



Natural gas is the superhighway to America's energy future.









Atmos Energy is helping pave the way.



While





other fuels have been grabbing headlines for the last several years, natural gas has been quietly building the superhighway that brings clean, safe and economical energy to millions of homes and businesses across the country.

## Bob Best and Kim Cocklin of Atmos Energy recently discussed the new realities of American energy.



Robert W. Best, chairman and chief executive officer, (right) and Kim R. Cocklin, president and chief operating officer

Let's start by discussing our nation's energy policy. What role does natural gas play in that policy?

**Best:** Our national energy policy has been confusing and inconsistent. It's been more about energy politics than energy policy. We've not had a cohesive, well-planned and well-received policy, and because of that we're suffering as a nation.

There are far more questions than answers. Can we be more energy independent than we've been in the past? What role do renewables, such as wind and solar, play in the energy mix? What role does coal play? Coal is not a clean fuel, but our country has plenty of it. And, what about nuclear power? It accounts for about 9 percent of our total energy use, and it is a clean fuel, but people do not want a nuclear power plant near their home.

It just seems obvious that natural gas must play a larger role in our country's energy mix. Yet, it's going to take *all* fuels. That's why we need a rational energy policy to promote research and development of newer fuels, to develop truly clean coal, to design and build nuclear power plants that communities will feel comfortable with, and to encourage the role of natural gas in the future.





**Cocklin:** Some say natural gas is the bridge to our nation's energy future. But natural gas is more than that. It's really our energy superhighway. It should play a much larger role in the country's energy mix because it is clean, safe and environmentally superior to any other fossil fuel. What's more, the

United States has more than a 100-year supply.

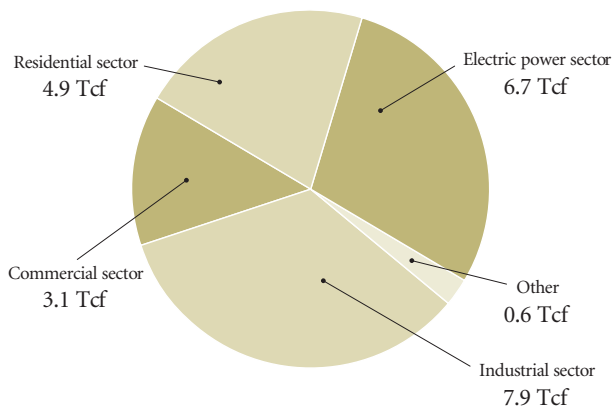
Past presidential administrations have largely left natural gas out of the energy equation. Today Congress is seriously considering a bigger role for natural gas. Obviously, Congress has other issues on the table at the moment, but enacting energy policy is one of the top four goals of the current administration. We at Atmos Energy look forward to being part of this needed national dialogue.

You characterize natural gas as an energy superhighway. Do we really have enough gas?

**Cocklin:** We do. There has been a long debate over this issue. But, more than any other time in my 28-year career, everyone in the industry believes we have abundant domestic natural gas resources. The experts who study gas resources estimate 100 years of potential supplies. And, that's probably conservative, because they don't really know how much gas will ultimately be recovered from new shale discoveries or from deepwater sites on the Outer Continental Shelf.

As we've seen with the Barnett Shale in North Texas, these newer finds are prolific. Producers are finding more gas every day. New technologies are allowing them to unlock new formations and new regions. With the new techniques and technology for accessing shale gas, offshore gas and methane hydrates, producers are able to bring much more gas to market. That's why we are very excited and optimistic about our product's future.

#### Who Uses Natural Gas?



The United States consumed about 23.2 trillion cubic feet (Tcf) of natural gas in 2008, providing 24 percent of the country's total energy supply.

Source: U.S. Energy Information Administration

The use of natural gas to generate electricity is expected to grow significantly in the future. Power plants gain many advantages from burning natural gas. Not only is natural gas delivered safely and reliably by underground pipelines, the fuel is so clean that the plant's emissions are a fraction of those from large coal-fired power plants. Proposals now before Congress would enact regulations to issue emission allowances that could be traded by industrial and utility companies. Under this "cap-and-trade" program, natural gas would be highly valued for its naturally clean characteristics.







Best: That's right, Kim. In the late 1970s, Americans were told the country was running out of natural gas. Congress even passed a law that precluded using natural gas as a boiler fuel for big applications like making electricity and industrial steam. The politicians basically were claiming that Americans couldn't count on natural gas for the long term. Well, they were wrong. People began to conserve; new natural gas fields were discovered; and natural gas companies, pipelines and utilities kept gas flowing to homes and businesses. During the Reagan administration, that act was repealed. And, since then, we have returned to using natural gas for many purposes.

#### What are some of the benefits of natural gas?

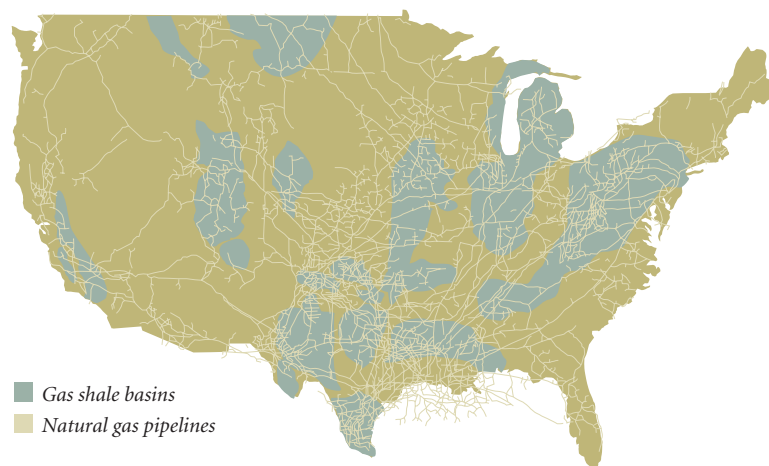
Best: Natural gas is naturally friendly to the environment. It comes right out of the ground, ready to use; so, there's no dirty processing or transportation byproducts. Its chemical composition makes it the most environmentally sensitive fossil fuel. When it's burned, natural gas emits half the carbon dioxide and less than one two-thousandth the sulfur dioxide of coal.

If your home has gas logs in the fireplace or a gas cooktop in the kitchen, you intuitively know gas is clean. Now, imagine if you had a coal fireplace or a coal-burning stove. Thankfully, we live in the 21st century and we don't burn coal in our homes anymore.

Many people, however, don't know that electricity isn't a fuel and that, when you flip a light switch on, more than half of the electricity we use is generated by burning coal. Add to that the carbon emissions required to mine coal and transport it, and you can imagine coal has a pretty large carbon footprint.



## Natural Gas Pipelines and Gas Shale Basins



*The natural gas pipeline network in the United States spans the country and is well situated to deliver new sources of natural gas from shale basins.*

Source: U.S. Energy Information Administration

*Natural gas is an all-American fuel. A 2009 report from the respected Potential Gas Committee found that the United States now has more than a 100-year supply. Exploration in the Haynesville Shale region of Louisiana could tap a gas supply larger than the prolific Barnett Shale gas field in North Texas. Using our country's natural gas would improve our nation's energy security and keep dollars in this country.*

Cocklin: Natural gas heat is warmer than electric heat. It's as much as 25 degrees warmer for home-heating applications. So, instead of getting an initial blast of cold air from an electric heat pump, a gas heater gives you gentle, even waves of warm air circulating throughout your house.

Gas clothes dryers take advantage of this warmer and more-even heat to dry clothes faster. The economies of using natural gas and its warmer heating properties mean that drying a load of clothes in a gas dryer costs about half what an electric dryer costs. Newer energy-saving devices, such as tankless water heaters, use natural gas to immediately heat only the water that's needed, so the water feels great and you never run out of hot water.

Lower utility bills are a tremendous benefit, too. Where natural gas really achieves benefits for consumers is in conserving on energy budgets. Natural gas appliances might cost a little more at the point of purchase, but they pay off in the long run by saving consumers thousands of dollars on their energy bills during the appliances' lifetimes.

Best: Natural gas is also reliable and safe. Gas lines are buried deep beneath the ground, and they remain mostly unaffected by weather. Electricity, in contrast, can be unreliable because electric distribution and transmission lines are above ground and exposed to the elements.

The natural gas business has always been an underground business, and our infrastructure is in extremely good shape. Federal and state laws require us to maintain our pipelines at very high standards for safety reasons. Atmos Energy dedicates a significant amount of capital annually to maintaining our infrastructure. We monitor our pipelines 24 hours a day, 7 days a week, 365 days a year and we have highly trained crews who can quickly solve any problem. We have an excellent safety record.











*Natural gas is the naturally clean choice to fuel public transportation and large fleets. Each natural-gas-powered bus or large vehicle put into service takes off the road the carbon-emission equivalent of 325 gasoline vehicles. As part of its commitment to improve air quality, the Dallas Area Rapid Transit Authority intends to buy nearly 600 new buses fueled with natural gas.*



We've heard some dramatic predictions about shifting from oil to other forms of energy, such as natural gas. How would this happen? And, is it realistic to expect this to happen?

Cocklin: It is realistic, but it's important to understand the role different forms of energy can play. Some groups have done a marvelous job of advertising for windmills and wind energy, solar energy and other renewables. Yet, wind and solar today supply only about 2 percent of the energy we use. Natural gas, on the other hand, supplies about 25 percent of our energy.

As a nation, we've overlooked the larger capabilities of natural gas until only recently. Gas is abundant, reliable, efficient and clean; it's an energy we can use today. While it makes sense to add sustainable energy, like renewables, our policymakers must recognize that this is not going to be cheap to do. It won't be easy, and it won't be fast.



Take production costs. Biomass, geothermal, biomass waste and solar all cost from three to five times more than natural gas to generate a kilowatt-hour of electricity. A viable infrastructure to produce renewable energy must be installed, requiring capital, land, equipment, human expertise and public acceptance. To believe that renewables could provide the bulk of our energy by even 2040 is unrealistic. Developers and investors simply can't ramp up that fast to meet the expected growth in our energy demand, let alone control costs to compete in the future world economy.

On the other hand, natural gas is ready today. Gas production, transmission and distribution virtually cover the nation. The infrastructure exists, and new investments are easily made. We need only to tap the existing system. And, in doing so, we can dramatically lower greenhouse gases at a reasonable cost while improving the nation's balance of trade and energy security.

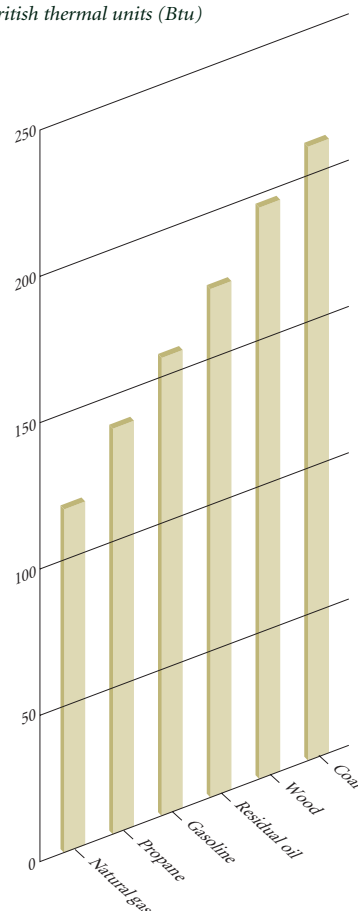
**Best:** One of the first and easiest shifts for the country to make is to use more compressed natural gas or liquefied natural gas to run vehicles. Natural gas vehicles can play a very important role in the nation's quest for cleaner, stable energy. Not only are they extremely efficient, but also they produce nearly a third fewer greenhouse gases than their petroleum counterparts. And, as Kim noted, we don't have to go overseas to get natural gas. More than 98 percent of the natural gas Americans consume comes from right here in North America.

Now, everyone can't run out and convert a personal car or truck to natural gas tomorrow. But, for companies and cities with fleets of cars, trucks, buses and utility vehicles, it's easy to set up central refueling stations and begin to make the change. Right here in Dallas, DART (Dallas Area Rapid Transit Authority) recently changed a decision to buy new diesel buses in favor of 600 natural gas buses. Every bus, large truck and large utility vehicle powered by natural gas saves the equivalent in greenhouse gases of removing about 325 gasoline vehicles from the streets. Better air quality and less dependence upon foreign oil are tremendous benefits for our country and its citizens.



## Natural Gas Is the Cleanest Fossil Fuel

*Pounds of carbon-dioxide (CO<sub>2</sub>) emissions per million British thermal units (Btu)*



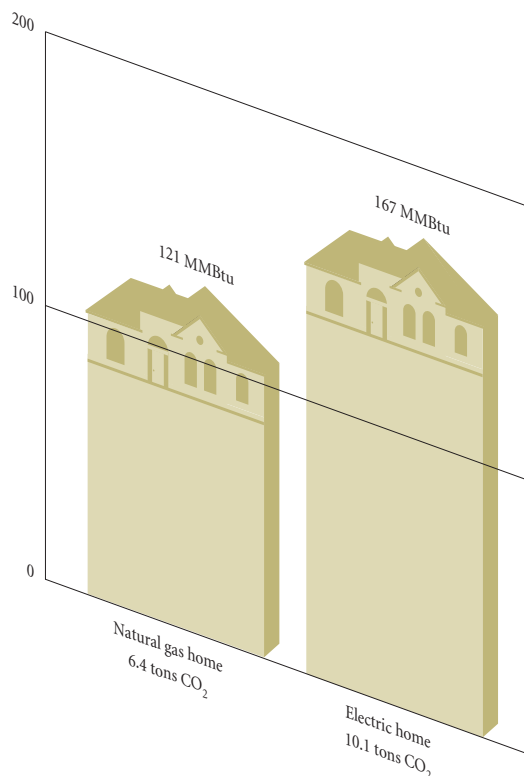
*Using natural gas with its low carbon-dioxide emissions can dramatically reduce greenhouse gases that lead to global warming.*

Source: U.S. Energy Information Administration



## Full-Fuel-Cycle Energy Consumption in a Typical New Home

Millions of British thermal units (Btu) per year



*When measured on a full-fuel-cycle basis, a typical new natural gas home requires about one-quarter less total energy than is required for a comparable all-electric home.*

Source: Gas Technology Institute and American Gas Association

*Methane, the primary ingredient of natural gas, is being recovered today as a sustainable resource from many landfills. At the Carter Valley Landfill in Church Hill, Tennessee, Manufactured Methane Corporation delivers pipeline-quality methane gas to Atmos Energy Marketing. AEM is finding a growing market for this product among public utility systems and municipalities concerned about the environment.*



Does the natural gas industry have the pipelines and facilities in place to make this shift?

**Best:** Yes, the natural gas infrastructure is ready. Before World War II, natural gas tended to be a local or regional proposition, based around where the gas was produced. After the war, long-line pipelines were built to reach from the producing areas to all the cities across

the country, and that's what supported the robust growth of the natural gas industry. The industry has producers that find and bring the gas from the ground, interstate and intrastate pipelines that transport it long distances, and local distribution utilities that manage the product within communities to serve consumers, usually at regulated rates.

Today, Americans have access to natural gas all over the country. From the pipeline to the "city gate," natural gas is available for distribution companies like Atmos Energy to bring it directly to consumers and businesses. Unlike the electric utility industry, the natural gas business is not tightly integrated. Each segment of the industry is made up of separate, competitive businesses.







Cocklin: The interstate pipeline network is this country's greatest energy treasure. The market has been deregulated, so that no one controls the large pipelines. Today the industry is extremely efficient and market-responsive. There is really no impediment to growth, and with the prolific amount of supply that could be available, it bodes very well for the long-term successful future of natural gas and a complementary energy policy. Natural gas will be helpful in creating a stronger economy, reducing dependence on foreign oil and strengthening our national security.

What's behind the concept of the "full fuel cycle," and why is it important to consumers?

Cocklin: It all has to do with efficiency. Now, remembering that electricity is not a fuel and it requires a primary fuel, such as coal, to make it, much of the efficiency of the fuel used to make electricity is lost in generation and transmission. With natural gas, 92 percent of the product that comes from the ground can be consumed directly. In contrast, only 32 percent of the energy from the fuels used in generating, transmitting and distributing electricity reaches customers. That's an important point for consumers to remember when they choose new appliances. It's also critical for policymakers to consider when setting energy standards and regulations in a carbon-constrained economy.



*The TimberCreek Zero Energy House, a 2009 demonstration project for the U.S. Department of Energy's Building America program, reflects dual goals of saving money on energy bills and reducing adverse effects on the environment. Builder Chris Miles, Atmos Energy's manager of energy-efficiency programs Randy Beard and architect William Peck discuss the innovative design as members of the public tour the house located in Lewisville, Texas.*



**Best:** Another aspect of natural gas is that you can store it. You can't do that with electricity. As a cost-savings for our customers, we can take advantage of buying natural gas when the prices are low and putting supplies into storage facilities. Then, we take out the gas in the winter months when consumption goes up and wholesale prices are high. For example, in the summertime, we may have put gas into storage at a cost of \$3 per thousand cubic feet (Mcf). In the wintertime, when natural gas prices are \$7 an Mcf, we can pull out stored resources and charge the customer \$3 rather than \$7. It's a big savings. In this way, we can provide efficient heating at lower prices without the sticker shock that normally accompanies high-demand cycles.

We also can assure there are ample gas supplies available even on the coldest days. Electricity in recent years has faced some severe shortages and failures of the distribution grid in the Great Lakes and Northeast. That's why there's such a push now to rebuild the country's electric grid using modern technology. The natural gas pipeline network does not suffer from this problem. It's up to date and up to the task of serving American consumers.





Trends show that, while more homes and businesses are using natural gas, individual usage of natural gas has gone down due to conservation. How can this be good for your company and your industry?

Cocklin: Natural gas utilities have been steadfast proponents of conservation. First and foremost, we want our customers to be happy. We want them to understand that natural gas is the most efficient, economical, clean and

comfortable energy source they have available. But, they're not going to be happy if they have extremely high energy bills.

So, we provide them with not only the most economical source of supply, but also information, tips and help about how they can reduce their utility bills. We strive to create a partnership with our customers. By working with them in a collaborative manner, we believe more people will take advantage of our product and its benefits.

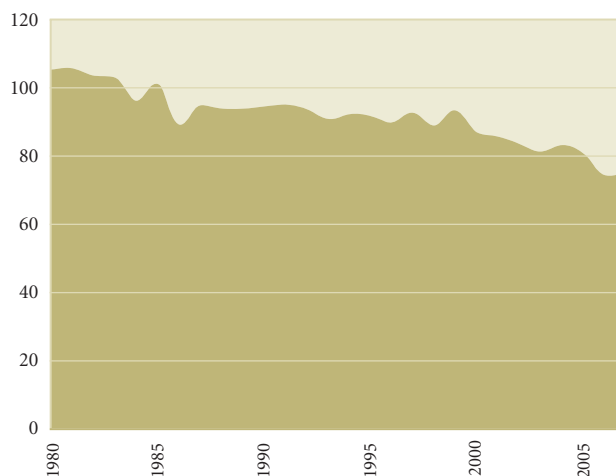
Best: Over the past 25 years, the use-per-customer of natural gas has declined about 1 percent a year because homes have become better constructed and insulated. Gas appliances also have become much more efficient. Replacing a 65-percent-efficient furnace with one that's 95 percent efficient creates a large savings. Atmos Energy offers smart meters in some communities, so that our customers can actually see when they are consuming natural gas and how much. In this way, they become part of the conservation equation. We believe that conservation is really good for our customers, our country and our environment.



*One of the most impressive features of the TimberCreek house is the natural gas tankless water heater, providing a constant supply of hot water and using about half the total energy of an electric water heater.*

## Residential Natural Gas Consumers Lead in Energy Efficiency

*Millions of British thermal units (Btu) per year*



*The average American home uses about one-third less natural gas today than in 1980. This decline, even as demand for energy has risen, is the result of conservation programs, better home construction and more-efficient natural gas appliances.*

Source: U.S. Energy Information Administration and American Gas Association





*Manufacturing operations that require reliable energy and high heat rely on natural gas. Nearly 3,000 plants and factories, such as this large glass manufacturing works, benefit from the clean, efficient and direct energy that Atmos Energy delivers.*



With more people practicing energy conservation, does that lessen your bottom line?

