

REFINITIV

## DELTA REPORT

### 10-Q

ATO - ATMOS ENERGY CORP

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 690

█ **CHANGES** 303

█ **DELETIONS** 248

█ **ADDITIONS** 139

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2024** **December 31, 2024**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **1-10042**

**Atmos Energy Corporation**

(Exact name of registrant as specified in its charter)

**Texas and Virginia**

(State or other jurisdiction of  
incorporation or organization)

**75-1743247**

(IRS employer  
identification no.)

**1800 Three Lincoln Centre**

**5430 LBJ Freeway**

**Dallas Texas**

(Address of principal executive offices)

**75240**

(Zip code)

**(972) 934-9227**

(Registrant's telephone number, including area code)

Title of each class

Trading Symbol

Name of each exchange on which registered

Common stock No Par Value

ATO

New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

Number of shares outstanding of each of the issuer's classes of common stock, as of **August 2, 2024** **January 31, 2025**.

Class	Shares Outstanding
Common stock No Par Value	<b>155,232,827</b> <b>158,728,197</b>

**GLOSSARY OF KEY TERMS**

AEC	Atmos Energy Corporation
AEK	Atmos Energy Kansas Securitization I, LLC
AOCI	Accumulated other comprehensive income
ARM	Annual Rate Mechanism
ASC	Accounting Standards Codification
Bcf	Billion cubic feet
DARR	Dallas Annual Rate Review
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
GRIP	Gas Reliability Infrastructure Program
GSRS	Gas System Reliability Surcharge
KCC	Kansas Corporation Commission
Mcf	Thousand cubic feet
MMcf	Million cubic feet
Moody's	Moody's Investors Services, Inc.
PRP	Pipeline Replacement Program
RRC	Railroad Commission of Texas
RRM	Rate Review Mechanism
RSC	Rate Stabilization Clause
S&P	Standard & Poor's Corporation
SAVE	Steps to Advance Virginia Energy
SEC	United States Securities and Exchange Commission
Securitized Utility Tariff Bonds	Series 2023-A Senior Secured Securitized Utility Tariff Bonds
Securitized Utility Tariff Property	As defined in the financing order issued by the KCC in October 2022
SIP	System Integrity Program
SIR	System Integrity Rider
SOFR	Secured Overnight Financing Rate
SRF	Stable Rate Filing
SSIR	System Safety and Integrity Rider
TCJA	Tax Cuts and Jobs Act of 2017
WNA	Weather Normalization Adjustment

## PART I. FINANCIAL INFORMATION

### Item 1. *Financial Statements*

ATMOS ENERGY CORPORATION		CONDENSED CONSOLIDATED BALANCE SHEETS	
		June 30, 2024	September 30, 2023
		December 31, 2024	September 30, 2024
		(In thousands, except share data)	(In thousands, except share data)
<b>ASSETS</b>			
Property, plant and equipment			
Property, plant and equipment			
Property, plant and equipment			
Less accumulated depreciation and amortization			

Net property, plant and equipment	
Current assets	
Cash and cash equivalents	
Cash and cash equivalents	
Cash and cash equivalents	
Restricted cash and cash equivalents	
Cash and cash equivalents and restricted cash and cash equivalents	
Accounts receivable, net	
Gas stored underground	
Other current assets	
Total current assets	
Securitized intangible asset, net (See Note 9)	
Goodwill	
Deferred charges and other assets	\$
<b>CAPITALIZATION AND LIABILITIES</b>	
Shareholders' equity	
Shareholders' equity	
Shareholders' equity	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: June 30, 2024 — 155,229,024 shares; September 30, 2023 — 148,492,783 shares	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: June 30, 2024 — 155,229,024 shares; September 30, 2023 — 148,492,783 shares	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: June 30, 2024 — 155,229,024 shares; September 30, 2023 — 148,492,783 shares	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: December 31, 2024 — 158,726,065 shares; September 30, 2024 — 155,258,845 shares	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: December 31, 2024 — 158,726,065 shares; September 30, 2024 — 155,258,845 shares	
Common stock, no par value (stated at \$0.005 per share); 200,000,000 shares authorized; issued and outstanding: December 31, 2024 — 158,726,065 shares; September 30, 2024 — 155,258,845 shares	
Additional paid-in capital	
Accumulated other comprehensive income	
Retained earnings	
Shareholders' equity	
Long-term debt, net	
Securitized long-term debt (See Note 9)	
Total capitalization	
Current liabilities	
Accounts payable and accrued liabilities	
Accounts payable and accrued liabilities	
Accounts payable and accrued liabilities	
Other current liabilities	
Short-term debt	
Current maturities of long-term debt	
Current maturities of long-term debt	
Current maturities of long-term debt	
Current maturities of securitized long-term debt (See Note 9)	
Total current liabilities	
Deferred income taxes	
Regulatory excess deferred taxes	
Regulatory cost of removal obligation	
Deferred credits and other liabilities	
Deferred credits and other liabilities	

