

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.

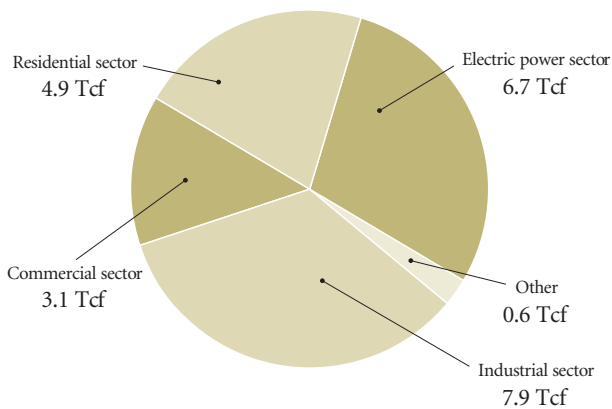
You characterize natural gas as an energy superhighway. Do we really have enough gas?

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.

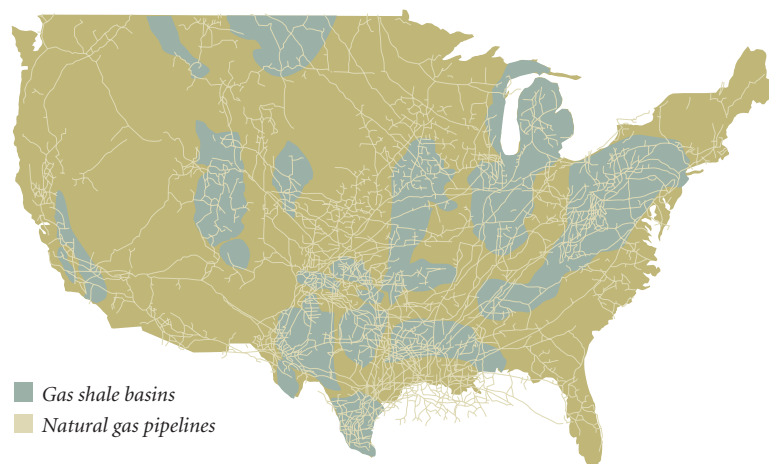
What are some of the benefits of natural gas?

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.

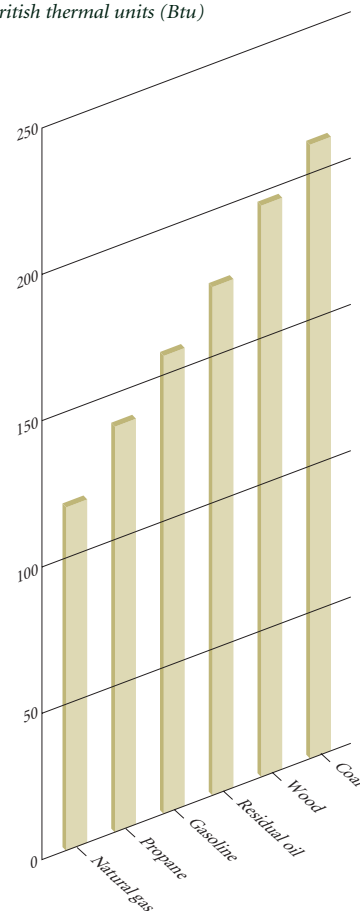
Best: One of the first and easiest shifts for the country to make is to use more compressed natural gas or liquefied natural gas to run vehicles. Natural gas vehicles can play a very important role in the nation's quest for cleaner, stable energy. Not only are they extremely efficient, but also they 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 (CO₂) emissions per million British thermal units (Btu)

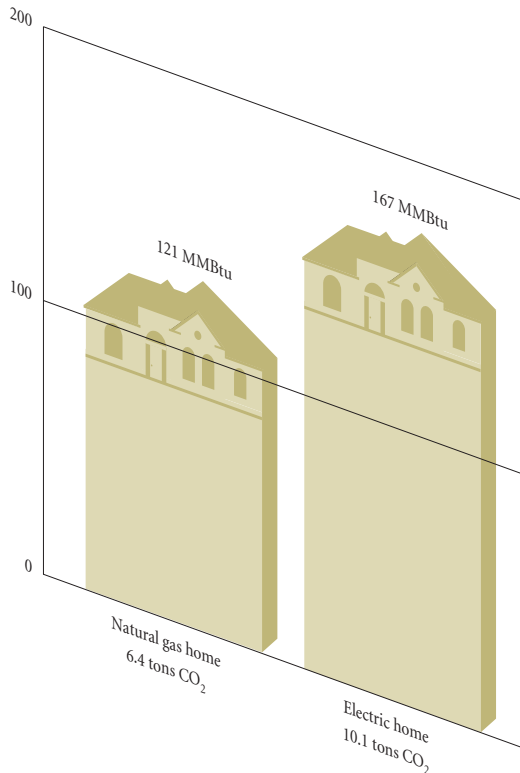


Using natural gas with its low carbon-dioxide emissions can dramatically reduce greenhouse gases that lead to global warming.

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.