Best: That's a very important point. Atmos Energy makes absolutely no money on the natural gas we buy for our utility customers. Our cost for natural gas is passed on to our customers without any markup. There's not one penny added to anyone's bill. Our customers pay us to bring the gas into the city and into their homes. Their natural gas bills cover our costs of making sure the

city pipelines are in good shape and that natural gas is delivered in a safe and reliable manner. Because we buy gas at the lowest possible costs in the summer and store it for winter use, we effectively smooth out the bills our customers receive, so that their heating costs are much more predictable and stable. It's a little bit ironic that, even though we're the largest all-natural-gas distributor in the United States, we're really not a "gas" company at all. We're a service company.





You mentioned forming a partnership with your customers. What are some of the ways you are partnering with the communities you serve?

Best: We serve more than 1,600 communities throughout a 12-state area. One of the things we constantly emphasize as part of our culture is that we are very good community stewards, and that commitment takes many forms. We support community organizations not only by giving funds,

but also personally with many of our employees donating time to work with worthwhile nonprofits. We support United Way, The Komen Foundation, Habitat for Humanity, Boys & Girls Clubs and Scouting, to name a few of the nationally known organizations we help.

Cocklin: To this end, we have initiatives in several states that involve contributing shareholder dollars and customer dollars that we match to help the elderly, the disabled and low-income families pay their gas utility bills. We also work closely with public health agencies in the local communities to make sure that customers who are unable to pay their bills have a way to keep their gas service on. We actively communicate with customers who are having trouble paying their gas bills to call us. We'll either work out a plan or direct them to an appropriate agency for assistance.

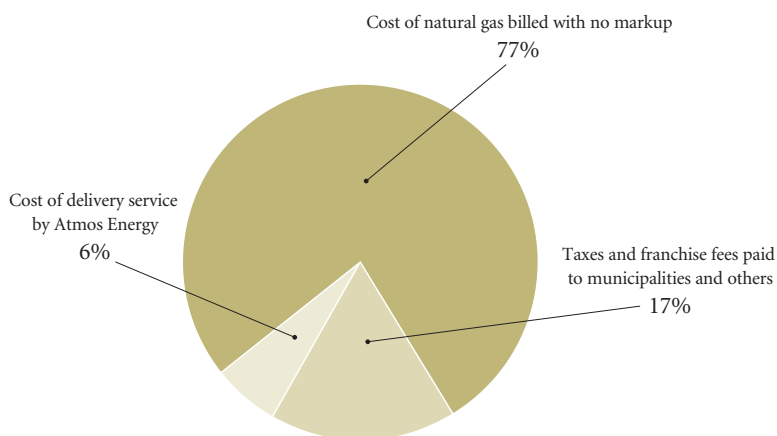
Best: On a national level, we've been very active in lobbying to increase funding for LIHEAP (Low Income Home Energy Assistance Program), a federal program that helps customers who are unable to pay their bills. Historically, the Northern and Midwestern states have gotten the lion's share of LIHEAP funds, but we know it gets cold in the South, too. As a utility, Atmos Energy serves people from all walks of life. We have well-intentioned customers who through bad luck, the loss of a job, fixed income or an extended illness need help. We want to help them.

One program that we take pride in is assisting elderly customers insulate and weatherize their homes. It not only reduces their utility bills and makes them more comfortable, but also Atmos Energy's employees enjoy meeting these folks and helping people who could just as easily be their own parents, aunts and uncles or grandparents. It's a gratifying experience.

Looking ahead 30 years, can you make a few predictions about our future energy landscape?

Cocklin: Thirty years ago, the conventional wisdom was that we wouldn't have any natural gas left today. Obviously, that hasn't happened—quite the opposite. Thirty years from now, you'll see the nation has taken some pretty dramatic steps forward in the energy business. We'll have efficiencies we haven't even thought of yet, and renewables will certainly be a bigger part of our energy mix. We'll see advances in ethanol and methane, and we will have made great strides in controlling greenhouse gases and global warming. It will be a great world to live in, and natural gas will be a dominant part of the new world energy portfolio.

Delivery Costs for an Average Residential Natural Gas Customer



*About three-fourths of a residential customer's natural gas bill pays for fuel, which we charge at our cost. Atmos Energy earns its income from delivering natural gas at rates set by state and local regulators.*

Source: Atmos Energy Corporation, 2008 data



## To Our Shareholders

For the ninth consecutive year in fiscal 2009, we achieved our stated goal of growing Atmos Energy's earnings per share by 4 percent to 6 percent, on average, despite the enormous economic challenges faced by our country, our customers and our company.



Robert W. Best, chairman and chief executive officer, (right) and Kim R. Cocklin, president and chief operating officer

All of us at Atmos Energy are proud to be part of the natural gas industry. Our product is not only one of the most versatile and efficient fuels, it's also one of the cleanest. Using natural gas wisely can significantly improve the environment while lowering outlays for imported foreign oil. Its use also can increase our nation's overall energy efficiency.

This past year, the respected Potential Gas Committee announced that the country now has potential natural gas resources that could last for well over a century. This expert assessment, along with the exceptional growth in gas production from new developments like the Barnett Shale and the reduced industrial demand due to the current economy, caused wholesale natural gas prices to drop more than 75 percent this past year.

This decline was good news for consumers and industry. Natural gas supply and demand have shifted to a new equilibrium, with gas prices at much more reasonable levels.

### Superhighway to the Future

Unfortunately, the proposed clean-air and energy legislation now in Congress overlooks the many benefits that natural gas offers our country. Many lawmakers acknowledge that natural gas can play a future role, but only as a bridge fuel from today's fossil-fuel economy to a future fueled with renewable energy.

What's overlooked is that natural gas promises an abundant fuel source

that renewables cannot match. Even taken altogether, wind, solar, hydro and biomass will not be able to provide the energy our future economy will demand. Moreover, using domestic natural gas offers a solution to significantly lower our country's dependence on foreign oil and the threat that poses to our long-term security.

Best of all, natural gas offers dramatically lower emissions to address global warming—the real reason our country is planning to invest so much in alternative fuels.

Natural gas is more than a bridge fuel. It's a superhighway to our energy future. We must encourage our nation's policymakers to take full advantage of it and all the good it can provide.

That's why we at Atmos Energy are committed not just to using more natural gas, but to using it more wisely. In this annual report, we discuss the vital role of natural gas for our nation.



## Our goal is to enhance shareholder value through consistent earnings growth.

### Fiscal 2009 Performance

Atmos Energy achieved a highly successful fiscal 2009. For the ninth consecutive year, we accomplished our stated goal of growing earnings per share by 4 percent to 6 percent, on average, despite the continuing effects of difficult economic challenges.

Earnings per diluted share increased by 8 cents to \$2.08, a 4 percent improvement over fiscal 2008. Consolidated net income rose 6 percent, year over year, to \$191.0 million.

The company's regulated operations contributed 83 percent of consolidated net income, or \$1.72 per diluted share, and nonregulated operations provided solid results with 36 cents of earnings per diluted share. Cash flow from operations for the year increased by more than \$548 million to \$919.2 million. The debt-to-capital ratio improved to 51 percent at fiscal year-end, compared with nearly 55 percent at the end of fiscal 2008.

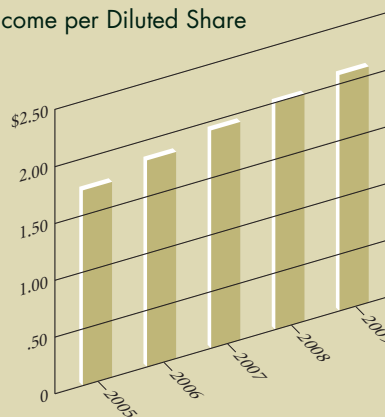
In fiscal 2009, Atmos Energy paid cash dividends of \$1.32 per share, and the board of directors raised the dividend for fiscal 2010. The increase of 2 cents per share provides an indicated annual dividend rate of \$1.34 and marks the company's 22nd consecutive annual increase.

### Operating Results

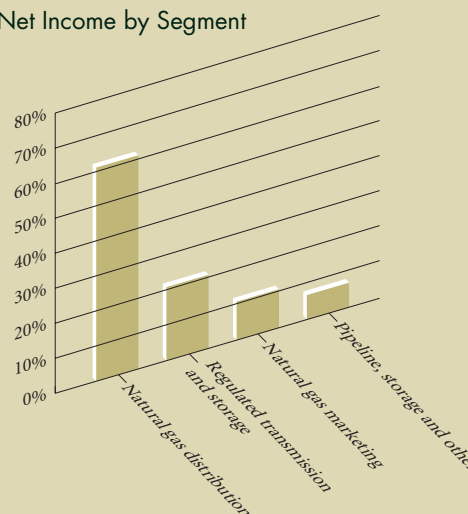
A major achievement of fiscal 2009 was successfully resolving 22 rate cases, which generated \$54.4 million of operating income. We are focused on seeking rate and regulatory outcomes that improve our customer relations, support economic growth and development in the communities we serve and ensure safe, reliable and competitive service.

Today more than 93 percent of our natural gas distribution customers are charged rates that are weather-normalized to reduce price volatility in their gas bills. In 86 percent of our markets, we are able to adjust rates annually to reflect changes in our costs, revenues and capital investments using streamlined and efficient rate mechanisms

Net Income per Diluted Share



2009 Net Income by Segment



without having to file costly full rate proceedings.

In addition, we can now recover the gas-cost-related portion of bad debt through tracker mechanisms for about 65 percent of the total budgeted cost of gas in our regulated distribution operations for fiscal 2010.

Demand for natural gas has declined nationwide as customers conserve in response to the economy and as older gas-fueled applications are replaced by more efficient ones. In fiscal 2009, the company's consolidated throughput went down 7.5 percent, compared to throughput in fiscal 2008. However, this decline was offset by successful rate cases, higher demand fees and increased unit margins.

The nationwide decline in demand for natural gas



## Natural gas is more than a bridge fuel. It's the superhighway to our energy future.

lowered gas prices significantly. The lower gas prices contributed to the dramatic increase in our cash flow from operations as well as helped us in our accounts receivable and collection efforts. Bad debt expense as a percent of revenue in the regulated distribution segment declined to 0.26 percent, one of our lowest points in years.

Although the decline in gas prices has lowered consumers' bills, we continue to seek rate improvements and public assistance for customers who have difficulty paying their bills.

### Growth Strategy

Since 1986, Atmos Energy has completed 10 major acquisitions successfully. Our distribution operations have grown from 279,000 customers located in West Texas to more than 3 million customers located in 12 states. We also now serve more than 1,000 industrial, commercial and municipal customers in the Midwest and Southeast through our nonregulated operations.

The recent crisis in the credit markets focused businesses on liquidity and slowed mergers and acquisitions. Atmos Energy has always benefited by patiently seeking sensible growth opportunities that were fairly priced and fit our corporate strategy. We will continue this approach.

Our capital investments will continue to support our financial viability and our revenue growth. We forecast that the company's consolidated capital expenditures will increase from \$509.5 million in fiscal 2009 to a range of \$520 million to \$535 million in fiscal 2010. We expect to spend from \$507 million to \$520 million on regulated projects.

### Outlook for 2010

Our main goals are to enhance shareholder value through consistent earnings growth, to continue improving our customer service and to develop the technical and managerial strengths of our employees. We believe the company is in solid financial and op-

erational condition. As previously announced, we have forecasted earnings per diluted share for fiscal 2010 to be in the range of \$2.15 to \$2.25.

We believe our credit and liquidity positions, along with operating cash, are sufficient to meet our working capital needs. During fiscal 2009, we renewed or replaced a number of credit facilities, including a \$450 million committed line of credit.

In March 2009, we also sold \$450 million of 10-year senior notes to pay off \$400 million of notes due in October 2009. As a result, Moody's and Standard & Poor's upgraded our credit ratings, and we now see no need to access the debt markets until 2011. At September 30, 2009, we had more than \$1 billion of liquidity available.

Major capital projects in 2010 include constructing a new information technology center and a new customer service and training facility as well as breaking ground for a new customer contact center. These investments will contribute to improving customer service and to making Atmos Energy an industry leader in employee training and development.

Safety always remains our top priority. We also will continue to focus on improving our rate and regulatory strategy and seeking settlements that are acceptable to our customers. We will seek rate treatment that permits prompt recovery of our capital investments, improves the recovery of our fixed costs and allows us to achieve rates of return that attract new capital. Having ended further investment in the Fort Necessity Gas Storage Project in Louisiana, we will continue to seek interested parties to buy the project or to partner with us to complete its development.

### Board Changes

During 2009, Dan Busbee retired from the board of directors after more than 20 years of service. We thank him for his wise and valuable counsel and great dedication.

The board has added two new members. Robert C.







*Shelley Burnett, Atmos Energy's manager of public affairs in San Angelo, Texas, appears on the evening news to talk about using natural gas safely. Providing safe and reliable service is Atmos Energy's highest priority. The company uses many ways to communicate with the public about what to do if they detect a natural gas leak, to call 811 before digging or excavating and to avoid disrupting pipeline rights of way.*

Grable was elected a director in May. Mr. Grable is one of the seven founding members and head of the energy practice group of Kelly Hart & Hallman LLP, a Fort Worth law firm. He is board certified in oil, gas and mineral law by the Texas Board of Legal Specialization and has served as chairman of the Oil, Gas and Energy Resources Law Section of the State Bar of Texas.

Kim R. Cocklin was elected a director in November 2009. Mr. Cocklin, who serves as president and chief operating officer of the company, joined Atmos Energy in June 2006 as senior vice president and was promoted to his current position in October 2008. Before coming to Atmos Energy, he was senior vice president, general counsel and chief compliance officer of Piedmont Natural Gas Company from 2003 to 2006. Prior to that time, he was senior vice president of Williams Gas Pipeline, in charge of the operations of its Texas Gas and Central Pipelines.

On behalf of the board of directors and the officers of the company, we thank you for your investment in Atmos Energy and extend our collective appreciation to the company's 4,900 employees for their loyal and dedicated service. We are all proud to be part of the natural gas industry, working on behalf of our shareholders, customers and communities.

*Robert W. Best*

Robert W. Best  
Chairman and Chief Executive Officer

*Kim R. Cocklin*

Kim R. Cocklin  
President and Chief Operating Officer

November 30, 2009





Compared to coal, natural gas emits nearly 50 percent less carbon dioxide, or CO<sub>2</sub>.

Natural gas produces 30 percent less CO<sub>2</sub> than oil.

More than 98 percent of the natural gas used in the United States comes from North America.

Natural gas makes wind and solar energy viable and provides a foundation for them to grow.

Our country has more than a 100-year supply of natural gas.

Natural gas is an affordable and readily available long-term solution.



## Financial Highlights

Year Ended September 30

Dollars in thousands, except per share data	2009	2008	Change
Operating revenues	\$ 4,969,080	\$ 7,221,305	(31.2)%
Gross profit	\$ 1,346,702	\$ 1,321,326	1.9%
Natural gas distribution net income	\$ 116,807	\$ 92,648	26.1%
Regulated transmission and storage net income	41,056	41,425	(0.9)%
Natural gas marketing net income	20,194	29,989	(32.7)%
Pipeline, storage and other net income	12,921	16,269	(20.6)%
Total	\$ 190,978	\$ 180,331	5.9%
Total assets	\$ 6,343,766	\$ 6,386,699	(0.7)%
Total capitalization*	\$ 4,346,161	\$ 4,172,284	4.2%
Net income per share—diluted	\$ 2.08	\$ 2.00	4.0%
Cash dividends per share	\$ 1.32	\$ 1.30	1.5%
Book value per share at end of year	\$ 23.52	\$ 22.60	4.1%
Consolidated natural gas distribution throughput (MMcf)	408,885	429,354	(4.8)%
Consolidated regulated transmission and storage transportation volumes (MMcf)	528,689	595,542	(11.2)%
Consolidated natural gas marketing throughput (MMcf)	370,569	389,392	(4.8)%
Heating degree days <sup>†</sup>	2,713	2,820	(3.8)%
Degree days as a percentage of normal <sup>†</sup>	100%	100%	—
Meters in service at end of year	3,178,844	3,191,779	(0.4)%
Return on average shareholders' equity	8.9%	8.8%	1.1%
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	49.3%	45.4%	8.6%
Shareholders of record	20,790	21,756	(4.4)%
Weighted average shares outstanding—diluted (000s)	92,024	90,272	1.9%

\* Total capitalization represents the sum of shareholders' equity and long-term debt, excluding current maturities.

<sup>†</sup> Heating degree days are adjusted for service areas with weather-normalized operations.

### Summary Annual Report

The financial information presented in this report about Atmos Energy Corporation is condensed. Our complete financial statements, including notes as well as management's discussion and analysis of financial condition and results of operations, are presented in our *Annual Report on Form 10-K*. Atmos Energy's chief executive officer and its chief financial officer have executed all certifications with respect to the financial statements contained therein and have completed management's report on internal control over financial reporting, which are required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations of the Securities and Exchange Commission. Investors may request, without charge, our *Annual Report on Form 10-K* for the fiscal year ended September 30, 2009, by calling Investor Relations at 972-855-3729 between 8 a.m. and 5 p.m. Central time. Our *Annual Report on Form 10-K* also is available on Atmos Energy's Web site at [www.atmosenergy.com](http://www.atmosenergy.com). Additional investor information is presented on pages 31 and 32 of this report.



Year Ended September 30

	2009	2008
<b>Meters in service</b>		
Residential	2,901,577	2,911,475
Commercial	265,843	268,845
Industrial	2,193	2,241
Public authority and other	9,231	9,218
Total meters	<u>3,178,844</u>	<u>3,191,779</u>
<b>Heating degree days*</b>		
Actual (weighted average)	2,713	2,820
Percent of normal	100%	100%
<b>Natural gas distribution sales volumes (MMcf)</b>		
Residential	159,762	163,229
Commercial	91,379	93,953
Industrial	18,563	21,734
Public authority and other	12,413	13,760
Total	<u>282,117</u>	<u>292,676</u>
<b>Natural gas distribution transportation volumes (MMcf)</b>	<u>130,691</u>	<u>141,083</u>
<b>Total natural gas distribution throughput (MMcf)</b>	<u>412,808</u>	<u>433,759</u>
<b>Intersegment activity (MMcf)</b>	<u>(3,923)</u>	<u>(4,405)</u>
<b>Consolidated natural gas distribution throughput (MMcf)</b>	<u>408,885</u>	<u>429,354</u>
<b>Consolidated regulated transmission and storage transportation volumes (MMcf)</b>	<u>528,689</u>	<u>595,542</u>
<b>Consolidated natural gas marketing throughput (MMcf)</b>	<u>370,569</u>	<u>389,392</u>
<b>Operating revenues (000s)</b>		
Natural gas distribution sales revenues		
Residential	\$ 1,830,140	\$ 2,131,447
Commercial	838,184	1,077,056
Industrial	135,633	212,531
Public authority and other	89,183	137,821
Total gas distribution sales revenues	<u>2,893,140</u>	<u>3,558,855</u>
Transportation revenues	59,115	59,712
Other gas revenues	31,711	35,771
Total natural gas distribution revenues	<u>2,983,966</u>	<u>3,654,338</u>
Regulated transmission and storage revenues	119,427	108,116
Natural gas marketing revenues	1,832,912	3,436,563
Pipeline, storage and other revenues	32,775	22,288
<b>Total operating revenues (000s)</b>	<u>\$ 4,969,080</u>	<u>\$ 7,221,305</u>
<b>Other statistics</b>		
Gross plant (000s)	\$ 6,086,618	\$ 5,730,156
Net plant (000s)	\$ 4,439,103	\$ 4,136,859
Miles of pipe	76,942	83,645
Employees	4,891	4,750

\* Heating degree days are adjusted for service areas with weather-normalized operations.