## Deferred credits and other liabilities

\$

See accompanying notes to condensed consolidated financial statements.

ATMOS ENERGY CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30		Three Months Ended December 31	
	2024		2023	
	2024	2023	2024	2023
(Unaudited) (In thousands, except per share data)				
Operating revenues				
Distribution segment				
Distribution segment				
Distribution segment				
Pipeline and storage segment				
Intersegment eliminations				
Total operating revenues				
Purchased gas cost				
Purchased gas cost				
Purchased gas cost				
Distribution segment				
Distribution segment				
Distribution segment				
Pipeline and storage segment				
Intersegment eliminations				
Total purchased gas cost				
Operation and maintenance expense				
Operation and maintenance expense				
Operation and maintenance expense				
Operation and maintenance expense				
Depreciation and amortization expense				
Taxes, other than income				
Operating income				
Other non-operating income				
Interest charges				
Income before income taxes				
Income tax expense				
Net income				
Net income				
Net income				
Basic net income per share				
Diluted net income per share				
Cash dividends per share				
Basic weighted average shares outstanding				
Diluted weighted average shares outstanding				
Net income				
Net income				
Net income				
Other comprehensive income (loss), net of tax				
Net unrealized holding losses on available-for-sale securities, net of tax of \$(1) and \$(35)				
Net unrealized holding losses on available-for-sale securities, net of tax of \$(1) and \$(35)				

Net unrealized holding losses on available-for-sale securities, net of tax of \$(1) and \$(35)
Net unrealized holding gains (losses) on available-for-sale securities, net of tax of \$(42) and \$86
Net unrealized holding gains (losses) on available-for-sale securities, net of tax of \$(42) and \$86
Net unrealized holding gains (losses) on available-for-sale securities, net of tax of \$(42) and \$86
Cash flow hedges:
Amortization and unrealized gains on interest rate agreements, net of tax of \$4,173 and \$12,580
Amortization and unrealized gains on interest rate agreements, net of tax of \$4,173 and \$12,580
Amortization and unrealized gains on interest rate agreements, net of tax of \$4,173 and \$12,580
Total other comprehensive income
Amortization and unrealized gains (losses) on interest rate agreements, net of tax of \$3,492 and \$(14,519)
Amortization and unrealized gains (losses) on interest rate agreements, net of tax of \$3,492 and \$(14,519)
Amortization and unrealized gains (losses) on interest rate agreements, net of tax of \$3,492 and \$(14,519)
Total other comprehensive income (loss)
Total comprehensive income

See accompanying notes to condensed consolidated financial statements.

**ATMOS ENERGY CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Nine Months Ended June 30	
	2024	2023
	(Unaudited)	
	(In thousands, except per share data)	
<b>Operating revenues</b>		
Distribution segment	\$ 3,327,730	\$ 3,556,703
Pipeline and storage segment	685,336	579,278
Intersegment eliminations	(505,823)	(448,266)
<b>Total operating revenues</b>	<b>3,507,243</b>	<b>3,687,715</b>
<b>Purchased gas cost</b>		
Distribution segment	1,464,815	1,896,986
Pipeline and storage segment	825	(431)
Intersegment eliminations	(505,069)	(447,545)
<b>Total purchased gas cost</b>	<b>960,571</b>	<b>1,449,010</b>
<b>Operation and maintenance expense</b>		
Depreciation and amortization expense	577,553	574,781
Taxes, other than income	496,522	445,063
Operating income	302,235	305,784
<b>Other non-operating income</b>		
Interest charges	1,170,362	913,077
<b>Income before income taxes</b>		
Income tax expense	54,471	54,767
<b>Net income</b>	<b>148,477</b>	<b>105,464</b>
<b>Basic net income per share</b>	<b>\$ 908,879</b>	<b>\$ 767,338</b>
<b>Diluted net income per share</b>	<b>\$ 6.00</b>	<b>\$ 5.33</b>
<b>Cash dividends per share</b>	<b>\$ 6.00</b>	<b>\$ 5.33</b>
<b>Basic weighted average shares outstanding</b>	<b>\$ 2.415</b>	<b>\$ 2.220</b>
<b>Diluted weighted average shares outstanding</b>	<b>151,459</b>	<b>143,938</b>
	<b>151,497</b>	<b>143,998</b>