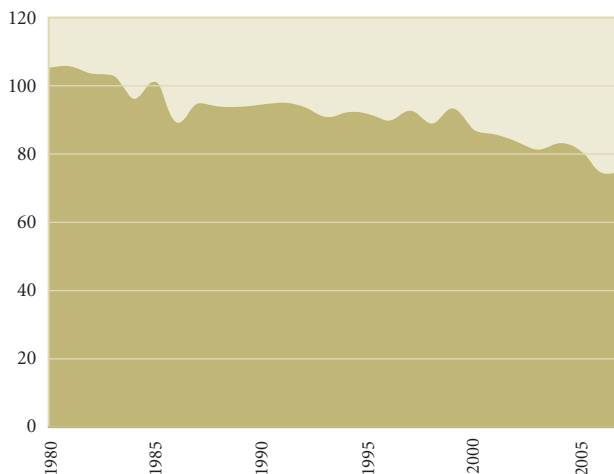
So, we provide them with not only the most economical source of supply, but also information, tips and help about how they can reduce their utility bills. We strive to create a partnership with our customers. By working with them in a collaborative manner, we believe more people will take advantage of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

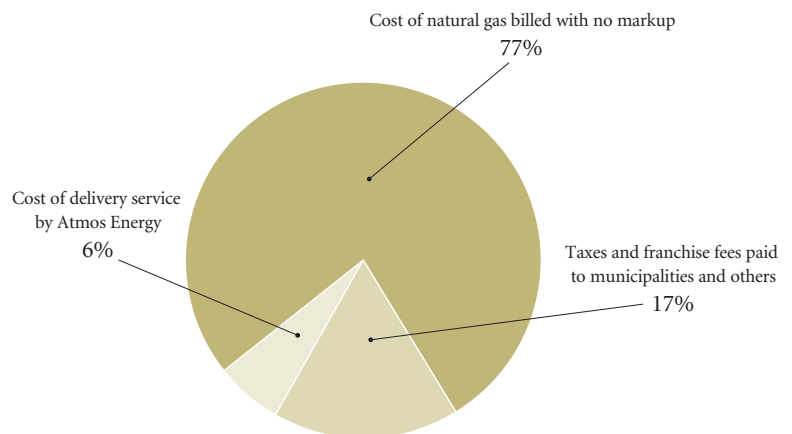
Best: On a national level, we've been very active in lobbying to increase funding for LIHEAP (Low Income Home Energy Assistance Program), a federal program that helps customers who are unable to pay their bills. Historically, the Northern and Midwestern states have gotten the lion's share of LIHEAP funds, 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.

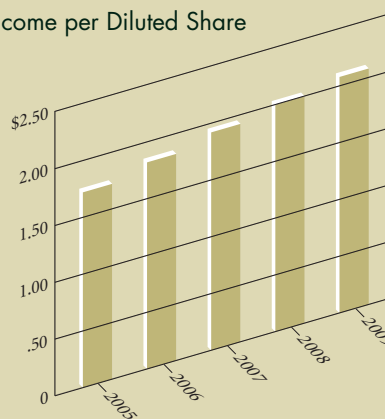
In fiscal 2009, Atmos Energy paid cash dividends of \$1.32 per share, and the board of directors raised the dividend for fiscal 2010. The increase of 2 cents per share provides an indicated annual dividend rate of \$1.34 and marks the company's 22nd consecutive annual increase.

Operating Results

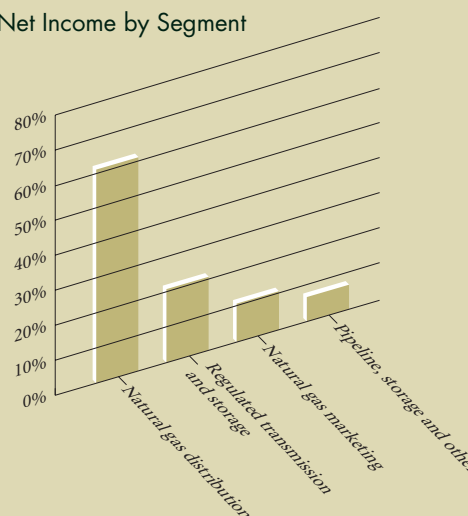
A major achievement of fiscal 2009 was successfully resolving 22 rate cases, which generated \$54.4 million of operating income. We are focused on seeking rate and regulatory outcomes that improve our customer relations, support economic growth and development in the communities we serve and ensure safe, 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 CO₂.

Natural gas produces 30 percent less CO₂ 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 [†]	2,713	2,820	(3.8)%
Degree days as a percentage of normal [†]	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.

[†] 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. Additional investor information is presented on pages 31 and 32 of this report.