# Condensed Consolidated Balance Sheets

September 30

Dollars in thousands, except share data	2009	2008
<b>Assets</b>		
<b>Property, plant and equipment</b>	\$ 5,981,420	\$ 5,650,096
<b>Construction in progress</b>	105,198	80,060
	6,086,618	5,730,156
<b>Less accumulated depreciation and amortization</b>	1,647,515	1,593,297
Net property, plant and equipment	4,439,103	4,136,859
<b>Current assets</b>		
Cash and cash equivalents	111,203	46,717
Accounts receivable, less allowance for doubtful accounts of \$11,478 in 2009 and \$15,301 in 2008	232,806	477,151
Gas stored underground	352,728	576,617
Other current assets	132,203	184,619
Total current assets	828,940	1,285,104
<b>Goodwill and intangible assets</b>	740,064	739,086
<b>Deferred charges and other assets</b>	335,659	225,650
	<u>\$ 6,343,766</u>	<u>\$ 6,386,699</u>
<b>Capitalization and Liabilities</b>		
<b>Shareholders' equity</b>		
Common stock, no par value (stated at \$.005 per share); 200,000,000 shares authorized; issued and outstanding: 2009—92,551,709 shares, 2008—90,814,683 shares	\$ 463	\$ 454
Additional paid-in capital	1,791,129	1,744,384
Accumulated other comprehensive loss	(20,184)	(35,947)
Retained earnings	405,353	343,601
Shareholders' equity	2,176,761	2,052,492
<b>Long-term debt</b>	2,169,400	2,119,792
Total capitalization	4,346,161	4,172,284
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	207,421	395,388
Other current liabilities	457,319	460,372
Short-term debt	72,550	350,542
Current maturities of long-term debt	131	785
Total current liabilities	737,421	1,207,087
<b>Deferred income taxes</b>	570,940	441,302
<b>Regulatory cost of removal obligation</b>	321,086	298,645
<b>Deferred credits and other liabilities</b>	368,158	267,381
	<u>\$ 6,343,766</u>	<u>\$ 6,386,699</u>

# Condensed Consolidated Statements of Income

Year Ended September 30

Dollars in thousands, except per share data	2009	2008	2007
<b>Operating revenues</b>			
Natural gas distribution segment	\$ 2,984,765	\$ 3,655,130	\$ 3,358,765
Regulated transmission and storage segment	209,658	195,917	163,229
Natural gas marketing segment	2,336,847	4,287,862	3,151,330
Pipeline, storage and other segment	41,924	31,709	33,400
Intersegment eliminations	(604,114)	(949,313)	(808,293)
	<u>4,969,080</u>	<u>7,221,305</u>	<u>5,898,431</u>
<b>Purchased gas cost</b>			
Natural gas distribution segment	1,960,137	2,649,064	2,406,081
Regulated transmission and storage segment	—	—	—
Natural gas marketing segment	2,252,235	4,194,841	3,047,019
Pipeline, storage and other segment	12,428	3,396	792
Intersegment eliminations	(602,422)	(947,322)	(805,543)
	<u>3,622,378</u>	<u>5,899,979</u>	<u>4,648,349</u>
<b>Gross profit</b>	<u>1,346,702</u>	<u>1,321,326</u>	<u>1,250,082</u>
<b>Operating expenses</b>			
Operation and maintenance	494,010	500,234	463,373
Depreciation and amortization	217,208	200,442	198,863
Taxes, other than income	182,700	192,755	182,866
Asset impairments	5,382	—	6,344
Total operating expenses	<u>899,300</u>	<u>893,431</u>	<u>851,446</u>
<b>Operating income</b>	<u>447,402</u>	<u>427,895</u>	<u>398,636</u>
<b>Miscellaneous income (expense), net</b>	<u>(3,303)</u>	<u>2,731</u>	<u>9,184</u>
<b>Interest charges</b>	<u>152,830</u>	<u>137,922</u>	<u>145,236</u>
Income before income taxes	<u>291,269</u>	<u>292,704</u>	<u>262,584</u>
<b>Income tax expense</b>	<u>100,291</u>	<u>112,373</u>	<u>94,092</u>
Net income	<u>\$ 190,978</u>	<u>\$ 180,331</u>	<u>\$ 168,492</u>
<b>Per share data</b>			
Basic net income per share	<u>\$ 2.10</u>	<u>\$ 2.02</u>	<u>\$ 1.94</u>
Diluted net income per share	<u>\$ 2.08</u>	<u>\$ 2.00</u>	<u>\$ 1.92</u>
<b>Weighted average shares outstanding:</b>			
Basic	<u>91,117</u>	<u>89,385</u>	<u>86,975</u>
Diluted	<u>92,024</u>	<u>90,272</u>	<u>87,745</u>



# Condensed Consolidated Statements of Cash Flows

Year Ended September 30

Dollars in thousands	2009	2008	2007
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 190,978	\$ 180,331	\$ 168,492
Adjustments to reconcile net income to net cash provided by operating activities:			
Asset impairments	5,382	—	6,344
Depreciation and amortization:			
Charged to depreciation and amortization	217,208	200,442	198,863
Charged to other accounts	94	147	192
Deferred income taxes	129,759	97,940	62,121
Stock-based compensation	14,494	14,032	11,934
Debt financing costs	10,364	10,665	10,852
Other	(1,177)	(5,492)	(1,516)
Changes in assets and liabilities	352,131	(127,132)	89,813
Net cash provided by operating activities	919,233	370,933	547,095
<b>Cash Flows Used in Investing Activities</b>			
Capital expenditures	(509,494)	(472,273)	(392,435)
Other, net	(7,707)	(10,736)	(10,436)
Net cash used in investing activities	(517,201)	(483,009)	(402,871)
<b>Cash Flows from Financing Activities</b>			
Net increase (decrease) in short-term debt	(283,981)	200,174	(213,242)
Net proceeds from issuance of long-term debt	445,623	—	247,217
Settlement of Treasury lock agreement	1,938	—	4,750
Repayment of long-term debt	(407,353)	(10,284)	(303,185)
Cash dividends paid	(121,460)	(117,288)	(111,664)
Issuance of common stock	27,687	25,466	24,897
Net proceeds from equity offering	—	—	191,913
Net cash provided by (used in) financing activities	(337,546)	98,068	(159,314)
Net increase (decrease) in cash and cash equivalents	64,486	(14,008)	(15,090)
Cash and cash equivalents at beginning of year	46,717	60,725	75,815
Cash and cash equivalents at end of year	\$ 111,203	\$ 46,717	\$ 60,725

**The Board of Directors and Shareholders of Atmos Energy Corporation**

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Atmos Energy Corporation at September 30, 2009 and 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2009 (not presented separately herein); and in our report dated November 16, 2009, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 16, 2009 (not presented separately herein) expressed an unqualified opinion thereon.

*Ernst & Young LLP*

Dallas, Texas  
November 16, 2009



Year Ended September 30

	2009	2008	2007	2006	2005
<b>Balance Sheet Data at September 30 (000s)</b>					
Capital expenditures	\$ 509,494	\$ 472,273	\$ 392,435	\$ 425,324	\$ 333,183
Net property, plant and equipment	4,439,103	4,136,859	3,836,836	3,629,156	3,374,367
Working capital	91,519	78,017	149,217	(1,616)	151,675
Total assets	6,343,766	6,386,699	5,895,197	5,719,547	5,610,547
Shareholders' equity	2,176,761	2,052,492	1,965,754	1,648,098	1,602,422
Long-term debt, excluding current maturities	2,169,400	2,119,792	2,126,315	2,180,362	2,183,104
Total capitalization	4,346,161	4,172,284	4,092,069	3,828,460	3,785,526
<b>Income Statement Data</b>					
Operating revenues (000s)	\$ 4,969,080	\$ 7,221,305	\$ 5,898,431	\$ 6,152,363	\$ 4,961,873
Gross profit (000s)	1,346,702	1,321,326	1,250,082	1,216,570	1,117,637
Net income (000s)	190,978	180,331	168,492	147,737	135,785
Net income per diluted share	2.08	2.00	1.92	1.82	1.72
<b>Common Stock Data</b>					
Shares outstanding (000s)					
End of year	92,552	90,815	89,327	81,740	80,539
Weighted average	92,024	90,272	87,745	81,390	79,012
Cash dividends per share	\$ 1.32	\$ 1.30	\$ 1.28	\$ 1.26	\$ 1.24
Shareholders of record	20,790	21,756	22,829	24,690	26,242
Market price—High	\$ 28.80	\$ 29.46	\$ 33.11	\$ 29.11	\$ 29.76
Low	\$ 20.20	\$ 25.09	\$ 26.47	\$ 25.79	\$ 24.85
End of year	\$ 28.18	\$ 26.62	\$ 28.32	\$ 28.55	\$ 28.25
Book value per share at end of year	\$ 23.52	\$ 22.60	\$ 22.01	\$ 20.16	\$ 19.90
Price/Earnings ratio at end of year	13.55	13.31	14.75	15.69	16.42
Market/Book ratio at end of year	1.20	1.18	1.29	1.42	1.42
Annualized dividend yield at end of year	4.7%	4.9%	4.5%	4.4%	4.4%
<b>Customers and Volumes (as metered)</b>					
Consolidated distribution gas sales volumes (MMcf)	282,117	292,676	297,327	272,033	296,283
Consolidated distribution gas transportation volumes (MMcf)	126,768	136,678	130,542	121,962	114,851
Consolidated distribution throughput (MMcf)	408,885	429,354	427,869	393,995	411,134
Consolidated transmission and storage transportation volumes (MMcf)	528,689	595,542	505,493	410,505	373,879
Consolidated natural gas marketing throughput (MMcf)	370,569	389,392	370,668	283,962	238,097
Meters in service at end of year	3,178,844	3,191,779	3,187,127	3,181,199	3,157,840
Heating degree days*	2,713	2,820	2,879	2,527	2,587
Degree days as a percentage of normal*	100%	100%	100%	87%	89%
Gas distribution average cost of gas per Mcf sold	\$ 6.95	\$ 9.05	\$ 8.09	\$ 10.02	\$ 7.41
Gas distribution average transportation fee per Mcf	\$ .46	\$ .43	\$ .44	\$ .49	\$ .49
<b>Statistics</b>					
Return on average shareholders' equity	8.9%	8.8%	8.8%	8.9%	9.0%
Number of employees	4,891	4,750	4,653	4,632	4,543
Net gas distribution plant per meter	\$ 1,165	\$ 1,091	\$ 1,020	\$ 969	\$ 927
Gas distribution operation and maintenance expense per meter	\$ 116	\$ 122	\$ 119	\$ 112	\$ 110
Meters per employee—gas distribution	678	700	713	723	730
Times interest earned before income taxes	2.82	3.06	2.75	2.55	2.59

\* Heating degree days are adjusted for service areas with weather-normalized operations.

Senior Management Team



**Robert W. Best**  
Chairman and  
Chief Executive Officer



**Kim R. Cocklin**  
President and  
Chief Operating Officer



**Fred E. Meisenheimer**  
Senior Vice President,  
Chief Financial Officer and Treasurer



**Louis P. Gregory**  
Senior Vice President and  
General Counsel



**Michael E. Haefner**  
Senior Vice President,  
Human Resources

Regulated Divisions



**J. Kevin Akers**  
President,  
Kentucky/Mid-States Division



**Richard A. Erskine**  
President,  
Atmos Pipeline–Texas Division



**David E. Gates**  
President,  
Mississippi Division



**Gary W. Gregory**  
President,  
West Texas Division



**Tom S. Hawkins, Jr.**  
President,  
Louisiana Division



**John A. Paris**  
President,  
Mid-Tex Division



**Gary L. Schlessman**  
President,  
Colorado-Kansas Division



Nonregulated Operations	Shared Services (continued)
<div data-bbox="167 411 314 604"></div> <div data-bbox="357 405 598 487"> <p><b>Mark S. Bergeron</b> President, Atmos Energy Holdings, Inc.</p> </div> <div data-bbox="167 646 314 840"></div> <div data-bbox="357 638 572 718"> <p><b>Ronald W. McDowell</b> Vice President, New Business Ventures</p> </div>	<div data-bbox="831 411 978 604"></div> <div data-bbox="1021 405 1176 487"> <p><b>Susan K. Giles</b> Vice President, Investor Relations</p> </div> <div data-bbox="831 646 978 840"></div> <div data-bbox="1021 638 1235 718"> <p><b>Richard J. Gius</b> Vice President and Chief Information Officer</p> </div> <div data-bbox="831 877 978 1071"></div> <div data-bbox="1021 871 1206 953"> <p><b>Conrad E. Gruber</b> Vice President, Strategic Planning</p> </div>
Shared Services	
<div data-bbox="167 1110 314 1304"></div> <div data-bbox="357 1104 555 1211"> <p><b>Verlon R. Aston, Jr.</b> Vice President, Governmental and Public Affairs</p> </div> <div data-bbox="167 1346 314 1539"></div> <div data-bbox="357 1337 569 1419"> <p><b>Charles M. Davis, Jr.</b> Vice President, Corporate Development</p> </div> <div data-bbox="167 1577 314 1770"></div> <div data-bbox="357 1570 604 1625"> <p><b>Christopher T. Forsythe</b> Vice President and Controller</p> </div>	<div data-bbox="831 1110 978 1304"></div> <div data-bbox="1021 1104 1217 1184"> <p><b>John J. Hardgrave</b> Vice President, Customer Service</p> </div> <div data-bbox="831 1346 978 1539"></div> <div data-bbox="1021 1337 1200 1392"> <p><b>Dwala J. Kuhn</b> Corporate Secretary</p> </div> <div data-bbox="831 1566 978 1759"></div> <div data-bbox="1021 1570 1238 1652"> <p><b>Kenneth M. Malter</b> Vice President, Gas Supply and Services</p> </div>



**Travis W. Bain II**

Chairman, Texas Custom Pools, Inc.  
Plano, Texas  
Board member since 1988  
Committees: Work Session/Annual Meeting (Chairman), Audit, Executive, Human Resources



**Robert W. Best**

Chairman and Chief Executive Officer, Atmos Energy Corporation  
Dallas, Texas  
Board member since 1997



**Richard W. Cardin**

Retired partner of Arthur Andersen LLP  
Nashville, Tennessee  
Board member since 1997  
Committees: Audit (Chairman), Executive, Nominating and Corporate Governance



**Kim R. Cocklin**

President and Chief Operating Officer  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 2009



**Richard W. Douglas**

Executive Vice President, Jones Lang LaSalle LLC  
Dallas, Texas  
Board member since 2007  
Committees: Human Resources, Work Session/Annual Meeting



**Ruben E. Esquivel**

Vice President for Community and Corporate Relations, The University of Texas Southwestern Medical Center at Dallas  
Dallas, Texas  
Board member since 2008  
Committees: Audit, Human Resources



**Thomas J. Garland**

Chairman of the Tusculum Institute for Public Leadership and Policy  
Greeneville, Tennessee  
Board member since 1997  
Committees: Human Resources, Work Session/Annual Meeting



**Richard K. Gordon**

General Partner, Juniper Energy LP, Juniper Capital LP and Juniper Advisory LP  
Houston, Texas  
Board member since 2001  
Committees: Human Resources (Chairman), Executive, Nominating and Corporate Governance



**Robert C. Grable**

Partner, Kelly Hart & Hallman LLP  
Fort Worth, Texas  
Board member since 2009  
Committees: Audit, Human Resources



**Dr. Thomas C. Meredith**

Retired, formerly Commissioner of Mississippi Institutions of Higher Learning  
Jackson, Mississippi  
Board member since 1995  
Committees: Audit, Nominating and Corporate Governance



**Phillip E. Nichol**

Retired Senior Vice President of Central Division Staff, UBS  
PaineWebber Incorporated  
Dallas, Texas  
Board member since 1985  
Committees: Nominating and Corporate Governance (Chairman), Executive, Human Resources, Work Session/Annual Meeting



**Nancy K. Quinn**

Principal, Hanover Capital, LLC  
East Hampton, New York  
Board member since 2004  
Committees: Audit, Nominating and Corporate Governance



**Stephen R. Springer**

Retired Senior Vice President and General Manager, Midstream Division, The Williams Companies, Inc.  
Syracuse, Indiana  
Board member since 2005  
Committee: Work Session/Annual Meeting



**Charles K. Vaughan**

Retired Chairman of the Board, Atmos Energy Corporation  
Dallas, Texas  
Board member since 1983  
Presiding Director  
Committee: Executive (Chairman)



**Richard Ware II**

President, Amarillo National Bank  
Amarillo, Texas  
Board member since 1994  
Committees: Nominating and Corporate Governance, Work Session/Annual Meeting



**Lee E. Schlessman**

Honorary Director  
President, Dolo Investment Company  
Denver, Colorado  
Retired from Board in 1998



#### Common Stock Listing

New York Stock Exchange. Trading symbol: ATO

#### Stock Transfer Agent and Registrar

American Stock Transfer and Trust Company  
59 Maiden Lane  
Plaza Level  
New York, New York 10038  
800-543-3038

To inquire about your Atmos Energy common stock, please call AST at the telephone number above. You may use the agent's interactive voice response system 24 hours a day to learn about transferring stock or to check your recent account activity all without the assistance of a customer service representative. Please have available your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

To speak to an AST customer service representative, please call the same number between 8 a.m. and 7 p.m. Eastern time, Monday through Thursday, or 8 a.m. to 5 p.m. Eastern time on Friday.

You also may send an e-mail message on our agent's Web site at <http://www.amstock.com>. Please refer to Atmos Energy in your e-mail and include your Atmos Energy shareholder account number.

#### Independent Registered Public Accounting Firm

Ernst & Young LLP  
One Victory Park  
Suite 2000  
2323 Victory Avenue  
Dallas, Texas 75219  
214-969-8000

#### Form 10-K

Atmos Energy Corporation's *Annual Report on Form 10-K* is available at no charge from Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205 or by calling 972-855-3729 between 8 a.m. and 5 p.m. Central time. Atmos Energy's Form 10-K also may be viewed on Atmos Energy's Web site at <http://www.atmosenergy.com>.

#### Annual Meeting of Shareholders

The 2010 Annual Meeting of Shareholders will be held in the Pavilion Ballroom at the Belo Mansion, 2101 Ross Avenue, Dallas, Texas 75201 on Wednesday, February 3, 2010, at 11 a.m. Central time.

#### Direct Stock Purchase Plan

Atmos Energy Corporation has a Direct Stock Purchase Plan that is available to all investors. For an Enrollment Application Form and a Plan Prospectus, please call AST at 800-543-3038. The Prospectus is also available at <http://www.atmosenergy.com>. You may also obtain information by writing to Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

This is not an offer to sell, or a solicitation to buy, any securities of Atmos Energy Corporation. Shares of Atmos Energy common stock purchased through the Direct Stock Purchase Plan will be offered only by Prospectus.

#### Atmos Energy on the Internet

Information about Atmos Energy is available on the Internet at <http://www.atmosenergy.com>. Our Web site includes news releases, current and historical financial reports, other investor data, corporate governance documents, management biographies, customer information and facts about Atmos Energy's operations.

#### Atmos Energy Corporation Contacts

To contact Atmos Energy's Investor Relations, call 972-855-3729 between 8 a.m. and 5 p.m. Central time or send an e-mail message to [InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com).

Securities analysts and investment managers, please contact:

#### Susan K. Giles

Vice President, Investor Relations  
972-855-3729 (voice) 972-855-3040 (fax)  
[InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com)

## Forward-looking Statements

The matters discussed or incorporated by reference in this *Summary Annual Report* 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 report 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 report or any other of the Company’s 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 report. These risks and uncertainties are discussed in the Company’s *Annual Report on Form 10-K* for the fiscal year ended September 30, 2009. Although the Company believes 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, the Company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

**Inside front cover:** One of the company’s major capital projects completed in 2009 was a 25-mile-long pipeline installed near Waco, Texas. The project was brought in at \$33 million, well under budget and ahead of schedule. The 24-inch transmission line will significantly increase the capacity of Atmos Pipeline–Texas to serve natural gas distribution utilities and electric power plants in the center part of the state.

**Back cover:** Atmos Energy project manager Kimberly Winn led the team that built a major addition to Atmos Pipeline–Texas’s intrastate transmission system in Central Texas. The success of the project demonstrates the continuing dedication of company employees to serving our customers safely, reliably and efficiently.

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## Other Information

You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2009 and previous years at <http://www.atmosenergy.com>.