Net income	\$ 908,879	\$ 767,338
Other comprehensive income (loss), net of tax		
Net unrealized holding gains on available-for-sale securities, net of tax of \$70 and \$29	242	100
Cash flow hedges:		
Amortization and unrealized gains (losses) on interest rate agreements, net of tax of \$(2,496) and \$10,171	(8,638)	35,191
Total other comprehensive income (loss)	(8,396)	35,291
Total comprehensive income	\$ 900,483	\$ 802,629

See accompanying notes to condensed consolidated financial statements.

**ATMOS ENERGY CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine Months Ended June 30		Three Months Ended December 31	
	2024	2023	2024	2023
(Unaudited) (In thousands)				

**Cash Flows From Operating Activities**

Net income
Net income
Net income
Adjustments to reconcile net income to net cash provided by operating activities:
Depreciation and amortization expense
Depreciation and amortization expense
Depreciation and amortization expense
Deferred income taxes
Deferred income taxes
Deferred income taxes
Other
Other
Other
Net assets / liabilities from risk management activities
Net change in Winter Storm Uri current regulatory asset
Net change in other operating assets and liabilities
Net change in other operating assets and liabilities
Net change in other operating assets and liabilities
Net cash provided by operating activities

**Cash Flows From Investing Activities**

Capital expenditures
Capital expenditures
Capital expenditures
Debt and equity securities activities, net
Debt and equity securities activities, net
Debt and equity securities activities, net
Other, net
Other, net
Other, net
Net cash used in investing activities

**Cash Flows From Financing Activities**

Net decrease in short-term debt
Net decrease in short-term debt
Net decrease in short-term debt

Net proceeds from equity issuances
Issuance of common stock through stock purchase and employee retirement plans
Proceeds from issuance of long-term debt
Proceeds from issuance of securitized long-term debt by AEK
Proceeds from issuance of securitized long-term debt by AEK
Proceeds from issuance of securitized long-term debt by AEK
Proceeds from term loan
Repayment of term loan
Repayment of long-term debt
Repayment of securitized long-term debt by AEK
Cash dividends paid
Cash dividends paid
Cash dividends paid
Debt issuance costs
Securitized debt issuance costs
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash provided by financing activities
Net cash provided by (used in) financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Net increase in cash and cash equivalents and restricted cash and cash equivalents
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period
Cash and cash equivalents and restricted cash and cash equivalents at end of period

See accompanying notes to condensed consolidated financial statements.

#### ATMOS ENERGY CORPORATION

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) June 30, December 31, 2024

##### 1. Nature of Business

Atmos Energy Corporation ("Atmos Energy" or the "Company") and its subsidiaries are engaged in the regulated natural gas distribution and pipeline and storage businesses. Our distribution business is subject to federal and state regulation and/or regulation by local authorities in each of the states in which our regulated divisions and subsidiaries operate.

Our distribution business delivers natural gas through sales and transportation arrangements to over 3.3 million residential, commercial, public authority, and industrial customers through our six regulated distribution divisions, which at **June 30, 2024** **December 31, 2024**, covered service areas located in eight states.

Our pipeline and storage business, which is also subject to federal and state regulations, includes the transportation of natural gas to our Texas and Louisiana distribution systems and the management of our underground storage facilities used to support our distribution business in various states.