Year Ended September 30

	2009	2008
Meters in service		
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>
Heating degree days*		
Actual (weighted average)	2,713	2,820
Percent of normal	100%	100%
Natural gas distribution sales volumes (MMcf)		
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>
Natural gas distribution transportation volumes (MMcf)		
	<u>130,691</u>	<u>141,083</u>
Total natural gas distribution throughput (MMcf)		
	<u>412,808</u>	<u>433,759</u>
Intersegment activity (MMcf)		
	<u>(3,923)</u>	<u>(4,405)</u>
Consolidated natural gas distribution throughput (MMcf)		
	<u>408,885</u>	<u>429,354</u>
Consolidated regulated transmission and storage transportation volumes (MMcf)		
	<u>528,689</u>	<u>595,542</u>
Consolidated natural gas marketing throughput (MMcf)		
	<u>370,569</u>	<u>389,392</u>
Operating revenues (000s)		
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
Total operating revenues (000s)	<u>\$ 4,969,080</u>	<u>\$ 7,221,305</u>
Other statistics		
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
Assets		
Property, plant and equipment	\$ 5,981,420	\$ 5,650,096
Construction in progress	<u>105,198</u>	<u>80,060</u>
	6,086,618	5,730,156
Less accumulated depreciation and amortization	<u>1,647,515</u>	<u>1,593,297</u>
Net property, plant and equipment	4,439,103	4,136,859
Current assets		
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	<u>132,203</u>	<u>184,619</u>
Total current assets	828,940	1,285,104
Goodwill and intangible assets	740,064	739,086
Deferred charges and other assets	<u>335,659</u>	<u>225,650</u>
	<u>\$ 6,343,766</u>	<u>\$ 6,386,699</u>
Capitalization and Liabilities		
Shareholders' equity		
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	<u>405,353</u>	<u>343,601</u>
Shareholders' equity	2,176,761	2,052,492
Long-term debt	<u>2,169,400</u>	<u>2,119,792</u>
Total capitalization	4,346,161	4,172,284
Current liabilities		
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	<u>131</u>	<u>785</u>
Total current liabilities	737,421	1,207,087
Deferred income taxes	570,940	441,302
Regulatory cost of removal obligation	321,086	298,645
Deferred credits and other liabilities	<u>368,158</u>	<u>267,381</u>
	<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
Operating revenues			
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	<u>(604,114)</u>	<u>(949,313)</u>	<u>(808,293)</u>
	4,969,080	7,221,305	5,898,431
Purchased gas cost			
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	<u>(602,422)</u>	<u>(947,322)</u>	<u>(805,543)</u>
	3,622,378	5,899,979	4,648,349
Gross profit	1,346,702	1,321,326	1,250,082
Operating expenses			
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>
Operating income	447,402	427,895	398,636
Miscellaneous income (expense), net	(3,303)	2,731	9,184
Interest charges	<u>152,830</u>	<u>137,922</u>	<u>145,236</u>
Income before income taxes	291,269	292,704	262,584
Income tax expense	<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>
Per share data			
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>
Weighted average shares outstanding:			
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

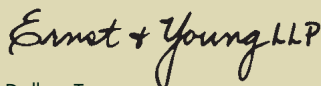
Year Ended September 30

Dollars in thousands	2009	2008	2007
Cash Flows from Operating Activities			
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	<u>352,131</u>	<u>(127,132)</u>	<u>89,813</u>
Net cash provided by operating activities	919,233	370,933	547,095
Cash Flows Used in Investing Activities			
Capital expenditures	(509,494)	(472,273)	(392,435)
Other, net	<u>(7,707)</u>	<u>(10,736)</u>	<u>(10,436)</u>
Net cash used in investing activities	(517,201)	(483,009)	(402,871)
Cash Flows from Financing Activities			
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	<u>—</u>	<u>—</u>	<u>191,913</u>
Net cash provided by (used in) financing activities	<u>(337,546)</u>	<u>98,068</u>	<u>(159,314)</u>
Net increase (decrease) in cash and cash equivalents	64,486	(14,008)	(15,090)
Cash and cash equivalents at beginning of year	<u>46,717</u>	<u>60,725</u>	<u>75,815</u>
Cash and cash equivalents at end of year	<u>\$ 111,203</u>	<u>\$ 46,717</u>	<u>\$ 60,725</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, 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.

The logo for Ernst & Young LLP is written in a cursive, handwritten-style font.

Dallas, Texas
November 16, 2009

Consolidated Financial and Statistical Summary 2005–2009

Year Ended September 30

	2009	2008	2007	2006	2005
Balance Sheet Data at September 30 (000s)					
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
Income Statement Data					
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
Common Stock Data					
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%
Customers and Volumes (as metered)					
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
Statistics					
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



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



Ronald W. McDowell
Vice President,
New Business Ventures

Shared Services



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



Charles M. Davis, Jr.
Vice President,
Corporate Development



Christopher T. Forsythe
Vice President and Controller

Shared Services (continued)



Susan K. Giles
Vice President,
Investor Relations



Richard J. Gius
Vice President and
Chief Information Officer



Conrad E. Gruber
Vice President,
Strategic Planning



John J. Hardgrave
Vice President,
Customer Service



Dwala J. Kuhn
Corporate Secretary



Kenneth M. Malter
Vice President,
Gas Supply and Services



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.

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

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
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atmosenergy.com