If you are a shareholder who would like to receive our *Summary Annual Report* and other company documents electronically in the future, please sign up for electronic distribution. It’s convenient and easy, and it saves the costs to produce and distribute these materials.

To receive these documents over the Internet next year, please visit <http://www.amstock.com> and access your account to give your consent. Please remember that accessing the *Summary Annual Report* and other company documents over the Internet may result in charges to you from your Internet service provider or telephone company.



*Above and right: The PCS Express helps people in need by bringing assistance to 26 rural West Texas counties. Amarillo-based nonprofit Panhandle Community Services, with the support of Atmos Energy, launched the program in 2009. Inside the bus, individuals and families can get assistance to pay their utility bills, sign up for help to weatherize their homes, apply for mobile food pantry service and seek other social services.*









Atmos Energy Corporation  
P.O. Box 650205  
Dallas, Texas 75265-0205  
[atmosenergy.com](http://atmosenergy.com)







Our business  
is all about safety.







- 

**1. EXTENSIVE TECHNOLOGY** Atmos Energy technicians are not very small holes in the street to do repairs. Holes are avoided using the pavement that was not cut out, saving time and money.
- 

**2. VACUUM TRUCKS** After cutting a hole, a vacuum truck uses powerful water to vacuum around the pipes. It then vacuums up the water and soil for a cleaner and faster repair.
- 

**3. PREVENTING DAMAGE** In the case of fire, all Atmos Energy technicians are trained to respond appropriately to minimize potential harm to people and property.
- 

**4. LAUNCHING PIPES** When pipelines are installed, cleaned or repaired, electronic and mechanical "logs" are sent through them to detect anomalies or other conditions that need attention.
- 

**5. PROTECTIVE EQUIPMENT** Technicians use protective equipment to repair leaks in a safe manner. Shutting down power and allowing technicians to operate off a backup line to safely repair it.
- 

**6. SMALL SPACES** Using a special signal and personal protective equipment, Atmos Energy technicians are trained to perform work in very tight, confined spaces.
- 

**7. REAL LIFE** A working natural gas system is the ideal place for technicians to learn to serve customers in their homes—to find gas leaks, check appliances and detect carbon monoxide.
- 

**8. SAFETY** Our technicians learn to safely bypass gas meters to do repairs and special maintenance without shutting off the gas and inconveniencing the customer.
- 

**9. WELCOME HOME** We're there when customers move in. We visit to turn on the gas, light appliances and show customers how to safely use their natural gas appliances.







Charles K. Vaughan, founding chairman and lead director (center), Robert W. Best, executive chairman of the board (left), and Kim R. Cocklin, president and chief executive officer (right), stand in front of our Charles K. Vaughan Center in Plano, Texas. Completed in 2010, the Vaughan Center is the premier technical training facility and customer service center in the natural gas utility industry. It reflects Atmos Energy's commitment to ensuring safety and reliability through superior employee development and service excellence.

# To Our Shareholders

Atmos Energy places a top priority on providing safe and reliable natural gas service to its customers in the more than 1,600 communities we serve across 12 states.

No better evidence exists of our commitment to safety and reliability than our new Charles K. Vaughan Center, which opened in the fall of 2010. Honoring our founding chairman and lead director, the Vaughan Center is one of the natural gas distribution industry's finest facilities for training and development.

To enhance classroom instruction, the center includes a gas flow-control laboratory and a simulated community, named Gas City, where our service technicians apply their training to situations they can encounter when responding to service and emergency calls.

More than \$300 million of our annual capital budget goes to protect our communities and to deliver excellent service. We instill a "culture of safety" among our employees through continual training and safety awareness meetings. We constantly monitor our operations and are highly vigilant about the integrity of our 77,000-mile pipeline system. We offer around-the-clock service from our U.S. call centers with our technicians always on the job ready to respond to customers' needs. And, we promote awareness of gas pipeline safety by communicating with our customers, the public, residents living along our pipeline rights of way, firefighters and other first-responders, excavators and contractors, and state and local public officials.

Continual improvement, constant attention and professional expertise make this nation's natural gas transmission and distribution infrastructure among the world's best. In this report, you will see activities that we undertake because our business is all about safety.

**2010 Results** We are pleased to report that our operational and financial performance in fiscal 2010 resulted in us achieving our stated goal of increasing earnings per diluted share, on average, by 4 percent to 6 percent for the 10th consecutive year.

Our reported earnings per diluted share increased by 13 cents a share to \$2.20. Net income in fiscal 2010 rose 8 percent over that of fiscal 2009 to \$205.8 million. Return on average shareholders' equity was 9.1 percent.

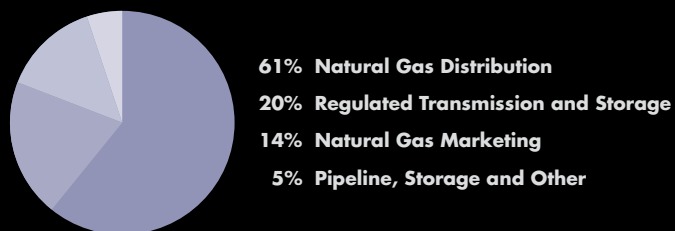
Regulated operations, comprising our 12-state natural gas utility distribution system and our Texas intrastate gas transmission and storage division, provided more than four out of every five dollars of net income. Earnings from regulated operations improved by 6 percent over comparable earnings in fiscal 2009 to \$167.4 million. Net income from non-regulated operations increased by 16 percent year over year to \$38.4 million.

We paid cash dividends in fiscal 2010 of \$1.34 per share. In November 2010, the board of directors raised the dividend for the 27th consecutive year, making the current indicated annual rate \$1.36 per share.



#### FISCAL 2010 NET INCOME BY SEGMENT

Contributions from Regulated and Nonregulated Operations



**Operational Highlights** Our collaborative approach with regulators and customers provided settlements with “win-win” outcomes and acceptable rate changes in many jurisdictions. We received rate outcomes that increased operating income by a net \$56.8 million in fiscal 2010.

Our Mid-Tex Division, which serves the Dallas-Fort Worth Metroplex and more than 500 other Texas municipalities, reached a settlement with two coalitions of cities and the City of Dallas to recover our investment for a two-year steel service line replacement program. In this program, we are replacing aging steel service lines with corrosion-resistant polyethylene pipe. The lines run primarily from our mains to homes and businesses.

In addition, we reached agreement with the two coalitions of cities to renew until 2012 an existing rate review mechanism, or RRM, which was first negotiated in 2008. The RRM provides a transparent process for annually updating our rates by reviewing our costs and investments in those communities, thereby avoiding time-consuming and costly rate-case litigation that ultimately must be paid for by our customers.

Our rate strategy is to continue to improve rate designs by eliminating regulatory lag in recovering our costs, streamlining the rate-review process and reducing volatility in our customers’ bills. An important protection that we seek in our rate designs is a weather normalization adjustment, or WNA. WNA protects approximately 94 percent of our gross

margins from the vagaries of weather, helps stabilize our earnings and reduces volatility in our customers’ bills. Having WNA in rates saved approximately \$52 million in fiscal 2010 for our utility customers by lowering their gas bills when colder-than-normal weather hit last winter.

Our average customer’s gas bills also remained relatively unchanged from fiscal 2009 because of our diligent management of natural gas supplies and taking advantage of declining gas costs on behalf of our customers. Our average cost of gas went down from \$6.95 per thousand cubic feet (Mcf) in fiscal 2009 to \$5.77 per Mcf in fiscal 2010.

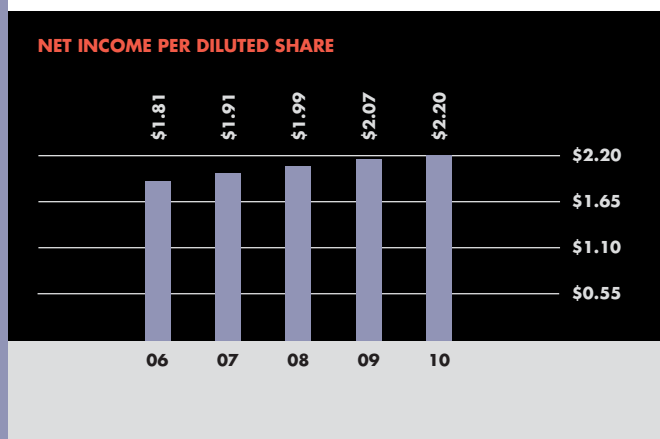
Consolidated natural gas distribution throughput rose 11 percent in fiscal 2010 to 454 billion cubic feet (Bcf) mainly due to colder weather and higher consumption. Although our customer growth remained flat because of the sluggish economy, the appeal of natural gas continued to grow because of stable prices and abundant supplies. In some areas, we started to see signs of economic improvement, such as proposals for large commercial housing projects that will use natural gas.

In September 2010, our Atmos Pipeline-Texas Division filed a rate request for a change in operating income of \$38.9 million. The division’s last increase in base rates took effect in 2004. This case will be decided in fiscal 2011.

Our regulated transmission and storage transportation volumes declined 19 percent from those in fiscal 2009 because of lower throughput for electricity generation and reduced shipments of natural gas, especially from the Barnett Shale production area.

Our nonregulated natural gas marketing business benefited from unrealized margins that contributed to the segment’s higher net income in fiscal 2010. However, Atmos Energy Marketing’s delivered gas margins declined from those in fiscal 2009. Lower per-unit margins and a 5 percent decline in consolidated sales volumes to 354 Bcf reflected the lower market demands of industrial users and power plants. Despite bearish conditions in gas markets, Atmos Energy Marketing attracted new customers and retained nearly all of its long-standing customers through its dedicated focus on high-quality customer service.

**Financial Condition and Outlook** Entering fiscal 2011, our balance sheet and financial position are in excellent condition. Our available liquidity at the end of fiscal 2010 was approximately \$1.2 billion. We have in place credit facilities to meet our working capital needs as well



as plans for refinancings that should lower our cost of debt in 2011.

During the past year, all three major credit-rating agencies upgraded or reaffirmed the company's debt ratings. This will help us access capital markets for future needs and obtain financing at reasonable costs.

Our capital expenditures in fiscal 2010 increased by \$33 million to \$542.6 million. A portion of this spending funded a new information technology data center, construction of two service centers and work on the Mid-Tex Division's steel service line replacement program.

For fiscal 2011, we expect capital spending to range from \$580 million to \$595 million. We will continue making significant investments in upgrading mains and service lines in all our utility operations, the largest being for the Mid-Tex Division's steel service line replacement program.

We also will be investing in two long-term improvements to our customer service: a new state-of-the-art customer call center in Amarillo to be completed in 2011 and a multi-year project to modernize our customer-information software system for better coordination of all aspects of our customer contacts, service dispatching and customer billing.

We have forecast that our fiscal 2011 earnings per diluted share will be between \$2.25 and \$2.35.

**Board and Management Transitions** In February 2010, two long-time members of the board of directors, Travis W. Bain II and Thomas J. Garland, retired as directors. Mr. Bain, whose distinguished career included management consulting, leading retailing and manufacturing companies and founding his own businesses, had served since 1988. Mr. Garland, a highly respected banker, former Tennessee state senator, state ethics-panel chairman and university educator, had served since 1997. We thank these outstanding directors for their years of dedicated service to Atmos Energy's shareholders, customers and employees.

Effective October 1, 2010, the board of directors named Robert W. Best to the new position of executive chairman of the board and promoted Kim R. Cocklin to be president and chief executive officer. This succession in the corporation's senior leadership had been planned for the past four years with the guidance and approval of the board.

Having worked together and known each other for nearly 30 years at Atmos Energy and at other companies, we have developed virtually the same business philosophy and have coordinated closely to make the ongoing transition seamless. Some management matters may change; however, Atmos Energy's vision and strategy will remain as they have since Charles K. Vaughan put forth our guiding principles during his 14 years as the company's senior leader.

During the past 13 years as chief executive officer, Bob Best refined these principles and adapted them to the much-larger company that Atmos Energy has become. In the future, we intend to continue the company's track record of creating shareholder value through

- **Consistent earnings-per-share growth, averaging 4 percent to 6 percent a year**
- **Consecutive annual increases in the shareholders' dividends**
- **Strategy focused on the company's core natural gas business**
- **Strong balance sheet and ample liquidity**
- **Maximized capability of regulated earnings**
- **Selected nonregulated operations to complement our regulated businesses**
- **Growth through prudent acquisitions**

Atmos Energy's management, working closely with the board of directors, will build on the past while staying focused on the future. This strategy serves all our stakeholders well. In essence, it reflects the same safety and reliability that underlie all our activities.

Sincerely,

*Robert W. Best*

Robert W. Best  
Executive Chairman of the Board

*Kim R. Cocklin*

Kim R. Cocklin  
President and Chief Executive Officer

November 30, 2010





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# Investing in Safety

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Smart investments are safe investments. In our case, there's no better investment than keeping our infrastructure modern, our communities safe and our employees up to date. From the start of development, we outfit new communities with the highest quality service lines. In mature neighborhoods, we are continually replacing legacy service lines with new, modern pipe. And, in every community, we inspect and monitor our pipelines and distribution lines to ensure a reliable system.

**1** Polyethylene pipe is being used in many areas to replace our older steel service lines. In just the Mid-Tex Division alone, Atmos Energy will replace 100,000 steel service lines during the next two years.

**2** To update older cast iron and steel mains, Atmos Energy is installing new, high-pressure lines next to existing lines, which can then be safely and efficiently removed or abandoned.

**3** In many neighborhoods, new flexible polyethylene piping can be fitted through existing steel pipes to modernize our natural gas delivery system. This approach not only increases safety, but also allows us to efficiently install new piping with minimal disruption.



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**4** Atmos Energy technicians use the latest fusing technology to join sections of polyethylene pipe to make strong and secure connections.

**5** Natural gas in its raw state has no odor. To make it identifiable by the public, we add an odorant to the gas in precise concentrations, using highly accurate chemical instruments.

**6** Atmos Energy chemists calibrate measuring equipment to continuously monitor the chemical components and Btu value of our product, ensuring that our natural gas meets the exact needs for home and industrial uses alike.

## PROGRESS IN PIPELINES



2000  
1950  
1900  
1850  
1800

Polyethylene – Late 1960s to present

Coated Steel – 1950s to present

Bare Steel – 1920s to early 1940s

Cast Iron – 1900s to 1920s

Wood – 1830s to 1910

Bamboo – First used by the Chinese around 900 BC to transport natural gas

8



**7** Wooden pipes were state-of-the-art pipelines in the early 19th century. Later, they were replaced with more reliable cast iron, steel and coated steel pipes. Today's polyethylene pipe will stand the test of time for many decades to come.

**8** To keep our pipelines in top condition, electronic and mechanical “pigs” are sent through our pipelines to inspect for anomalies, cracks or scratches and to keep the lines clean.

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**9** We conduct periodic pipeline-integrity inspections, using a variety of structural, metallurgical and process tests, to prevent problems and safeguard the public.

Since 2004, Atmos Energy has spent more than \$1 billion to modernize its system.



# The Vaughan Center

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From its inception, the Vaughan Center was designed as a place to teach, learn, innovate and practice the highest standards of professionalism, customer service and, most importantly, safety. When we named it, there was no question. Embedded in the heart and soul of our company and in this facility are the visionary leadership and moral compass of our first chairman and CEO, Charles K. Vaughan.

**1** The Flow Lab inside the Vaughan Center is a high-tech teaching facility. Compressed air is used in the lab to simulate the pressures and situations our technicians encounter in the field. The lab allows us to set up multiple scenarios with a variety of meters, regulators and other devices to train and certify our service technicians and field operators.

**2** Hands-on classroom training, guided by expert instructors, teaches our technicians to keep flow-control devices working accurately and communicating with our SCADA control system regarding gas flow and system availability.

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**3** The Vaughan Center also houses our new Plano, Texas, service center, where technicians are dispatched to serve customers in a number of North Texas communities.



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The Vaughan Center is a training ground for Atmos Energy employees, firefighters, emergency responders, industry innovators and constituents who deal with natural gas systems. Inside are state-of-the art classrooms and an advanced Flow Lab for ensuring safety and reliability in the way our natural gas facilities are installed, monitored and maintained. It's the industry's finest example of technical education and information transfer today as well as a resource for beta testing the latest technologies and processes for the future.



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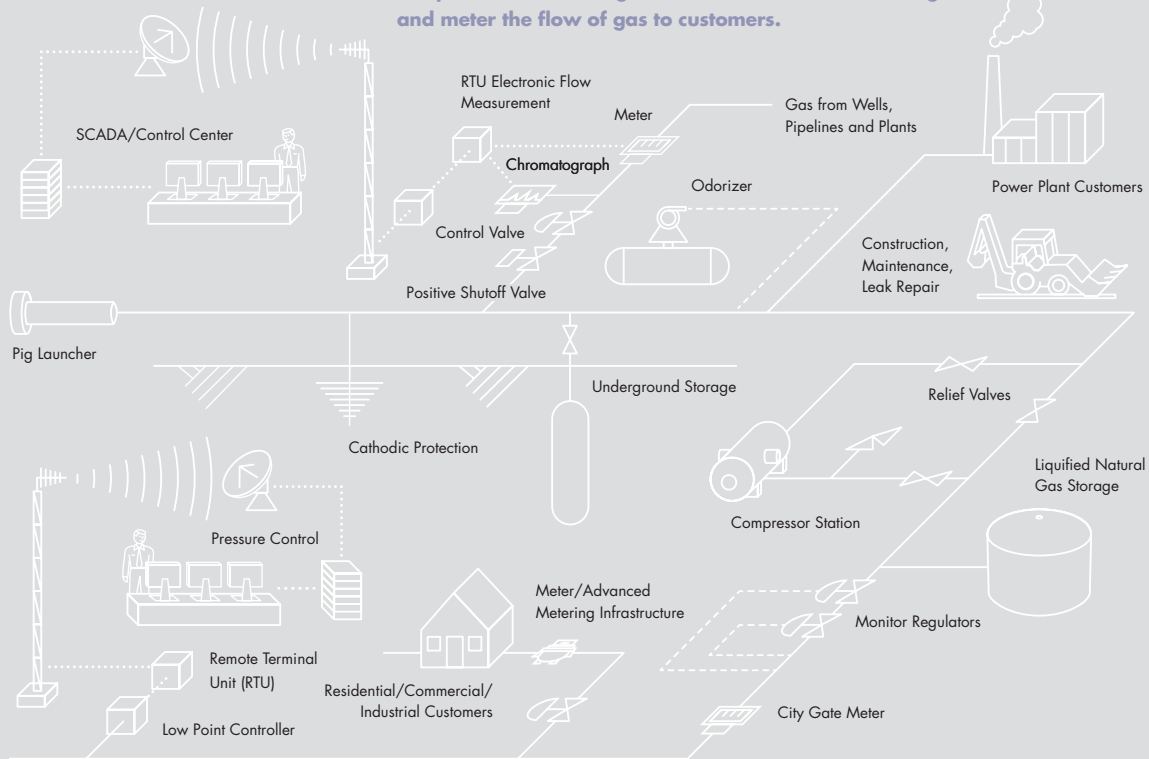
**4** Solar-paneled field devices allow monitoring natural gas flow in remote areas of our system. Smart field devices, such as handheld digital assistants and laptop computers, interface with our SCADA system, so that we constantly know the condition and flow of our natural gas system.

**5** As one of the country's largest natural gas utilities, we work with manufacturers to beta test their newest equipment, such as this highly complex natural gas meter designed for energy-demanding industrial environments.

**6** New technicians and veterans alike train at the Vaughan Center to be certified and recertified on a regular basis. Virtually our entire technical workforce must be recertified at least every four years to meet federal and state operator qualification requirements.

## DELIVERING YOUR NATURAL GAS

Natural gas transmission and distribution systems involve thousands of interconnected components to ensure safety and reliability. Our equipment and facilities, ranging from gas meters to giant compressors and storage fields, allow us to monitor, regulate and meter the flow of gas to customers.



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**7** Most natural gas systems today rely on digital electronics for data collection, flow control and continuous monitoring. The Vaughan Center teaches our technicians how to install, calibrate, operate and maintain our field data systems.