##### 2. Summary of Significant Accounting Policies

###### Basis of Presentation

These consolidated interim-period financial statements have been prepared in accordance with accounting principles generally accepted in the United States on the same basis as those used for the Company's audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. In the opinion of management, all material adjustments (consisting of normal recurring accruals) necessary for a fair presentation have been made to the unaudited consolidated interim-period financial statements. These consolidated interim-period financial statements are condensed as permitted by the instructions to Form 10-Q and should be read in conjunction with the audited consolidated financial statements of Atmos Energy Corporation included in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. Because of seasonal and other factors, the results of operations for the **nine-month** **three-month** period ended **June 30, 2024** **December 31, 2024** are not indicative of our results of operations for the full **2024** **2025** fiscal year, which ends **September 30, 2024** **September 30, 2025**.

###### Significant accounting policies

Our accounting policies are described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**.

During the second quarter of fiscal 2024, we completed our annual goodwill impairment assessment using a qualitative assessment, as permitted under U.S. GAAP. We test for goodwill at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit. Based on the assessment performed, we determined that our goodwill was not impaired.

No events have occurred subsequent to the balance sheet date that would require recognition or disclosure in the condensed consolidated financial statements.

#### Recently issued accounting pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) issued guidance which provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expenses and increased interim disclosure requirements, among others. The amendment is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied retrospectively. This amendment will be effective for our Form 10-K for fiscal 2025 and our Form 10-Q for the first quarter of fiscal 2026. We are currently evaluating the impact this may have on our financial statement disclosures.

In December 2023, the FASB issued guidance which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The amendment is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. This amendment will be effective for our Form 10-K for fiscal 2026. We are currently evaluating the impact this amendment may have on our financial statement disclosures.

In November 2024, the FASB issued guidance that will require more detailed information about the types of expenses in commonly presented expense captions. The amendment is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. This amendment will be effective for our Form 10-K for fiscal 2028 and our Form 10-Q for the first quarter of fiscal 2029. We are currently evaluating the impact this may have on our financial statement disclosures.

### 3. Regulation

Accounting principles generally accepted in the United States require cost-based, rate-regulated entities that meet certain criteria to reflect the authorized recovery of costs due to regulatory decisions in their financial statements. As a result, certain costs are permitted to be capitalized rather than expensed because they can be recovered through rates. We record certain costs as regulatory assets when future recovery through customer rates is considered probable. Regulatory liabilities are recorded when it is probable that revenues will be reduced for amounts that will be credited to customers through the ratemaking process. Substantially all of our regulatory assets are recorded as a component of other current assets and deferred charges and other assets and our regulatory liabilities are recorded as a component of other current liabilities and deferred credits and other liabilities. Deferred gas costs are recorded either in other current assets or liabilities.

Regulatory assets and liabilities as of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024 included the following:

	June 30, 2024	September 30, 2023
	December 31, 2024	September 30, 2024
	(In thousands)	(In thousands)
<b>Regulatory assets:</b>		
Pension and postretirement benefit costs		
Pension and postretirement benefit costs		
Pension and postretirement benefit costs		
Infrastructure mechanisms <sup>(1)</sup>		
Winter Storm Uri incremental costs		
Deferred gas costs		
Deferred gas costs		
Deferred gas costs		
Regulatory excess deferred taxes <sup>(2)</sup>		
Recoverable loss on reacquired debt		
Deferred pipeline record collection costs		
APT annual System Safety and Integrity Rider <sup>(3)</sup>		
Other		
Other		
Other		
	\$	
<b>Regulatory liabilities:</b>		
Regulatory excess deferred taxes <sup>(2)</sup>		
Regulatory excess deferred taxes <sup>(2)</sup>		
Regulatory excess deferred taxes <sup>(2)</sup>		
Regulatory cost of removal obligation		
Regulatory cost of removal obligation		
Regulatory cost of removal obligation		
Deferred gas costs		
APT annual adjustment mechanism		

APT annual adjustment mechanism	
APT annual adjustment mechanism	
Pension and postretirement benefit costs	
Other	
	\$

(1) Infrastructure mechanisms in Texas, Louisiana, and Tennessee allow for the deferral of all eligible expenses associated with capital expenditures incurred pursuant to these rules, including the recording of interest on deferred expenses until the next rate proceeding (rate case or annual rate filing), at which time investment and costs would be recoverable through base rates.

