,700**[1]



1. *2022 DOT Report*

Louisiana Division - Overview

Key Regulatory Features:
• Public Service Commission – 5 elected commissioners, serve staggered 6-year terms
• Rates updated annually through the Rate Stabilization Clause (RSC), which contains a safety and reliability mechanism (SIIP) that includes deferral of carrying costs
• Weather normalization in place from December – March
• Post-retiree expense averaging

Regulator	ROR	Equity
LPSC	7.3%	Actual

Communities Served	270
Customers Served	378,000
Miles of Distribution Pipe	~8,800[1]
Working Storage Capacity	0.4 Bcf



1. *2022 DOT Report*

Mississippi Division - Overview

Key Regulatory Features:
• **Public Service Commission – 3 elected commissioners with 4-year terms**
• **Rates updated annually through Stable Rate Filing (SRF) for capital and expenses; forward-looking capital and associated costs**
◦ System Integrity Rider (SIR) is a separate safety and reliability mechanism that includes capital spending and associated costs
• **Weather normalization in place from November – April**

Communities Served	**110**
Customers Served	**274,000**
Miles of Distribution Pipe	**~6,800**[1]
Working Storage Capacity	**1.9 Bcf**

Regulator	ROR	Equity
PSC	7.53%	Actual



1. *2022 DOT Report*

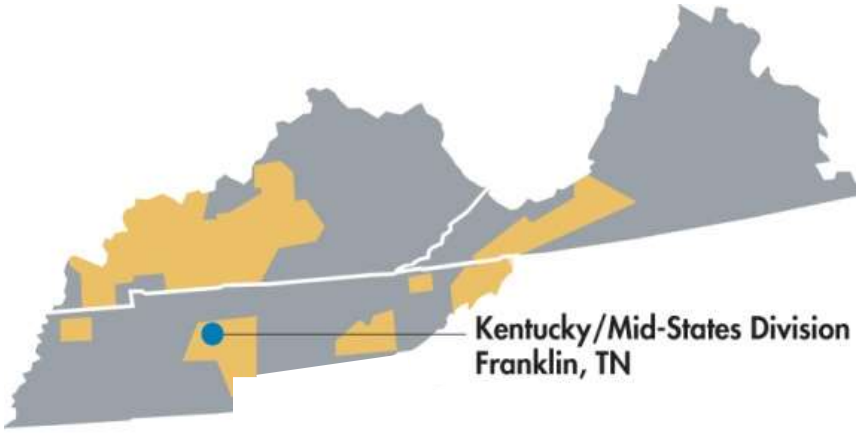
Kentucky/Mid-States Division - Overview

Key Regulatory Features:

- **KY: 3 appointed commissioners, 4-year staggered terms**
  - Traditional ratemaking, on a forward-looking basis, for the total cost of service
  - Weather normalization from November – April
  - Bad debt gas cost recovery
- **TN: 7 appointed commissioners, 4-year terms**
  - Annual rate making mechanism with forward-looking costs of service and true-up filing
  - Weather normalization from November – April
  - Bad debt gas cost recovery, pension cash contributions recovered as incurred
- **VA: 3 appointed commissioners, 6-year staggered terms**
  - Annual forward-looking infrastructure mechanism -SAVE
  - Weather normalization January – December
  - Bad debt gas cost recovery

Communities Served	**230**
Customers Served	**375,000**
Miles of Distribution Pipe	**~8,700**[1]
Working Storage Capacity	**8.0 Bcf**

Jurisdiction	Regulator	ROE	Equity
Kentucky	PSC	9.23%	Actual
Tennessee	TPUC	9.8%	Actual
Virginia	VSCC	9.2%	Actual



1. *2022 DOT Report*

Colorado-Kansas Division - Overview

Key Regulatory Features:

- **CO: 3 appointed commissioners, 4-year staggered terms**
  - Forward-looking system infrastructure rider (SSIR)
- **KS: 3 appointed commissioners, 4-year staggered terms**
  - Annual infrastructure mechanism – Gas Safety and Reliability Surcharge (GSRS)
  - Weather normalization from November – April
  - Bad debt gas cost recovery
  - Property tax deferral
  - Post-retiree pension expense deferral

Communities Served	**170**
Customers Served	**271,000**
Miles of Distribution Pipe	**~7,400**[1]
Working Storage Capacity	**3.2 Bcf**

Jurisdiction	Regulator	ROE	Equity
Kansas	KCC	Unspecified	Unspecified
Colorado	CPUC	9.3% – 9.6%	55% – 58%



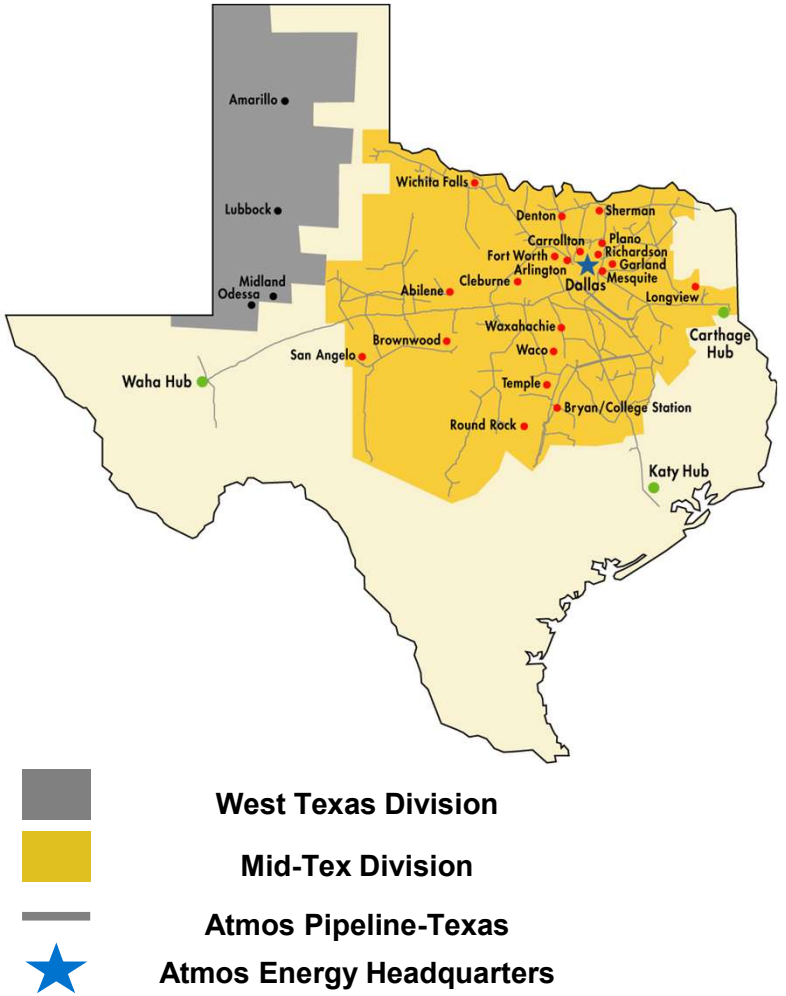
1. *2022 DOT Report*

Atmos Pipeline – Texas - Overview

Key Regulatory Features:

- **Railroad Commission of Texas (RRC): 3 elected commissioners, with six-year staggered terms**
- **Rates updated annually through GRIP (Gas Reliability Infrastructure Program)**
  - Approved change in net utility plant investment incurred in the prior calendar year; based on existing returns
  - Requires general rate case every 5 years
- **Straight fixed/variable rates**
- **Rider Rev margin normalization credited to tariff-based customers; $69.4 million benchmark**

Miles of Gas Transmission Pipeline	**~5,600**[1]
Working Storage Capacity	**46 Bcf**



1. *2022 DOT Report*

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 December 1, 2023.