**8** The entire Vaughan Center, including Gas City, the Flow Lab and the Plano service center, is registered to be LEED certified. Standing for Leadership in Energy and Environmental Design, this green-building certification program encourages using sustainable building and development practices and recognizes projects that are designed for energy efficiency and environmental betterment.



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# Our Culture of Safety

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They walk among us: heroes who unassumingly do a good job every day. Some, in the course of their daily routine, suddenly find themselves at the center of extraordinary events in which they humbly demonstrate their spirit and courage to safeguard others.

**1** Best friends Michael Rangel and Tucker Redden, both 6 years old, were doing what boys do—playing on Michael’s backyard swing set. Across the fence, Richard Herrera was doing what Atmos Energy technicians do—advising Michael’s dad, Mike, about an issue with his water heater. Suddenly, Tucker came racing from the backyard in a panic with blood on his hands. Little Michael was caught in a tube slide with a cord tightening around his neck. Bleeding from his mouth and unconscious, Michael’s situation was dire. Quickly, Mike and Richard went into action. As Mike pushed his son up from the bottom of the slide, Richard pulled him out from the top. Richard cut the rope around Michael’s neck and administered CPR until paramedics came. Today Michael is fine. He and Tucker are buddies for life, and in their eyes, Richard Herrera is an Atmos Energy superhero.

**2** Partners in safety, Brian Martens, a former fire chief and now Atmos Energy’s manager of public affairs in Colorado, and Chief Mark Quick of the Durango Fire & Rescue Authority share the same number-one priority of keeping the community safe. Atmos Energy maintains close relationships with first-responders in our communities to keep them informed about our natural gas system and to coordinate response plans if an emergency arises.

**3** Dressed for success and personal safety, Atmos Energy technicians are ready for any situation. Whether it’s working in closed, confined, underground spaces or dealing with heavy equipment and busy thoroughfares, our service technicians can suit up and create a safe environment for themselves, their fellow employees and everyone around them.





# A Safe Journey

Most consumers take for granted that their natural gas is always there, ready to use. But, there's more to delivering natural gas than meets the eye. From managing hundreds of billions of cubic feet of gas supplies annually, to monitoring pipelines and inspecting our physical infrastructure, to always being available to respond to our customers' needs, we take every measure to ensure natural gas flows to our customers safely and reliably.

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Our call centers are available at all hours, every day, to dispatch technicians to resolve natural gas issues at homes and businesses.

**1** If you smell gas, whether it's day or night, immediately leave the area and from a safe distance call Atmos Energy. Our service technicians will respond promptly and will use sensitive devices for detecting a leak inside or outside.

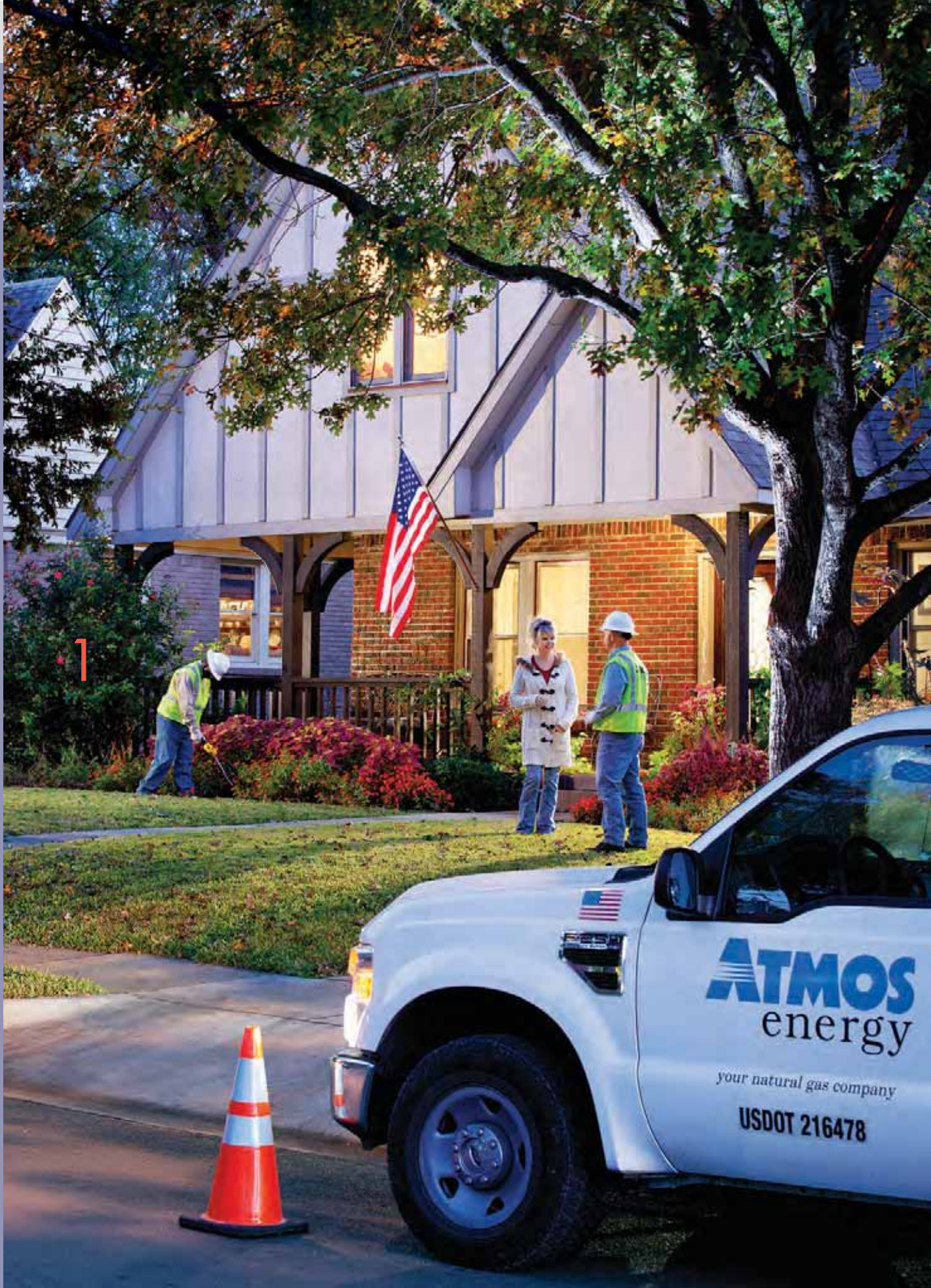
**2** We regularly inspect our natural gas distribution and pipeline system with state-of-the art equipment. This service technician uses a remote methane leak detector that can sense minute gas particles of methane.

**3** Atmos Energy's "sniffer" trucks patrol streets in cities and towns and along rights of way. These vehicles have highly sensitive detection devices to find natural gas seepages from underground distribution lines or pipelines.



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**4** SCADA, or supervisory control and data acquisition, equipment remotely monitors pipelines, compressor stations, city gates and other major facilities for operational integrity and community safety.

**5** To patrol our pipelines buried underground, airplanes fly our rights of way using infrared technologies that can detect leaks from in the air.

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**6** “Walk the Safety Circle” is our safety mantra every time an employee approaches a company vehicle. All drivers are required to walk a complete 360° circle, making sure that no children, pets, toys, tools, other vehicles or nearby objects might pose a hazard.

**7** Whether to initiate service, answer a billing question or respond to an emergency, staff members at our call centers are always available to care for our customers.

**8** In Houston, Atmos Energy Marketing’s trading floor purchases large volumes of natural gas daily to ensure reliable supplies and economical prices for its many industrial, municipal and power-generation customers.

**9** Keeping our customers warm and safe in the winter means keeping natural gas meters clear of snow and debris and the rest of our system in excellent repair to endure frigid temperatures.



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# Supporting Safe, Strong Communities

Atmos Energy is part of the community. By the nature of our operations, our service technicians are invited into homes and businesses to check natural gas appliances and our infrastructure. In turn, we encourage natural gas safety through school programs, public meetings and community celebrations. We believe that supporting gas safety awareness helps build stronger communities and provides our customers with the safest and most reliable energy available.

**1** Jim Bartling, left, Atmos Energy's manager of public affairs in Kansas, enjoys the fun at the annual open house of the City of Olathe Fire Department. The company has supported this family event for years to help firefighters teach safety awareness especially among children.

**2** Atmos Energy's employees say "thanks" to their neighbors in communities across the country by grilling thousands of hot dogs and hamburgers every year at civic get-togethers, local fairs and charity events.

**3** Call before you dig! We constantly remind the public to ALWAYS call 811 to have utility lines marked before beginning any digging. By calling 811 just once, all underground utility lines will be marked by Atmos Energy, the electric utility, the telephone company and the water department to protect both the caller and the community.



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**4** Our company runs on natural gas...literally. New natural gas vehicles in Atmos Energy's fleet demonstrate the clean-burning benefits of natural gas as well as its reliability as an all-American fuel.

**5** Bill stuffers in English and Spanish give our customers safety information on natural gas topics and encourage them to watch out for household hazards.

**6** Mayor John Shaddinger Jr. of Westwego, Louisiana, discusses safety needs in his community with Atmos Energy employees as part of our ongoing program to communicate with public officials about pipeline safety awareness.



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- 7** Atmos Energy works with schools and community groups to teach children and their parents to “smell, listen, look and leave” if they suspect a natural gas leak in their homes or yards.
- 8** Ray Granado, a manager of public affairs in the Dallas-Fort Worth area, is a big hit in the classroom when he brings our “scratch and sniff” cards so that kids learn what natural gas odorant smells like.
- 9** Atmos Energy displays the nationwide Call 811 logo on all its service vehicles, customers’ bills and printed materials as a reminder to always call before digging.
- 10** Brightly colored yellow markers along natural gas pipeline rights of way warn the public to call before digging and not to build structures or pile debris on the ground above a pipeline.





Year Ended September 30

Dollars in thousands, except per share data

	2010	2009	Change
Operating revenues	\$ 4,789,690	\$ 4,969,080	(3.6)%
Gross profit	\$ 1,364,941	\$ 1,346,702	1.4%
Natural gas distribution net income	\$ 125,949	\$ 116,807	7.8%
Regulated transmission and storage net income	41,486	41,056	1.0%
Natural gas marketing net income	27,729	20,194	37.3%
Pipeline, storage and other net income	10,675	12,921	(17.4)%
Total	\$ 205,839	\$ 190,978	7.8%
Total assets	\$ 6,763,791	\$ 6,367,083	6.2%
Total capitalization*	\$ 3,987,899	\$ 4,346,161	(8.2)%
Net income per share — diluted	\$ 2.20	\$ 2.07	6.3%
Cash dividends per share	\$ 1.34	\$ 1.32	1.5%
Book value per share at end of year	\$ 24.16	\$ 23.52	2.7%
Consolidated natural gas distribution throughput (MMcf)	454,175	408,885	11.1%
Consolidated regulated transmission and storage transportation volumes (MMcf)	428,599	528,689	(18.9)%
Consolidated natural gas marketing throughput (MMcf)	353,853	370,569	(4.5)%
Heating degree days <sup>†</sup>	2,780	2,713	2.5%
Degree days as a percentage of normal <sup>†</sup>	102%	100%	2.0%
Meters in service at end of year	3,186,040	3,178,844	0.2%
Return on average shareholders' equity	9.1%	8.9%	2.2%
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	48.7%	49.3%	(1.2)%
Shareholders of record	19,738	20,790	(5.1)%
Weighted average shares outstanding — diluted (000s)	92,422	91,620	0.9%

\* Total capitalization represents the sum of shareholders' equity and long-term debt, excluding current maturities.

<sup>†</sup> Heating degree days are adjusted for service areas with weather-normalized operations.**Summary Annual Report**

The financial information presented in this report about Atmos Energy Corporation is condensed. Our complete financial statements, including notes as well as management's discussion and analysis of financial condition and results of operations, are presented in our *Annual Report on Form 10-K*. Atmos Energy's chief executive officer and its chief financial officer have executed all certifications with respect to the financial statements contained therein and have completed management's report on internal control over financial reporting, which are required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations of the Securities and Exchange Commission. Investors may request, without charge, our *Annual Report on Form 10-K* for the fiscal year ended September 30, 2010, by calling Investor Relations at 972-855-3729 between 8 a.m. and 5 p.m. Central time. Our *Annual Report on Form 10-K* also is available on Atmos Energy's website at [www.atmosenergy.com](http://www.atmosenergy.com). Additional investor information is presented on pages 35 and 36 of this report.

In the Flow Lab of the Charles K. Vaughan Center, Atmos Energy technicians work with some of the most advanced natural gas metering technology available in the industry today.



Year Ended September 30

	2010	2009
<b>Meters in service</b>		
Residential	2,910,672	2,901,577
Commercial	262,778	265,843
Industrial	2,090	2,193
Public authority and other	10,500	9,231
Total meters	<u>3,186,040</u>	<u>3,178,844</u>
<b>Heating degree days*</b>		
Actual (weighted average)	2,780	2,713
Percent of normal	102%	100%
<b>Natural gas distribution sales volumes (MMcf)</b>		
Residential	190,424	159,762
Commercial	103,028	91,379
Industrial	19,047	18,563
Public authority and other	10,129	12,413
Total	<u>322,628</u>	<u>282,117</u>
<b>Natural gas distribution transportation volumes (MMcf)</b>	<u>135,865</u>	<u>130,691</u>
<b>Total natural gas distribution throughput (MMcf)</b>	<u>458,493</u>	<u>412,808</u>
<b>Intersegment activity (MMcf)</b>	<u>(4,318)</u>	<u>(3,923)</u>
<b>Consolidated natural gas distribution throughput (MMcf)</b>	<u>454,175</u>	<u>408,885</u>
<b>Consolidated regulated transmission and storage transportation volumes (MMcf)</b>	<u>428,599</u>	<u>528,689</u>
<b>Consolidated natural gas marketing throughput (MMcf)</b>	<u>353,853</u>	<u>370,569</u>
<b>Operating revenues (000s)</b>		
Natural gas distribution sales revenues		
Residential	\$ 1,826,752	\$ 1,830,140
Commercial	808,981	838,184
Industrial	112,366	135,633
Public authority and other	70,580	89,183
Total gas distribution sales revenues	<u>2,818,679</u>	<u>2,893,140</u>
Transportation revenues	61,384	59,115
Other gas revenues	<u>31,560</u>	<u>31,711</u>
Total natural gas distribution revenues	<u>2,911,623</u>	<u>2,983,966</u>
Regulated transmission and storage revenues	97,023	119,427
Natural gas marketing revenues	1,754,523	1,832,912
Pipeline, storage and other revenues	<u>26,521</u>	<u>32,775</u>
<b>Total operating revenues (000s)</b>	<u>\$ 4,789,690</u>	<u>\$ 4,969,080</u>
<b>Other statistics</b>		
Gross plant (000s)	\$ 6,542,318	\$ 6,086,618
Net plant (000s)	\$ 4,793,075	\$ 4,439,103
Miles of pipe	77,157	76,942
Employees	4,913	4,891

\* Heating degree days are adjusted for service areas with weather-normalized operations.

Year Ended September 30

Dollars in thousands, except share data

2010

2009

**Assets****Property, plant and equipment**

\$ 6,384,396 \$ 5,981,420

**Construction in progress**157,922 105,198

6,542,318 6,086,618

**Less accumulated depreciation and amortization**1,749,243 1,647,515

Net property, plant and equipment

4,793,075 4,439,103

**Current assets**

Cash and cash equivalents

131,952 111,203

Accounts receivable, less allowance for doubtful accounts of

\$12,701 in 2010 and \$11,478 in 2009

273,207 232,806

Gas stored underground

319,038 352,728

Other current assets

150,995 132,203

Total current assets

875,192 828,940

**Goodwill and intangible assets**

740,148 740,064

**Deferred charges and other assets**355,376 358,976\$ 6,763,791 \$ 6,367,083**Capitalization and Liabilities****Shareholders' equity**

Common stock, no par value (stated at \$.005 per share);

200,000,000 shares authorized; issued and outstanding:

2010 – 90,164,103 shares, 2009 – 92,551,709 shares

\$ 451 \$ 463

Additional paid-in capital

1,714,364 1,791,129

Accumulated other comprehensive loss

(23,372) (20,184)

Retained earnings

486,905 405,353

Shareholders' equity

2,178,348 2,176,761

**Long-term debt**1,809,551 2,169,400

Total capitalization

3,987,899 4,346,161

**Current liabilities**

Accounts payable and accrued liabilities

266,208 207,421

Other current liabilities

413,640 457,319

Short-term debt

126,100 72,550

Current maturities of long-term debt

360,131 131

Total current liabilities

1,166,079 737,421

**Deferred income taxes**

829,128 570,940

**Regulatory cost of removal obligation**

350,521 344,403

**Deferred credits and other liabilities**430,164 368,158\$ 6,763,791 \$ 6,367,083



# Condensed Consolidated Statements of Income

Year Ended September 30

Dollars in thousands, except per share data

2010

2009

2008

## Operating revenues

Natural gas distribution segment	\$ 2,912,493	\$ 2,984,765	\$ 3,655,130
Regulated transmission and storage segment	203,013	209,658	195,917
Natural gas marketing segment	2,151,264	2,336,847	4,287,862
Pipeline, storage and other segment	35,318	41,924	31,709
Intersegment eliminations	(512,398)	(604,114)	(949,313)
	<u>4,789,690</u>	<u>4,969,080</u>	<u>7,221,305</u>

## Purchased gas cost

Natural gas distribution segment	1,863,046	1,960,137	2,649,064
Regulated transmission and storage segment	—	—	—
Natural gas marketing segment	2,065,313	2,252,235	4,194,841
Pipeline, storage and other segment	7,178	12,428	3,396
Intersegment eliminations	(510,788)	(602,422)	(947,322)
	<u>3,424,749</u>	<u>3,622,378</u>	<u>5,899,979</u>

## Gross profit

1,364,941      1,346,702      1,321,326

## Operating expenses

Operation and maintenance	468,038	494,010	500,234
Depreciation and amortization	216,960	217,208	200,442
Taxes, other than income	190,507	182,700	192,755
Asset impairments	—	5,382	—
Total operating expenses	<u>875,505</u>	<u>899,300</u>	<u>893,431</u>

## Operating income

489,436      447,402      427,895

## Miscellaneous income (expense), net

(339)      (3,303)      2,731

## Interest charges

154,471      152,830      137,922

## Income before income taxes

334,626      291,269      292,704

## Income tax expense

128,787      100,291      112,373

## Net income

\$ 205,839      \$ 190,978      \$ 180,331

## Per share data

Basic net income per share	\$ 2.22	\$ 2.08	\$ 2.00
Diluted net income per share	\$ 2.20	\$ 2.07	\$ 1.99

## Weighted average shares outstanding:

Basic	91,852	91,117	89,385
Diluted	92,422	91,620	89,941

# Condensed Consolidated Statements of Cash Flows

Year Ended September 30

Dollars in thousands

	2010	2009	2008
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 205,839	\$ 190,978	\$ 180,331
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Asset impairments	—	5,382	—
Depreciation and amortization:			
Charged to depreciation and amortization	216,960	217,208	200,442
Charged to other accounts	173	94	147
Deferred income taxes	196,731	129,759	97,940
Stock-based compensation	12,655	14,494	14,032
Debt financing costs	11,908	10,364	10,665
Other	(1,245)	(1,177)	(5,492)
Changes in assets and liabilities	83,455	352,131	(127,132)
Net cash provided by operating activities	726,476	919,233	370,933
<b>Cash Flows Used in Investing Activities</b>			
Capital expenditures	(542,636)	(509,494)	(472,273)
Other, net	(66)	(7,707)	(10,736)
Net cash used in investing activities	(542,702)	(517,201)	(483,009)
<b>Cash Flows from Financing Activities</b>			
Net increase (decrease) in short-term debt	54,268	(283,981)	200,174
Net proceeds from issuance of long-term debt	—	445,623	—
Settlement of Treasury lock agreement	—	1,938	—
Repayment of long-term debt	(131)	(407,353)	(10,284)
Cash dividends paid	(124,287)	(121,460)	(117,288)
Repurchase of common stock	(100,450)	—	—
Repurchase of equity rewards	(1,191)	—	—
Issuance of common stock	8,766	27,687	25,466
Net cash provided by (used in) financing activities	(163,025)	(337,546)	98,068
Net increase (decrease) in cash and cash equivalents	20,749	64,486	(14,008)
<b>Cash and cash equivalents at beginning of year</b>	<u>111,203</u>	<u>46,717</u>	<u>60,725</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 131,952</u>	<u>\$ 111,203</u>	<u>\$ 46,717</u>

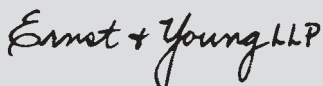


**The Board of Directors and Shareholders of Atmos Energy Corporation**

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Atmos Energy Corporation at September 30, 2010 and 2009, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2010 (not presented separately herein); and in our report dated November 12, 2010, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 12, 2010 (not presented separately herein) expressed an unqualified opinion thereon.