(2) Regulatory excess deferred taxes represent changes in our net deferred tax liability related to our cost of service ratemaking due to the enactment of Tax Cuts and Jobs Act of 2017 (the "TCJA") and, a Kansas legislative change enacted in fiscal 2020, 2020, and a Louisiana legislative change enacted in fiscal 2025. See Note 12 to the condensed consolidated financial statements for further information.

#### Securitization

##### Kansas

See Note 9 to the condensed consolidated financial statements for securitization and other information related to Atmos Energy Kansas Securitization I, LLC (AEK).

##### Texas

(3) In March APT's general rate case settlement in December 2023, the Texas Natural Gas Securitization Finance Corporation (the Finance Corporation), with RRC approved a new annual compliance filing that allows APT to recover certain system safety and integrity costs incurred each year. Costs above a specified benchmark are deferred onto the authority of balance sheet as incurred. Once the Texas Public Finance Authority (TPFA), issued \$3.5 billion in customer rate relief bonds with varying scheduled final maturities from 12 to 18 years. The bonds are obligations of the Finance Corporation, payable from the customer rate relief charges and other bond collateral, and are not an obligation of Atmos Energy. We began collecting the customer rate relief charges on October 1, 2023, and any such property collected filing is solely owned approved by the Finance Corporation RRC, the revenue and not available expense are recognized over 12 months resulting in no impact to pay creditors of Atmos Energy operating income.

Additionally, we We deferred \$32.4 million in carrying costs incurred after September 1, 2022. Effective October 1, 2023, associated with interim financing for gas costs incurred in February 2021 during Winter Storm Uri. During fiscal 2024, we began recovering a portion recovered \$22.0 million of these carrying costs. We this amount. During the first quarter of fiscal 2025, we have recorded \$6.1 recovered \$1.6 million and \$21.2 of this amount. Of the remaining \$8.8 million, \$2.4 million has been recorded as a current asset in other current assets as of June 30, 2024 December 31, 2024 and September 30, 2023. We anticipate recovering the remaining \$6.4 million in future regulatory filings and have has been recorded this amount as a long-term asset in deferred charges and other assets as of June 30, 2024. December 31, 2024 as we anticipate recovering this amount in future regulatory proceedings.

#### 4. Segment Information

We manage and review our consolidated operations through the following reportable segments:

- The *distribution segment* is comprised of our regulated natural gas distribution and related sales operations in eight states.
- The *pipeline and storage segment* is comprised primarily of the regulated pipeline and storage operations of our Atmos Pipeline-Texas division and our natural gas transmission operations in Louisiana.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies found in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 September 30, 2024.

Income statements and capital expenditures for the three and nine months ended June 30, 2024 December 31, 2024 and 2023 by segment are presented in the following tables:

	Three Months Ended June 30, 2024		Three Months Ended December 31, 2024					
	Distribution	Pipeline and Storage	Eliminations	Consolidated	Distribution	Pipeline and Storage	Eliminations	Consolidated
	(In thousands)		(In thousands)		(In thousands)		(In thousands)	
Operating revenues from external parties								
Intersegment revenues								
Total operating revenues								
Purchased gas cost								
Operation and maintenance expense								
Depreciation and amortization expense								
Taxes, other than income								
Operating income								
Other non-operating income								
Interest charges								
Income before income taxes								
Income tax expense								
Net income								
Capital expenditures								

	Three Months Ended June 30, 2023			Three Months Ended December 31, 2023				
	Distribution	Pipeline and Storage	Eliminations	Consolidated	Distribution	Pipeline and Storage	Eliminations	Consolidated
	(In thousands)			(In thousands)				
Operating revenues from external parties								
Intersegment revenues								
Total operating revenues								
Purchased gas cost								
Operation and maintenance expense								
Depreciation and amortization expense								
Taxes, other than income								
Operating income								
Other non-operating income								
Interest charges								
Income before income taxes								
Income tax expense								
Net income								
Capital expenditures								