The signature of Ernst & Young LLP is written in a cursive, handwritten style.

Dallas, Texas  
November 12, 2010

Year Ended September 30

	2010	2009	2008	2007	2006
<b>Balance Sheet Data at September 30 (000s)</b>					
Capital expenditures	\$ 542,636	\$ 509,494	\$ 472,273	\$ 392,435	\$ 425,324
Net property, plant and equipment	4,793,075	4,439,103	4,136,859	3,836,836	3,629,156
Working capital	(290,887)	91,519	78,017	149,217	(1,616)
Total assets	6,763,791	6,367,083	6,386,699	5,895,197	5,719,547
Shareholders' equity	2,178,348	2,176,761	2,052,492	1,965,754	1,648,098
Long-term debt, excluding current maturities	1,809,551	2,169,400	2,119,792	2,126,315	2,180,362
Total capitalization	3,987,899	4,346,161	4,172,284	4,092,069	3,828,460
<b>Income Statement Data</b>					
Operating revenues (000s)	\$ 4,789,690	\$ 4,969,080	\$ 7,221,305	\$ 5,898,431	\$ 6,152,363
Gross profit (000s)	1,364,941	1,346,702	1,321,326	1,250,082	1,216,570
Net income (000s)	205,839	190,978	180,331	168,492	147,737
Net income per diluted share	2.20	2.07	1.99	1.91	1.81
<b>Common Stock Data</b>					
Shares outstanding (000s)					
End of year	90,164	92,552	90,815	89,327	81,740
Weighted average	92,422	91,620	89,941	87,486	81,173
Cash dividends per share	\$ 1.34	\$ 1.32	\$ 1.30	\$ 1.28	\$ 1.26
Shareholders of record	19,738	20,790	21,756	22,829	24,690
Market price—High	\$ 30.06	\$ 28.80	\$ 29.46	\$ 33.11	\$ 29.11
Low	\$ 26.41	\$ 20.20	\$ 25.09	\$ 26.47	\$ 25.79
End of year	\$ 29.25	\$ 28.18	\$ 26.62	\$ 28.32	\$ 28.55
Book value per share at end of year	\$ 24.16	\$ 23.52	\$ 22.60	\$ 22.01	\$ 20.16
Price/Earnings ratio at end of year	13.30	13.61	13.38	14.83	15.77
Market/Book ratio at end of year	1.21	1.20	1.18	1.29	1.42
Annualized dividend yield at end of year	4.6%	4.7%	4.9%	4.5%	4.4%
<b>Customers and Volumes (as metered)</b>					
Consolidated distribution gas sales volumes (MMcf)	322,628	282,117	292,676	297,327	272,033
Consolidated distribution gas transportation volumes (MMcf)	131,547	126,768	136,678	130,542	121,962
Consolidated distribution throughput (MMcf)	454,175	408,885	429,354	427,869	393,995
Consolidated transmission and storage transportation volumes (MMcf)	428,599	528,689	595,542	505,493	410,505
Consolidated natural gas marketing throughput (MMcf)	353,853	370,569	389,392	370,668	283,962
Meters in service at end of year	3,186,040	3,178,844	3,191,779	3,187,127	3,181,199
Heating degree days*	2,780	2,713	2,820	2,879	2,527
Degree days as a percentage of normal*	102%	100%	100%	100%	87%
Gas distribution average cost of gas per Mcf sold	\$ 5.77	\$ 6.95	\$ 9.05	\$ 8.09	\$ 10.02
Gas distribution average transportation fee per Mcf	\$ .46	\$ .46	\$ .43	\$ .44	\$ .49
<b>Statistics</b>					
Return on average shareholders' equity	9.1%	8.9%	8.8%	8.8%	8.9%
Number of employees	4,913	4,891	4,750	4,653	4,632
Net gas distribution plant per meter	\$ 1,243	\$ 1,165	\$ 1,091	\$ 1,020	\$ 969
Gas distribution operation and maintenance expense per meter	\$ 114	\$ 116	\$ 122	\$ 119	\$ 112
Meters per employee—gas distribution	676	678	700	713	723
Times interest earned before income taxes	3.09	2.82	3.06	2.75	2.55

\* Heating degree days are adjusted for service areas with weather-normalized operations.



Senior Management Team



**Robert W. Best**  
Executive Chairman  
of the Board



**Kim R. Cocklin**  
President and  
Chief Executive Officer



**Fred E. Meisenheimer**  
Senior Vice President,  
Chief Financial Officer and Treasurer



**Louis P. Gregory**  
Senior Vice President and  
General Counsel



**Michael E. Haefner**  
Senior Vice President,  
Human Resources

Regulated Divisions



**J. Kevin Akers**  
President,  
Kentucky/Mid-States Division



**Richard A. Erskine**  
President,  
Atmos Pipeline-Texas Division



**David E. Gates**  
President,  
Mississippi Division



**Gary W. Gregory**  
President,  
West Texas Division



**Tom S. Hawkins, Jr.**  
President,  
Louisiana Division



**John A. Paris**  
President,  
Mid-Tex Division



**Gary L. Schlessman**  
President,  
Colorado-Kansas Division

Nonregulated Operations



**Mark S. Bergeron**  
President,  
Atmos Energy Holdings, Inc.

Shared Services (continued)



**Richard J. Gius**  
Vice President and  
Chief Information Officer



**Conrad E. Gruber**  
Vice President,  
Strategic Planning

Shared Services



**Verlon R. Aston, Jr.**  
Vice President,  
Governmental and  
Public Affairs



**Dwala J. Kuhn**  
Corporate Secretary



**Christopher T. Forsythe**  
Vice President and Controller



**Kenneth M. Malter**  
Vice President,  
Gas Supply and Services



**Susan K. Giles**  
Vice President,  
Investor Relations



**Marvin L. Sweetin**  
Vice President,  
Customer Service





**Robert W. Best**  
Executive Chairman  
of the Board,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 1997



**Richard W. Cardin**  
Retired partner of Arthur  
Andersen LLP  
Nashville, Tennessee  
Board member since 1997  
Committees: Audit (Chairman),  
Executive, Nominating and  
Corporate Governance



**Kim R. Cocklin**  
President and  
Chief Executive Officer,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 2009



**Richard W. Douglas**  
Executive Vice President,  
Jones Lang LaSalle LLC  
Dallas, Texas  
Board member since 2007  
Committees: Human  
Resources, Work Session/  
Annual Meeting



**Ruben E. Esquivel**  
Vice President for  
Community and Corporate  
Relations, The University  
of Texas Southwestern  
Medical Center at Dallas  
Dallas, Texas  
Board member since 2008  
Committees: Audit,  
Human Resources



**Richard K. Gordon**  
General Partner, Juniper  
Energy LP, Juniper Capital LP  
and Juniper Advisory LP  
Houston, Texas  
Board member since 2001  
Committees: Human  
Resources (Chairman),  
Executive, Nominating and  
Corporate Governance



**Robert C. Grable**  
Partner, Kelly Hart &  
Hallman LLP  
Fort Worth, Texas  
Board member since 2009  
Committees: Audit, Human  
Resources



**Dr. Thomas C.  
Meredith**  
Retired, formerly  
Commissioner of Mississippi  
Institutions of Higher Learning  
Jackson, Mississippi  
Board member since 1995  
Committees: Work Session/  
Annual Meeting (Chairman),  
Audit, Executive, Nominating  
and Corporate Governance



**Phillip E. Nichol**  
Retired Senior Vice  
President of Central  
Division Staff, UBS  
PaineWebber Incorporated  
Dallas, Texas  
Board member since 1985  
Committees: Nominating  
and Corporate Governance  
(Chairman), Executive, Human  
Resources, Work Session/  
Annual Meeting



**Nancy K. Quinn**  
Principal, Hanover  
Capital, LLC  
East Hampton, New York  
Board member since 2004  
Committees: Audit,  
Nominating and Corporate  
Governance



**Stephen R. Springer**  
Retired Senior Vice President  
and General Manager,  
Midstream Division, The  
Williams Companies, Inc.  
Syracuse, Indiana  
Board member since 2005  
Committee: Work Session/  
Annual Meeting



**Charles K. Vaughan**  
Retired Chairman  
of the Board,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 1983  
Lead Director since 2003  
Committee: Executive  
(Chairman)



**Richard Ware II**  
President, Amarillo  
National Bank  
Amarillo, Texas  
Board member since 1994  
Committees: Audit,  
Nominating and Corporate  
Governance, Work  
Session/Annual Meeting



**Lee E. Schlessman**  
Honorary Director  
President, Dolo  
Investment Company  
Denver, Colorado  
Retired from Board in 1998

**Common Stock Listing**

New York Stock Exchange. Trading symbol: ATO

**Stock Transfer Agent and Registrar**

American Stock Transfer and Trust Company  
59 Maiden Lane  
Plaza Level  
New York, New York 10038  
800-543-3038

To inquire about your Atmos Energy common stock, please call AST at the telephone number above. You may use the agent's interactive voice response system 24 hours a day to learn about transferring stock or to check your recent account activity, all without the assistance of a customer service representative. Please have available your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

To speak to an AST customer service representative, please call the same number between 8 a.m. and 7 p.m. Eastern time, Monday through Thursday, or 8 a.m. to 5 p.m. Eastern time on Friday.

You also may send an e-mail message on our agent's website at [www.amstock.com](http://www.amstock.com). Please refer to Atmos Energy in your e-mail message and include your Atmos Energy shareholder account number.

**Independent Registered Public Accounting Firm**

Ernst & Young LLP  
One Victory Park  
Suite 2000  
2323 Victory Avenue  
Dallas, Texas 75219  
214-969-8000

**Form 10-K**

Atmos Energy Corporation's *Annual Report on Form 10-K* is available at no charge from Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205 or by calling 972-855-3729 between 8 a.m. and 5 p.m. Central time. Atmos Energy's Form 10-K also may be viewed on Atmos Energy's website at [www.atmosenergy.com](http://www.atmosenergy.com).

**Annual Meeting of Shareholders**

The 2011 Annual Meeting of Shareholders will be held in the Pavilion Ballroom at the Belo Mansion, 2101 Ross Avenue, Dallas, Texas 75201 on Wednesday, February 9, 2011, at 9:30 a.m. Central time.

**Direct Stock Purchase Plan**

Atmos Energy Corporation has a Direct Stock Purchase Plan that is available to all investors. For an Enrollment Application Form and a Plan Prospectus, please call AST at 800-543-3038. The Prospectus is also available at [www.atmosenergy.com](http://www.atmosenergy.com). You may also obtain information by writing to Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

This is not an offer to sell, or a solicitation to buy, any securities of Atmos Energy Corporation. Shares of Atmos Energy common stock purchased through the Direct Stock Purchase Plan will be offered only by Prospectus.

**Atmos Energy on the Internet**

Information about Atmos Energy is available on the Internet at [www.atmosenergy.com](http://www.atmosenergy.com). Our website includes news releases, current and historical financial reports, other investor data, corporate governance documents, management biographies, customer information and facts about Atmos Energy's operations.

**Atmos Energy Corporation Contacts**

To contact Atmos Energy's Investor Relations, call 972-855-3729 between 8 a.m. and 5 p.m. Central time or send an e-mail message to [InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com).

Securities analysts and investment managers, please contact:

Susan K. Giles  
Vice President, Investor Relations  
972-855-3729 (voice) 972-855-3040 (fax)  
[InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com)



### Forward-looking Statements

The matters discussed or incorporated by reference in this *Summary Annual Report* 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 report 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 report or any other of the Company’s 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 report. These risks and uncertainties are discussed in the Company’s *Annual Report on Form 10-K* for the fiscal year ended September 30, 2010. Although the Company believes 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, the Company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

### Other Information

You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2010 and previous years at [www.atmosenergy.com](http://www.atmosenergy.com).

If you are a shareholder who would like to receive our *Summary Annual Report* and other company documents electronically in the future, please sign up for electronic distribution. It’s convenient and easy, and it saves the costs to produce and distribute these materials.

To receive these documents over the Internet next year, please visit [www.amstock.com](http://www.amstock.com) and access your account to give your consent. Please remember that accessing our *Summary Annual Report* and other company documents over the Internet may result in charges to you from your Internet service provider or telephone company.

Inside back cover: An Atmos Energy technician uses specialized protective equipment for working in underground confined spaces. Atmos Energy’s culture of safety emphasizes taking all precautions to work safely and protect fellow employees as well as the public.

Front cover: In Gas City at Atmos Energy’s new Charles K. Vaughan Center in Plano, Texas, service technicians learn and practice skills with the coaching and guidance of highly expert instructors.

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Ensuring Safety  
and Reliability



# Voices for Safety





Graham Landell Perry  
Senior Engineer

Dallas, TX

"I'm involved in the design of natural gas pipelines, measurement stations and regulator stations," explains Senior Engineer Landell Perry. "Our design of new state-of-the-art instrumentation and controls allows Atmos Energy to know immediately if there's a pressure spike and shut a line down remotely. Our goal as engineers is to find effective and efficient solutions to help protect our customers and deliver highly reliable natural gas transmission and distribution service."

A

**s engineers, it's our duty  
to design the most effective  
solutions for our customers  
and communities.**



Cover: Mid-Tex Division Senior Engineer Landell Perry (right), Field Construction Coordinator Robert Parker and Crew Leader Royce Sharp inspect the installation of an actuator on an existing remote control valve for an Atmos Pipeline-Texas transmission line.

Above: The work involves close cooperation among teams from engineering and pipeline operations.

# N

atural gas pipelines span 2.4 million miles across the United States—an extensive network that delivers the efficient, clean and abundant fuel we all rely on for

economic strength and national security. In the Atmos Energy system alone, our employees are responsible for about **77,000** miles of natural gas pipelines, serving more than 1,600 communities of all sizes in 12 states.

Ensuring safety and reliability of our gas transmission and distribution infrastructure stands as our highest goal.

Our team understands the requirements of pipeline safety, and they diligently carry out our policies and programs to maintain and modernize our pipeline network. They work to protect our customers, our employees, the public and our underground pipeline assets at all times.

In this report, 11 of our employees share how their attitudes and actions contribute to a culture of safety. These are our voices for safety—and they speak for the nearly **5,000** Atmos Energy team members who serve our customers and communities **every day**.



Danny Waguespack  
Compliance Manager

Metairie, LA

"All states have pipeline safety requirements that go beyond the federal regulations," says Compliance Manager Danny Waguespack. "Compliance is responsible for making sure we meet or exceed the highest standard in each state we serve. Those codes include Operator Qualification, Pipeline Integrity Management, Public Awareness, Damage Prevention, Distribution Integrity Management, Control Room Management and more. The compliance world is always evolving and ever changing."

**W**e don't just follow the letter of the law;  
we follow the **spirit of the law.**  
We're constantly reviewing every aspect  
of our operations. If we see a better way  
of doing things, we pursue it.



Louisiana Division Compliance Manager Danny Waguespack (left) and Survey Specialist Billy Bentel check the placement of required warning signs along one of the company's rights of way to alert the public to a buried pipeline and help prevent damage to it from excavation.





Regan Hampton  
Lead Controller

Dallas, TX

“My team and I keep a constant watch on approximately 6,000 miles of pipeline,” explains Regan Hampton, lead controller at Atmos Pipeline-Texas’ control center. “Ours is one of the largest natural gas pipelines in Texas, and on a peak day more than 3.5 billion cubic feet of gas flows through the system. Our team is here 24 hours a day, seven days a week, monitoring pipeline pressures and flow rates and working with the engineering and integrity groups to schedule maintenance outages, so that our pipeline is as safe as we can make it.”

0

**ur goal is zero incidents  
—and it has to be. In this type of  
business, there’s no room for error, so  
that our pipeline is safe and provides  
reliable service.**

Regan Hampton, lead controller for Atmos Pipeline-Texas, heads a team of highly experienced pipeline controllers who monitor the system around the clock at the division’s Dallas control center.



Kenny Compton  
Senior Service Technician

Radford, VA

“We’re the proactive guys,” explains Senior Service Technician Kenny Compton. “We’re out there clearly marking our buried gas lines, so that they don’t get cut by homeowners or commercial excavators laying electric, water or sewer lines. Field employees are required to be qualified to meet federal Operator Qualification rules. We can’t perform any task—marking a gas line, setting a gas meter, turning a customer’s service on or off, responding to a gas or carbon monoxide leak, nothing—unless our training and OQ are up to date.”

**W**e’re out there to **protect life and property.** When we meet customers or go into their homes, **safety is our No. 1 concern.**



Senior Service Technician Kenny Compton in the Kentucky/Mid-States Division uses instruments to locate and mark a buried natural gas line to help prevent damage from excavation.





James Sparks  
Corrosion Control Technician

Madisonville, KY

Age is only one factor that affects the integrity of a buried gas pipeline. Even more telling is how the pipe has been inspected and maintained. “There are thousands of miles of pipeline in the Atmos Energy network, and we are checking them constantly,” says Corrosion Control Technician James Sparks. “We put better corrosion-detection processes in place almost 20 years before the government required it. Because of our cathodic protection procedures, 50 years from now when we dig out a piece of pipe, it should look very similar to the way it did the day we put it in the ground.”

**I** have been at this more than 40 years—long enough to see that our safety measures really work.

Corrosion Control Technician James Sparks of the Kentucky/Mid-States Division, who is a recognized expert on cathodic protection, inspects our natural gas system in Kentucky.



Annie Stewart  
Senior Financial Analyst

Flowood, MS

“Over the past years, we have spent more money, both operating expense and capital dollars, to improve the safety of our employees, customers and the general public,” says Senior Financial Analyst Annie Stewart. Atmos Energy has invested more than \$1.7 billion since 2007 to improve its pipeline and distribution system. “We’ve increased our allocations for pipeline replacements, technology upgrades, employee training, and safety advertising and bill inserts. Analysts like me help account for these projects correctly, to help keep them on budget and to assist others in making good decisions that support our commitment to safety.”

S

ome safety activities are mandated,  
but Atmos Energy invests to the  
**highest standards**  
of safety and compliance.

Mississippi Division Senior Financial Analyst Annie Stewart (standing) reviews safety expenditures with Safety Manager Ed Johnson, Financial Analyst II Carolyn Knight and Revenue Systems Analyst Earl Lee.





Francisco Javier Aguirre  
Welder 1

Odessa, TX

"After I leave the house for work each morning, the first thing that comes to my mind is safety," says Class I Welder Javier Aguirre. "The most important thing for me on a daily basis is to prevent any pipeline events that would endanger my life, the lives of my crew-mates or the community where we're working. We check the system pressure maps and work closely with the engineering team and our supervisors to make sure we follow the safest procedures. We take great pride in our work."

**B**esides welding safely, we clear the area of any flammable brush or debris that could catch fire. **Checking the conditions around a work site protects everyone.**

Welder Javier Aguirre of the West Texas Division measures a pipe joint on one of the division's natural gas pipelines near Odessa, Texas, before making a repair.



A photograph of two women in a call center environment. One woman is seated at a desk with a computer monitor, wearing a headset and a floral top. The other woman is standing next to her, wearing a yellow top. They are both looking at the computer screen. In the background, there are other cubicles and computer monitors hanging from the ceiling.

Annie Estrada  
Customer Support Associate

Waco, TX

"We're trained in many areas of customer assistance but especially customer safety," says Annie Estrada, a customer support associate at Atmos Energy's Waco Customer Contact Center. "Emergency calls are definitely our top priority. When customers suspect a gas leak, we help them stay calm and ask questions to gather information for our responding technicians. Inside or outside? Backyard or front yard? Is it near the gas meter? We direct our customers where to go to be safe and dispatch crews immediately, using the information to help our technicians investigate the leak and make the area safe."

W

hen it comes to safety, we are **highly trained** to keep our customers safe, identify where a leak might be and send trained technicians quickly to investigate.

Annie Estrada, customer support associate at Atmos Energy's Waco Customer Support Center, and Melissa Hutyra, senior administrative assistant, review the company's online information about safety.



Senior Instructor Brian Crowder discusses natural gas fundamentals with a team of firefighters from the Richardson, Texas, Fire Department at the company's Charles K. Vaughan Center. Although most of the center's trainees are company employees, the staff works closely with emergency responders and public officials as part of a close alliance that protects our communities.



Brian Crowder

Senior Instructor, Charles K. Vaughan Center

Plano, TX

Technical knowledge is critical to safety because the nation's natural gas network must meet hundreds of safety regulations and technical standards. "Atmos Energy actively develops its employees, and to do so it has built this advanced facility," comments Senior Instructor Brian Crowder at the Charles K. Vaughan Center. "It's not just a training facility; it's also a service center and a dispatch center. Its classrooms, equipment, technologies and simulation training tools are truly impressive. All of our instructors have come up through the ranks; so, they bring a wealth of field experience to the classroom."

W

**e train employees from our entire service area and emergency responder teams. We make sure our training meets or exceeds the federal Department of Transportation regulations.**



Brian Martens, Colorado manager of public affairs in the Colorado-Kansas Division, talks with enthusiastic sixth-graders at Mountain View Core Knowledge Charter School in Cañon City, Colorado. The students recently were recognized by Atmos Energy for their presentation about energy efficiency and natural gas safety.

Brian Martens  
Manager of Public Affairs

Greeley, CO

“Besides working with public officials and the media, we visit schools to help students learn what this invisible thing, natural gas, is all about,” says Manager of Public Affairs Brian Martens. “On the Internet, we have lesson plans for teachers, fun experiments and a challenge to create a project about energy efficiency and safety. The sixth-graders at Mountain View Core Knowledge Charter School in Cañon City, Colorado, wrote and filmed a skit showing energy traveling through a pipe, into a home and heating the house, water and food. It was terrific.”

**W**e help kids at school understand how natural gas works, what it smells like and what to do if they smell it.



Kim Cocklin, president and CEO of Atmos Energy Corporation, and Marvin Sweetin, senior vice president, utility operations, are joined by Virginia employees after one of the company's quarterly employee broadcasts. The broadcasts, transmitted by satellite to company locations, provide an effective way to communicate with virtually every employee about Atmos Energy's commitment to safety.

Kim R. Cocklin  
President and CEO

Dallas, TX

"Staying incident-free every day is critically important to all of our employees, our customers and the communities we serve," says Atmos Energy President and CEO Kim Cocklin. "The media generally define safety as 'pipeline integrity,' but it's so much more than that. It entails customers' safety in their homes, consumer education, employee training, best-in-class engineering and the most reliable technologies. We expect our employees not only to work safely, but also to help their team members do so, as well."

W

e train employees to "coach in the moment" both to point out when something could be done in a better way and to praise work done safely.



# To Our Shareholders

Atmos Energy Corporation achieved substantial results in fiscal 2011. Our track record of creating shareholder value continued through consistent earnings-per-share growth. We also marked 28 years of consecutive annual dividend increases, after including all mergers and acquisitions.

Our strategy is focused on maximizing the value of our regulated assets. It seeks to

- *maximize our regulated earnings capability* from our utility and pipeline operations,
- *complement our regulated operations* with energy services provided by our nonregulated business unit, and
- *enhance shareholder value* through prudent acquisitions and growing the rate base of our regulated companies.

In fiscal 2011, we achieved the following highlights.

- We enhanced the safety and reliability of our distribution system by replacing or adding more than 450 miles of natural gas pipelines.
- With our customers, we successfully resolved 19 rate filings, which are expected to increase annual operating income by more than \$72 million.
- We strengthened our balance sheet going forward by impairing two natural gas gathering systems and a proposed natural gas storage project.
- We moved to become more geographically efficient by agreeing to sell our Missouri, Illinois and Iowa distribution assets for approximately \$124 million.
- We benefited financially from unwinding two interest-rate agreements called Treasury locks, which we no longer needed, and from upgrades by two of the three major credit rating agencies.

## Financial Results

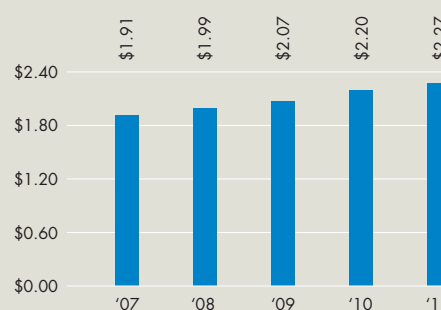
Earnings per diluted share increased by 7 cents over the \$2.20 earned in fiscal 2010 to \$2.27, marking our ninth consecutive year of higher annual earnings.

Consolidated net income rose from \$205.8 million in fiscal 2010 to \$207.6 million in fiscal 2011. Operating revenues for the fiscal year were \$4.3 billion.

We paid cash dividends of \$1.36 per share, and in November 2011 the board of directors raised the dividend by 2 cents a share for an annual indicated rate in fiscal 2012 of \$1.38 per share. Our dividend payout ratio is 60 percent currently, as compared to 67 percent five years ago.

Our capital expenditures increased by \$80.4 million, year

## Net Income per Diluted Share



Earnings per diluted share have increased steadily during the past five years due to our commitment to invest in system modernization, which has added to our utility rate base.

over year, to \$623.0 million. Approximately 70 percent of that spending was invested to modernize our gas distribution infrastructure and to enhance the safety and reliability of our pipeline system.

We continued to improve our rate designs and to seek rate settlements to avoid costly litigation.

Regulatory authorities approved approximately \$72 million in annual operating income increases from rate filings. In one of the settlements, the Railroad Commission of Texas decided a base rate case filed in 2010 by our Atmos Pipeline-Texas Division, resulting in an increase in annual operating income of about \$20 million.

In our nonregulated operations, we recorded noncash charges of \$30.3 million for operations that no longer offered reasonable prospects to meet our investment objectives. The cumulative adjustments lowered fiscal 2011 diluted earnings per share by about 21 cents.

Offsetting these impairment charges was a one-time \$27.8 million pre-tax cash gain from unwinding two Treasury lock agreements with a cumulative notional value of \$250 million. The Treasury locks, which are financial agreements for locking in interest rates for future debt issuances, were no longer needed after we cancelled an anticipated debt offering. In addition, we recorded a \$5 million one-time benefit from an administrative settlement of various income tax positions. These gains improved earnings per diluted share by about 24 cents.

Shareholder value was further enhanced through our repu-

chase in fiscal 2011 and fiscal 2010 of more than 3.3 million shares of Atmos Energy common stock at an effective price of \$29.99. The repurchased stock improved fiscal 2011 earnings per diluted share by about 8 cents a share. In addition, we plan to retire up to 5 million more shares over the next five years through our new share repurchase program.

During fiscal 2011, we strengthened our credit profile by reducing the company's number of credit facilities, interest costs and weighted average cost of debt. We received credit rating upgrades by Moody's Investors Service to Baa1 and by Fitch to A-, and Standard & Poor's reaffirmed its rating of BBB+.

### Operational Developments

Our focus on modernizing our distribution system to ensure continued safety and reliability included many projects in all divisions to replace cast iron, steel mains and vintage distribution pipelines.

The largest of these projects is a steel service line replacement program in the Mid-Tex Division. The division made steady progress on its plan to make 100,000 line replacements by September 2012. Steel service lines installed from the 1940s through the 1960s are being converted to ½-inch-to-2-inch polyethylene pipe in more than 40 cities throughout the division.

Along with safety, we invested in major projects to provide excellent customer service. Development advanced from the design phase to the build phase on a new customer service software system that will improve the handling of our customer relationships, billing and communication. About 250 employees are involved in the project, with conversion to the new system expected in May 2013.

We also dedicated an \$18.5 million customer contact center in Amarillo, Texas. The 52,500-square-foot facility replaced the company's original Amarillo call center, which opened in 1998. The new center features advanced telecommunications and information technologies to help handle a peak of approximately 1,900 calls an hour, ergonomic workstations for the center's 150 agents, a new dispatch arena and design features to increase energy performance and reduce waste. Atmos Energy is seeking LEED® silver certification\* for the facility.

In May 2011, we entered into a definitive agreement to sell all of our Missouri, Illinois and Iowa gas distribution assets for a cash price of approximately \$124 million. These operations, which serve some 84,000 meters in 189 communities, are being purchased by Liberty Energy (Midstates) Corp., an affiliate of Algonquin Power & Utilities Corp. The sale is expected to close in 2012 after regulatory approvals are granted. Selling these assets will allow us to better focus our distribution operations in



In September, we opened Atmos Energy's new Amarillo Customer Contact Center to help ensure excellence in serving our customers.

our remaining nine states. Today about three-fourths of our utility operations are located in Texas, Louisiana and Mississippi.

In January and February 2011, hundreds of company employees dealt with frigid cold and record snowfall. Many spent days away from home keeping regulator stations operating and assisting customers. We appreciate our employees' dedication and concern for ensuring the safety and comfort of our customers.

As a testament to its operations, engineering and foresighted improvements, Atmos Pipeline-Texas successfully handled one of the largest peak-day demands in its history. Transmission volumes on February 2 exceeded 3.6 billion cubic feet (Bcf), which equaled the previous historical high in 1996, as temperatures remained below freezing for nearly 10 days across North Texas.

The pipeline, which is a primary transporter of natural gas to our Mid-Tex Division, met all its firm service obligations to human-needs gas customers during the cold wave. That same day, it also set a record of 2.5 Bcf in gas deliveries to our Mid-Tex Division and other North Texas local distribution companies.

During 2011, our nonregulated operations experienced declines in margins caused by weak natural gas market fundamentals, which provided fewer opportunities for favorable trading and asset optimization.

Although nonregulated gas sales volumes increased in fiscal 2011 by 9 percent to 384.8 Bcf over fiscal 2010 volumes, unit margins trended lower due to increased competition, lower basis spreads and continued depressed conditions of the economy. Atmos Energy Marketing remains a strong, regional leader in gas marketing and large-user services, and its results typically supplement earnings from our regulated distribution operations. AEM markets gas through physical delivery and maintains a conservative trading portfolio.

Employees in these operations worked diligently during the year to grow their customer base and sales volumes. We believe



that Atmos Energy Marketing is stronger today than most of its competitors because it has successfully retained customers and won new business even under difficult conditions.

### Board and Management Changes

We express our deep appreciation to Richard W. Cardin and Phillip E. Nichol who both retired from the board of directors in February 2011. Mr. Cardin, with 14 years of service as a director, also retired as chairman of the board's Audit Committee, and Mr. Nichol, with nearly 26 years of service, also retired as chairman of the Nominating and Corporate Governance Committee. These two directors contributed significantly to the company's growth and success, and we thank them for their dedication and service to our shareholders, customers and employees.

In November 2011, Marvin L. Sweetin was promoted to senior vice president, utility operations. Marvin joined Atmos Energy in 2000 after working for 13 years in the oil and gas industry. He has led our procurement, technical training and customer-service organizations as well as our enterprisewide Utility Operations Council. He has demonstrated a proven ability to control costs, improve operations and serve our customers well. In his new position, he serves on the company's Management Committee.

### Favorable Future Outlook

The predictable and stable contributions from our regulated operations remain the cornerstone of our earnings framework. Although our nonregulated operations suffered because of tight market conditions this past year, Atmos Energy Marketing retained virtually all of its major gas marketing customers and added new ones. Its future prospects continue to complement the company's base earnings.

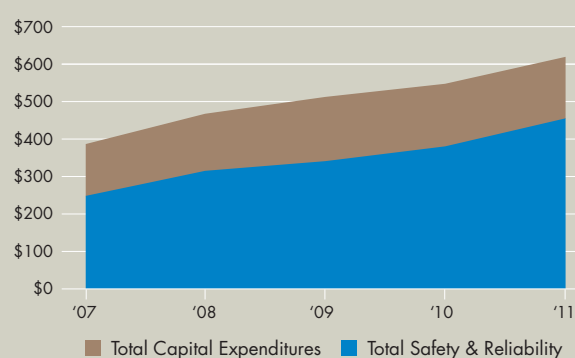
We intend to continue to invest—and our regulators have long approved of this goal—large amounts of capital needed to continually modernize our gas delivery system and safeguard our communities. We expect our capital expenditures in fiscal 2012 will range between \$630 million and \$650 million.

Our regulated utility rate base at the end of fiscal 2011 totaled about \$4 billion. We expect the rate base will grow at a compound annual rate between 6.0 percent and 6.5 percent during the next five years. On average, this could add \$50 million to \$60 million annually in operating income.

Investing in our Texas intrastate transmission and storage operations promises not only to benefit our regulated distribution customers, but also to aid the state's natural gas producers in bringing more gas to market in Texas and elsewhere. Atmos Pipeline—Texas' approximately 6,000-mile system crosses the state from far West Texas to near the Louisiana border and from the Oklahoma border south to near Houston. It is strategically located to transport Barnett shale gas as well as more production from other shale gas basins now under development in the state.

The competitive price of natural gas and its many other benefits—it's clean, abundant, efficient and domestic—make our product the most likely fuel to meet the United States' energy needs for decades to come. As the economy improves, we be-

### Investments for Safety and Reliability (\$ in millions)



On average during the past five years, 68 percent of Atmos Energy's total capital expenditures have been dedicated to system modernization and expansion to provide safe and reliable distribution operations.

lieve natural gas will become the fuel of choice for new housing, factories, power plants and alternative transportation.

Growing through acquisitions will continue to be part of our future strategy. We have an enviable record of acquiring utility properties with little dilution and integrating them successfully. For example, during the past decade, most natural gas distribution merger or acquisition transactions cost their acquirers about 10 times EBITDA<sup>†</sup>, but ours averaged 7 to 8.5 times EBITDA.

We are a patient acquirer; we have made 10 major acquisitions since 1986. We also are one of the most efficient utility operators in the country, compared to our peers. We plan to pursue the acquisition of operations that we can run successfully and that make sense financially.

Our balance sheet is strong, with 48 percent equity at September 30, 2011. At fiscal year-end, we had \$1.1 billion of total borrowing capacity, giving us ample liquidity for future needs and growth.

Taken altogether, we believe these strong, positive factors signify a favorable future outlook for Atmos Energy. For fiscal 2012, we expect our earnings will increase to between \$2.30 and \$2.40 per diluted share, excluding unrealized margins.

We appreciate the confidence shown by you, our investors, as well as by our 5,000 employees and our more than 3 million natural gas distribution customers. As Executive Chairman Robert W. Best has noted in previous annual reports, our purpose in business is to serve all our stakeholders—and to serve you well. That always stands as our No. 1 "blue chip" goal.

Kim R. Cocklin  
President and Chief Executive Officer  
November 22, 2011

\* LEED® stands for Leadership in Energy and Environmental Design and is a registered trademark of the nonprofit U.S. Green Building Council.

† EBITDA, a common financial measure, stands for earnings before interest, taxes, depreciation and amortization.

## Year Ended September 30

Dollars in thousands, except per share data

	2011	2010	Change
Operating revenues	\$ 4,347,634	\$ 4,719,835	(7.9)%
Gross profit	\$ 1,327,241	\$ 1,337,505	(0.8)%
Natural gas distribution net income — continuing operations	\$ 154,001	\$ 118,383	30.1%
Natural gas distribution net income — discontinued operations	8,717	7,566	15.2%
Regulated transmission and storage net income	52,415	41,486	26.3%
Nonregulated net income (loss)	(7,532)	38,404	(119.6)%
Total	\$ 207,601	\$ 205,839	0.9%
Total assets	\$ 7,282,871	\$ 6,763,791	7.7%
Total capitalization*	\$ 4,461,538	\$ 3,987,899	11.9%
Net income per share from continuing operations — diluted	\$ 2.17	\$ 2.12	2.4%
Net income per share from discontinued operations — diluted	\$ 0.10	\$ 0.08	25.0%
Net income per share — diluted	\$ 2.27	\$ 2.20	3.2%
Cash dividends per share	\$ 1.36	\$ 1.34	1.5%
Book value per share at end of year	\$ 24.98	\$ 24.16	3.4%
Natural gas distribution throughput — continuing operations (MMcf)	409,369	438,535	(6.7)%
Natural gas distribution throughput — discontinued operations (MMcf)	14,651	15,640	(6.3)%
Consolidated natural gas distribution throughput (MMcf)	424,020	454,175	(6.6)%
Consolidated regulated transmission and storage transportation volumes (MMcf)	435,012	428,599	1.5%
Consolidated nonregulated delivered gas sales volumes (MMcf)	384,799	353,853	8.7%
Heating degree days <sup>†</sup>	2,733	2,780	(1.7)%
Degree days as a percentage of normal <sup>†</sup>	99%	102%	(2.9)%
Meters in service at end of year	3,213,191	3,186,040	0.9%
Return on average shareholders' equity	9.1%	9.1%	—
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	48.3%	48.7%	(0.8)%
Shareholders of record	18,680	19,738	(5.4)%
Weighted average shares outstanding — diluted (000s)	90,652	92,422	(1.9)%

\* Total capitalization represents the sum of shareholders' equity and long-term debt, excluding current maturities.

<sup>†</sup> Heating degree days are adjusted for service areas with weather-normalized operations.**Summary Annual Report**

The financial information presented in this report about Atmos Energy Corporation is condensed. Our complete financial statements, including notes as well as management's discussion and analysis of financial condition and results of operations, are presented in our *Annual Report on Form 10-K*. Atmos Energy's chief executive officer and its chief financial officer have executed all certifications with respect to the financial statements contained therein and have completed management's report on internal control over financial reporting, which are required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations of the Securities and Exchange Commission. Investors may request, without charge, our *Annual Report on Form 10-K* for the fiscal year ended September 30, 2011, by calling Investor Relations at 972-855-3729 between 8 a.m. and 5 p.m. Central time. Our *Annual Report on Form 10-K* also is available on Atmos Energy's website at [www.atmosenergy.com](http://www.atmosenergy.com). Additional investor information is presented on pages 35 and 36 of this report.



Year Ended September 30

2011

2010

**Meters in service**

Residential	2,929,814	2,910,672
Commercial	270,774	262,778
Industrial	2,069	2,090
Public authority and other	10,534	10,500
Total meters	<u>3,213,191</u>	<u>3,186,040</u>

**Heating degree days\***

Actual (weighted average)	2,733	2,780
Percent of normal	99%	102%

**Natural gas distribution sales volumes — continuing operations (MMcf)**

Residential	161,012	185,143
Commercial	91,215	99,924
Industrial	18,757	18,714
Public authority and other	10,482	10,107
Total	<u>281,466</u>	<u>313,888</u>

**Natural gas distribution transportation volumes — continuing operations (MMcf)**

132,357	128,965
---------	---------

**Total natural gas distribution throughput — continuing operations (MMcf)**

413,823	442,853
---------	---------

**Natural gas distribution sales volumes — discontinued operations (MMcf)**

8,461	8,740
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**Natural gas distribution transportation volumes — discontinued operations (MMcf)**

6,190	6,900
-------	-------

**Intersegment activity (MMcf)**

(4,454)	(4,318)
---------	---------

**Consolidated natural gas distribution throughput (MMcf)**

424,020	454,175
---------	---------

**Consolidated regulated transmission and storage transportation volumes (MMcf)**

435,012	428,599
---------	---------

**Consolidated nonregulated delivered gas sales volumes (MMcf)**

384,799	353,853
---------	---------

**Operating revenues (000s)**

Natural gas distribution sales revenues		
Residential	\$ 1,570,723	\$ 1,784,051
Commercial	698,366	787,433
Industrial	106,569	110,280
Public authority and other	69,176	70,402
Total gas distribution sales revenues	<u>2,444,834</u>	<u>2,752,166</u>
Transportation revenues	59,547	58,511
Other gas revenues	26,599	31,091
Total natural gas distribution revenues	<u>2,530,980</u>	<u>2,841,768</u>
Regulated transmission and storage revenues	87,141	97,023
Nonregulated revenues	<u>1,729,513</u>	<u>1,781,044</u>
<b>Total operating revenues (000s)</b>	<b><u>\$ 4,347,634</u></b>	<b><u>\$ 4,719,835</u></b>

**Other statistics**

Gross plant (000s)	\$ 6,816,794	\$ 6,542,318
Net plant (000s)	\$ 5,147,918	\$ 4,793,075
Miles of pipe	76,835	77,157
Employees	4,949	4,913

\* Heating degree days are adjusted for service areas with weather-normalized operations.