	Nine Months Ended June 30, 2024				
	Distribution	Pipeline and Storage	Eliminations	Consolidated	
	(In thousands)				
Operating revenues from external parties	\$ 3,325,459	\$ 181,784	\$ —	\$ 3,507,243	
Intersegment revenues	2,271	503,552	(505,823)	—	
Total operating revenues	3,327,730	685,336	(505,823)	3,507,243	
Purchased gas cost	1,464,815	825	(505,069)	960,571	
Operation and maintenance expense	435,711	142,596	(754)	577,553	
Depreciation and amortization expense	363,981	132,541	—	496,522	
Taxes, other than income	273,430	28,805	—	302,235	
Operating income	789,793	380,569	—	1,170,362	
Other non-operating income	26,650	27,821	—	54,471	
Interest charges	93,915	54,562	—	148,477	
Income before income taxes	722,528	353,828	—	1,076,356	
Income tax expense	92,550	74,927	—	167,477	
Net income	\$ 629,978	\$ 278,901	\$ —	\$ 908,879	
Capital expenditures	\$ 1,659,217	\$ 469,920	\$ —	\$ 2,129,137	

	Nine Months Ended June 30, 2023				
	Distribution	Pipeline and Storage	Eliminations	Consolidated	
	(In thousands)				
Operating revenues from external parties	\$ 3,554,389	\$ 133,326	\$ —	\$ 3,687,715	
Intersegment revenues	2,314	445,952	(448,266)	—	
Total operating revenues	3,556,703	579,278	(448,266)	3,687,715	
Purchased gas cost	1,896,986	(431)	(447,545)	1,449,010	
Operation and maintenance expense	426,173	149,329	(721)	574,781	
Depreciation and amortization expense	319,783	125,280	—	445,063	
Taxes, other than income	275,002	30,782	—	305,784	
Operating income	638,759	274,318	—	913,077	
Other non-operating income	20,934	33,833	—	54,767	
Interest charges	60,405	45,059	—	105,464	
Income before income taxes	599,288	263,092	—	862,380	

Income tax expense	56,707	38,335	—	95,042
Net income	\$ 542,581	\$ 224,757	\$ —	\$ 767,338
Capital expenditures	\$ 1,381,118	\$ 702,368	\$ —	\$ 2,083,486

Balance sheet information at **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024** by segment is presented in the following tables:

	June 30, 2024				December 31, 2024			
	Distribution	Pipeline and Storage	Eliminations	Consolidated	Distribution	Pipeline and Storage	Eliminations	Consolidated
	(In thousands)				(In thousands)			
Net property, plant and equipment								
Total assets								
	September 30, 2023				September 30, 2024			
	Distribution	Pipeline and Storage	Eliminations	Consolidated	Distribution	Pipeline and Storage	Eliminations	Consolidated
	(In thousands)				(In thousands)			
Net property, plant and equipment								
Total assets								

##### 5. Earnings Per Share

We use the two-class method of computing earnings per share because we have participating securities in the form of non-vested restricted stock units with a nonforfeitable right to dividend equivalents, for which vesting is predicated solely on the passage of time. The calculation of earnings per share using the two-class method excludes income attributable to these participating securities from the numerator and excludes the dilutive impact of those shares from the denominator. Basic weighted average shares outstanding is calculated based upon the weighted average number of common shares outstanding during the periods presented. Also, this calculation includes fully vested stock awards that have not yet been issued as common stock. Additionally, the weighted average shares outstanding for diluted EPS includes the incremental effects of the forward sale agreements, discussed in Note 8 to the condensed consolidated financial statements, when the impact is dilutive.

Basic and diluted earnings per share for the three and nine months ended **June 30, 2024** **December 31, 2024** and 2023 are calculated as follows:

	Three Months Ended June 30			Nine Months Ended June 30			2023
	2024	2023	2024	2023	2023	2023	
	(In thousands, except per share amounts)			(In thousands, except per share amounts)			
<b>Basic Earnings Per Share</b>							
Net income							
Net income							
Net income							
Less: Income allocated to participating securities							
Less: Income allocated to participating securities							
Less: Income allocated to participating securities							
Income available to common shareholders							
Income available to common shareholders							
Income available to common shareholders							
Basic weighted average shares outstanding							
Basic weighted average shares outstanding							
Basic weighted average shares outstanding							
Net income per share — Basic							
Net income per share — Basic							
Net income per share — Basic							
<b>Diluted Earnings Per Share</b>							
<b>Diluted Earnings Per Share</b>							
<b>Diluted Earnings Per Share</b>							
Income available to common shareholders							
Income available to common shareholders							