Year Ended September 30

Dollars in thousands, except share data

2011

2010

**Assets****Property, plant and equipment**

\$ 6,607,552 \$ 6,384,396

**Construction in progress**

209,242 157,922

6,816,794 6,542,318

**Less accumulated depreciation and amortization**

1,668,876 1,749,243

Net property, plant and equipment

5,147,918 4,793,075

**Current assets**

Cash and cash equivalents

131,419 131,952

Accounts receivable, less allowance for doubtful accounts of

\$7,440 in 2011 and \$12,701 in 2010

273,303 273,207

Gas stored underground

289,760 319,038

Other current assets

316,471 150,995

Total current assets

1,010,953 875,192

**Goodwill and intangible assets**

740,207 740,148

**Deferred charges and other assets**

383,793 355,376

\$ 7,282,871 \$ 6,763,791**Capitalization and Liabilities****Shareholders' equity**

Common stock, no par value (stated at \$.005 per share);

200,000,000 shares authorized; issued and outstanding:

2011 – 90,296,482 shares, 2010 – 90,164,103 shares

\$ 451 \$ 451

Additional paid-in capital

1,732,935 1,714,364

Accumulated other comprehensive loss

(48,460) (23,372)

Retained earnings

570,495 486,905

Shareholders' equity

2,255,421 2,178,348

**Long-term debt**

2,206,117 1,809,551

Total capitalization

4,461,538 3,987,899

**Current liabilities**

Accounts payable and accrued liabilities

291,205 266,208

Other current liabilities

367,563 413,640

Short-term debt

206,396 126,100

Current maturities of long-term debt

2,434 360,131

Total current liabilities

867,598 1,166,079

**Deferred income taxes**

960,093 829,128

**Regulatory cost of removal obligation**

428,947 350,521

**Deferred credits and other liabilities**

564,695 430,164

\$ 7,282,871 \$ 6,763,791



Condensed Consolidated Statements of Income

Year Ended September 30

Dollars in thousands, except per share data

	2011	2010	2009
<b>Operating revenues</b>			
Natural gas distribution segment	\$ 2,531,863	\$ 2,842,638	\$ 2,884,796
Regulated transmission and storage segment	219,373	203,013	209,658
Nonregulated segment	2,024,893	2,146,658	2,283,988
Intersegment eliminations	(428,495)	(472,474)	(509,331)
	<u>4,347,634</u>	<u>4,719,835</u>	<u>4,869,111</u>
<b>Purchased gas cost</b>			
Natural gas distribution segment	1,487,499	1,820,627	1,887,192
Regulated transmission and storage segment	—	—	—
Nonregulated segment	1,959,893	2,032,567	2,169,880
Intersegment eliminations	(426,999)	(470,864)	(507,639)
	<u>3,020,393</u>	<u>3,382,330</u>	<u>3,549,433</u>
	<u>1,327,241</u>	<u>1,337,505</u>	<u>1,319,678</u>
<b>Gross profit</b>			
<b>Operating expenses</b>			
Operation and maintenance	449,290	460,513	485,704
Depreciation and amortization	227,099	211,589	211,984
Taxes, other than income	178,683	188,252	180,242
Asset impairments	30,270	—	5,382
Total operating expenses	<u>885,342</u>	<u>860,354</u>	<u>883,312</u>
<b>Operating income</b>	<u>441,899</u>	<u>477,151</u>	<u>436,366</u>
<b>Miscellaneous income (expense), net</b>	21,499	(156)	(3,067)
<b>Interest charges</b>	<u>150,825</u>	<u>154,360</u>	<u>152,638</u>
Income from continuing operations before income taxes	312,573	322,635	280,661
<b>Income tax expense</b>	<u>113,689</u>	<u>124,362</u>	<u>97,362</u>
Income from continuing operations	198,884	198,273	183,299
Income from discontinued operations, net of tax (\$5,502, \$4,425 and \$2,929)	8,717	7,566	7,679
Net income	<u>\$ 207,601</u>	<u>\$ 205,839</u>	<u>\$ 190,978</u>
<b>Basic earnings per share</b>			
Income per share from continuing operations	\$ 2.18	\$ 2.14	\$ 1.99
Income per share from discontinued operations	0.10	0.08	0.09
Net income per share — basic	<u>\$ 2.28</u>	<u>\$ 2.22</u>	<u>\$ 2.08</u>
<b>Diluted earnings per share</b>			
Income per share from continuing operations	\$ 2.17	\$ 2.12	\$ 1.98
Income per share from discontinued operations	0.10	0.08	0.09
Net income per share — diluted	<u>\$ 2.27</u>	<u>\$ 2.20</u>	<u>\$ 2.07</u>
<b>Weighted average shares outstanding:</b>			
Basic	90,201	91,852	91,117
Diluted	90,652	92,422	91,620

Year Ended September 30

Dollars in thousands

2011

2010

2009

**Cash Flows from Operating Activities****Net income**

\$	207,601	\$	205,839	\$	190,978
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**Adjustments to reconcile net income to net cash provided by operating activities:**

Asset impairments	30,270	—	5,382
Depreciation and amortization:			
Charged to depreciation and amortization	233,155	216,960	217,208
Charged to other accounts	228	173	94
Deferred income taxes	117,353	196,731	129,759
Stock-based compensation	11,586	12,655	14,494
Debt financing costs	9,438	11,908	10,364
Other	(961)	(1,245)	(1,177)
Changes in assets and liabilities	(25,826)	83,455	352,131
Net cash provided by operating activities	582,844	726,476	919,233

**Cash Flows Used in Investing Activities**

Capital expenditures	(622,965)	(542,636)	(509,494)
Other, net	(4,421)	(66)	(7,707)
Net cash used in investing activities	(627,386)	(542,702)	(517,201)

**Cash Flows from Financing Activities**

Net increase (decrease) in short-term debt	83,306	54,268	(283,981)
Net proceeds from issuance of long-term debt	394,466	—	445,623
Settlement of Treasury lock agreements	20,079	—	1,938
Unwinding of Treasury lock agreements	27,803	—	—
Repayment of long-term debt	(360,131)	(131)	(407,353)
Cash dividends paid	(124,011)	(124,287)	(121,460)
Repurchase of common stock	—	(100,450)	—
Repurchase of equity awards	(5,299)	(1,191)	—
Issuance of common stock	7,796	8,766	27,687
Net cash provided by (used in) financing activities	44,009	(163,025)	(337,546)
Net increase (decrease) in cash and cash equivalents	(533)	20,749	64,486
Cash and cash equivalents at beginning of year	131,952	111,203	46,717
Cash and cash equivalents at end of year	\$ 131,419	\$ 131,952	\$ 111,203

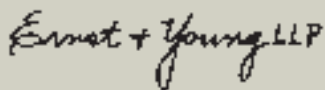


**The Board of Directors and Shareholders of Atmos Energy Corporation**

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Atmos Energy Corporation at September 30, 2011 and 2010, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2011 (not presented separately herein); and in our report dated November 22, 2011, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 22, 2011 (not presented separately herein) expressed an unqualified opinion thereon.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
November 22, 2011

Year Ended September 30					
	2011	2010	2009	2008	2007
<b>Balance Sheet Data at September 30 (000s)</b>					
Capital expenditures	\$ 622,965	\$ 542,636	\$ 509,494	\$ 472,273	\$ 392,435
Net property, plant and equipment	5,147,918	4,793,075	4,439,103	4,136,859	3,836,836
Working capital	143,355	(290,887)	91,519	78,017	149,217
Total assets	7,282,871	6,763,791	6,367,083	6,386,699	5,895,197
Shareholders' equity	2,255,421	2,178,348	2,176,761	2,052,492	1,965,754
Long-term debt, excluding current maturities	2,206,117	1,809,551	2,169,400	2,119,792	2,126,315
Total capitalization	4,461,538	3,987,899	4,346,161	4,172,284	4,092,069
<b>Income Statement Data</b>					
Operating revenues (000s)	\$ 4,347,634	\$ 4,719,835	\$ 4,869,111	\$ 7,117,837	\$ 5,803,177
Gross profit (000s)	1,327,241	1,337,505	1,319,678	1,293,922	1,221,078
Income from continuing operations (000s)	198,884	198,273	183,299	173,485	160,828
Income from discontinued operations, net of tax (000s)	8,717	7,566	7,679	6,846	7,664
Net income (000s)	207,601	205,839	190,978	180,331	168,492
Income per share from continuing operations—diluted	2.17	2.12	1.98	1.91	1.82
Income per share from discontinued operations—diluted	0.10	0.08	0.09	0.08	0.09
Net income per diluted share	2.27	2.20	2.07	1.99	1.91
<b>Common Stock Data</b>					
Shares outstanding (000s)					
End of year	90,296	90,164	92,552	90,815	89,327
Weighted average	90,652	92,422	91,620	89,941	87,486
Cash dividends per share	\$ 1.36	\$ 1.34	\$ 1.32	\$ 1.30	\$ 1.28
Shareholders of record	18,680	19,738	20,790	21,756	22,829
Market price—High	\$ 34.98	\$ 30.06	\$ 28.80	\$ 29.46	\$ 33.11
Low	\$ 28.87	\$ 26.41	\$ 20.20	\$ 25.09	\$ 26.47
End of year	\$ 32.45	\$ 29.25	\$ 28.18	\$ 26.62	\$ 28.32
Book value per share at end of year	\$ 24.98	\$ 24.16	\$ 23.52	\$ 22.60	\$ 22.01
Price/Earnings ratio at end of year	14.30	13.30	13.61	13.38	14.83
Market/Book ratio at end of year	1.30	1.21	1.20	1.18	1.29
Annualized dividend yield at end of year	4.2%	4.6%	4.7%	4.9%	4.5%
<b>Customers and Volumes (as metered)</b>					
Consolidated distribution gas sales volumes (MMcf)	289,927	322,628	282,117	292,676	297,327
Consolidated distribution gas transportation volumes (MMcf)	134,093	131,547	126,768	136,678	130,542
Consolidated distribution throughput (MMcf)	424,020	454,175	408,885	429,354	427,869
Consolidated transmission and storage transportation volumes (MMcf)	435,012	428,599	528,689	595,542	505,493
Consolidated nonregulated delivered gas sales volumes (MMcf)	384,799	353,853	370,569	389,392	370,668
Meters in service at end of year	3,213,191	3,186,040	3,178,844	3,191,779	3,187,127
Heating degree days*	2,733	2,780	2,713	2,820	2,879
Degree days as a percentage of normal*	99%	102%	100%	100%	100%
Gas distribution average cost of gas per Mcf sold	\$ 5.30	\$ 5.77	\$ 6.95	\$ 9.05	\$ 8.09
Gas distribution average transportation fee per Mcf	\$ .46	\$ .46	\$ .46	\$ .43	\$ .44
<b>Statistics</b>					
Return on average shareholders' equity	9.1%	9.1%	8.9%	8.8%	8.8%
Number of employees	4,949	4,913	4,891	4,750	4,653
Net gas distribution plant per meter	\$ 1,362	\$ 1,243	\$ 1,165	\$ 1,091	\$ 1,020
Gas distribution operation and maintenance expense per meter	\$ 111	\$ 114	\$ 116	\$ 122	\$ 119
Meters per employee—gas distribution	676	676	678	700	713
Times interest earned before income taxes	3.13	3.09	2.82	3.06	2.75

\* Heating degree days are adjusted for service areas with weather-normalized operations.



Senior Management Team



**Robert W. Best**  
Executive Chairman  
of the Board



**Kim R. Cocklin**  
President and  
Chief Executive Officer



**Fred E. Meisenheimer**  
Senior Vice President and  
Chief Financial Officer



**Louis P. Gregory**  
Senior Vice President and  
General Counsel

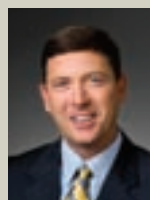


**Michael E. Haefner**  
Senior Vice President,  
Human Resources



**Marvin L. Sweetin**  
Senior Vice President,  
Utility Operations

Regulated Divisions



**J. Kevin Akers**  
President,  
Kentucky/Mid-States Division



**Richard A. Erskine**  
President,  
Atmos Pipeline-Texas Division



**David E. Gates**  
President,  
Mississippi Division



**Gary W. Gregory**  
President,  
West Texas Division



**Tom S. Hawkins, Jr.**  
President,  
Louisiana Division



**John A. Paris**  
President,  
Mid-Tex Division



**Gary L. Schlessman**  
President,  
Colorado-Kansas Division

## Atmos Energy Officers

### Nonregulated Operations



**Mark S. Bergeron**  
President,  
Atmos Energy Holdings, Inc.

### Shared Services



**Verlon R. Aston, Jr.**  
Vice President,  
Governmental and  
Public Affairs



**Christopher T. Forsythe**  
Vice President and Controller



**Susan K. Giles**  
Vice President,  
Investor Relations



**Richard J. Gius**  
Vice President and  
Chief Information Officer

### Shared Services (continued)



**Conrad E. Gruber**  
Vice President,  
Strategic Planning



**Dwala J. Kuhn**  
Corporate Secretary



**Kenneth M. Malter**  
Vice President,  
Gas Supply and Services



**Edward Pace McDonald IV**  
Vice President, Tax



**Daniel M. Meziere**  
Vice President and Treasurer





**Robert W. Best**  
Executive Chairman  
of the Board,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 1997



**Kim R. Cocklin**  
President and  
Chief Executive Officer,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 2009



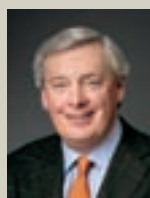
**Richard W. Douglas**  
Executive Vice President,  
Jones Lang LaSalle LLC  
Dallas, Texas  
Board member since 2007  
Committees: Human  
Resources, Work Session/  
Annual Meeting



**Ruben E. Esquivel**  
Vice President for  
Community and Corporate  
Relations, The University  
of Texas Southwestern  
Medical Center at Dallas  
Dallas, Texas  
Board member since 2008  
Committees: Audit,  
Human Resources



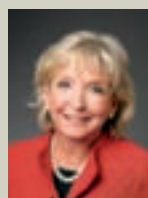
**Richard K. Gordon**  
General Partner, Juniper  
Energy LP, Juniper Capital LP  
and Juniper Advisory LP  
Houston, Texas  
Board member since 2001  
Committees: Human  
Resources (Chairman),  
Executive, Nominating and  
Corporate Governance



**Robert C. Grable**  
Partner, Kelly Hart &  
Hallman LLP  
Fort Worth, Texas  
Board member since 2009  
Committees: Audit,  
Human Resources



**Dr. Thomas C. Meredith**  
Retired, formerly  
Commissioner of Mississippi  
Institutions of Higher Learning  
Jackson, Mississippi  
Board member since 1995  
Committees: Work Session/  
Annual Meeting (Chairman),  
Audit, Executive, Nominating  
and Corporate Governance



**Nancy K. Quinn**  
Principal, Hanover  
Capital, LLC  
East Hampton, New York  
Board member since 2004  
Committees: Audit (Chair),  
Executive, Nominating and  
Corporate Governance



**Stephen R. Springer**  
Retired Senior Vice President  
and General Manager,  
Midstream Division,  
The Williams Companies, Inc.  
Fort Myers Beach, Florida  
Board member since 2005  
Committee: Work Session/  
Annual Meeting



**Charles K. Vaughan**  
Retired Chairman  
of the Board,  
Atmos Energy Corporation  
Dallas, Texas  
Board member since 1983  
Lead Director since 2003  
Committee: Executive  
(Chairman)



**Richard Ware II**  
President, Amarillo  
National Bank  
Amarillo, Texas  
Board member since 1994  
Committees: Nominating and  
Corporate Governance  
(Chairman), Audit,  
Executive, Work Session/  
Annual Meeting



**Lee E. Schlessman**  
Honorary Director  
President, Dolo  
Investment Company  
Denver, Colorado  
Retired from Board in 1998

**Common Stock Listing**

New York Stock Exchange. Trading symbol: ATO

**Stock Transfer Agent and Registrar**

American Stock Transfer & Trust Company, LLC  
Operations Center  
6201 15th Avenue  
Brooklyn, New York 11219  
800-543-3038

To inquire about your Atmos Energy common stock, please call AST at the telephone number above. You may use the agent's interactive voice response system 24 hours a day to learn about transferring stock or to check your recent account activity, all without the assistance of a customer service representative. Please have available your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

To speak to an AST customer service representative, please call the same number between 8 a.m. and 7 p.m. Eastern time, Monday through Thursday, or 8 a.m. to 5 p.m. Eastern time on Friday.

You also may send an email message on our agent's website at [www.amstock.com](http://www.amstock.com). Please refer to Atmos Energy in your email message and include your Atmos Energy shareholder account number.

**Independent Registered Public Accounting Firm**

Ernst & Young LLP  
One Victory Park  
Suite 2000  
2323 Victory Avenue  
Dallas, Texas 75219  
214-969-8000

**Form 10-K**

Atmos Energy Corporation's *Annual Report on Form 10-K* is available at no charge from Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205 or by calling 972-855-3729 between 8 a.m. and 5 p.m. Central time. Atmos Energy's Form 10-K also may be viewed on Atmos Energy's website at [www.atmosenergy.com](http://www.atmosenergy.com).

**Annual Meeting of Shareholders**

The 2012 Annual Meeting of Shareholders will be held in the Lincoln Ballroom at the Hilton Hotel Lincoln Centre, 5410 LBJ Freeway, Dallas, Texas 75240 on Wednesday, February 8, 2012, at 9:30 a.m. Central time.

**Direct Stock Purchase Plan**

Atmos Energy Corporation has a Direct Stock Purchase Plan that is available to all investors. For an Enrollment Application Form and a Plan Prospectus, please call AST at 800-543-3038. The Prospectus is also available at [www.atmosenergy.com](http://www.atmosenergy.com). You may also obtain information by writing to Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

This is not an offer to sell, or a solicitation to buy, any securities of Atmos Energy Corporation. Shares of Atmos Energy common stock purchased through the Direct Stock Purchase Plan will be offered only by Prospectus.

**Atmos Energy on the Internet**

Information about Atmos Energy is available on the Internet at [www.atmosenergy.com](http://www.atmosenergy.com). Our website includes news releases, current and historical financial reports, other investor data, corporate governance documents, management biographies, customer information and facts about Atmos Energy's operations.

**Atmos Energy Corporation Contacts**

To contact Atmos Energy's Investor Relations, call 972-855-3729 between 8 a.m. and 5 p.m. Central time or send an email message to [InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com).

Securities analysts and investment managers, please contact:

Susan K. Giles  
Vice President, Investor Relations  
972-855-3729 (voice) 972-855-3040 (fax)  
[InvestorRelations@atmosenergy.com](mailto:InvestorRelations@atmosenergy.com)



### Forward-looking Statements

The matters discussed or incorporated by reference in this *Summary Annual Report* 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 report 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 report or any other of the Company’s 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 report. These risks and uncertainties are discussed in the Company’s *Annual Report on Form 10-K* for the fiscal year ended September 30, 2011. Although the Company believes 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, the Company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

### Other Information

You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2011 and previous years at [www.atmosenergy.com](http://www.atmosenergy.com).

If you are a shareholder who would like to receive our *Summary Annual Report* and other company documents electronically in the future, please sign up for electronic distribution. It’s convenient and easy, and it saves the costs to produce and distribute these materials.

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Atmos Energy vehicles display the national Call 811 logo to remind the public to always call 811 before digging to have natural gas pipelines and other buried utility lines marked at no charge.



**Know what's below.**  
**Call before you dig.**





Atmos Energy Corporation  
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Dallas, Texas 75265-0205  
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