Income available to common shareholders
Effect of dilutive shares
Effect of dilutive shares
Effect of dilutive shares
Income available to common shareholders
Income available to common shareholders
Income available to common shareholders
Basic weighted average shares outstanding
Basic weighted average shares outstanding
Basic weighted average shares outstanding
Dilutive shares
Dilutive shares
Dilutive shares
Diluted weighted average shares outstanding
Diluted weighted average shares outstanding
Diluted weighted average shares outstanding
Net income per share — Diluted
Net income per share — Diluted
Net income per share — Diluted

## 6. Revenue and Accounts Receivable

### Revenue

Our revenue recognition policy is fully described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. The following tables disaggregate our revenue from contracts with customers by customer type and segment and provide a reconciliation to total operating revenues, including intersegment revenues, for the three and nine months ended **June 30, 2024** **December 31, 2024** and 2023.

	Three Months Ended June 30,		Three Months Ended June 30,					
	2024		2023					
	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023					
	Distribution	Distribution	Pipeline and Storage	Distribution	Pipeline and Storage	Distribution	Pipeline and Storage	Pipeline and Storage
(In thousands)								
<b>Gas sales revenues:</b>								
Residential								
Residential								
Residential								
Commercial								
Industrial								
Public authority and other								
Total gas sales revenues								
Transportation revenues								
Miscellaneous revenues								
Revenues from contracts with customers								
Alternative revenue program revenues								
Other revenues								
Total operating revenues								
Nine Months Ended June 30, 2024								
	Distribution	Pipeline and Storage		Distribution	Pipeline and Storage		Distribution	Pipeline and Storage
(In thousands)								
<b>Gas sales revenues:</b>								

Residential	\$ 2,177,935	\$ —	\$ 2,276,240	\$ —
Commercial	851,462	—	953,409	—
Industrial	79,810	—	127,792	—
Public authority and other	43,881	—	54,074	—
Total gas sales revenues	3,153,088	—	3,411,515	—
Transportation revenues	102,147	699,243	93,661	597,822
Miscellaneous revenues	9,048	12,796	7,650	8,271
Revenues from contracts with customers	3,264,283	712,039	3,512,826	606,093
Alternative revenue program revenues	51,713	(26,703)	42,360	(26,815)
Other revenues	11,734	—	1,517	—
Total operating revenues	\$ 3,327,730	\$ 685,336	\$ 3,556,703	\$ 579,278

We have alternative revenue programs in each of our segments. In our distribution segment, we have weather-normalization adjustment mechanisms that serve to mitigate the effects of weather on our revenue. In our pipeline and storage segment, APT has a regulatory mechanism that requires that we share with its tariffed customers 75% of the difference between the total non-tariffed revenues earned during a test period and a revenue benchmark established by the RRC. With the completion of APT's most recent rate case in December 2023, the revenue benchmark was increased from \$69.4 million to \$106.9 million. Other revenues includes AEK revenues (see Note 9 to the condensed consolidated financial statements) and other miscellaneous revenues.

#### **Accounts receivable and allowance for uncollectible accounts**

Accounts receivable arise from natural gas sales to residential, commercial, industrial, public authority, and other customers. Our accounts receivable balance includes unbilled amounts which represent a customer's consumption of gas from the date of the last cycle billing through the last day of the month. Our policy related to the accounting for our accounts receivable and allowance for uncollectible accounts is fully described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. During the **nine** **three** months ended **June 30, 2024** **December 31, 2024**, there were no material changes to this policy. Rollforwards of our allowance for uncollectible accounts for the **three** **and nine** months ended **June 30, 2024** **December 31, 2024** and 2023 are presented in the table below. The allowance excludes the gas cost portion of customers' bills for approximately **88** **89** percent of our customers as we have the ability to collect these gas costs through our gas cost recovery mechanisms in most of our jurisdictions.

In December 2023, the Mississippi Public Service Commission approved the recovery of uncollectible accounts through our purchased gas cost mechanism over a two-year period rather than through our annual filing mechanism over a one-year period. As a result of this decision, we recorded a \$13.9 million reduction to bad debt expense during the first quarter of fiscal 2024. Of this amount, \$9.7 million represents future recovery of customer receivables previously written off since April 2022 but not yet recovered through our rates. This amount increased our deferred gas cost regulatory asset. The remaining \$4.2 million reduction represents a reversal of our allowance for uncollectible accounts for customer balances that have not yet been written off.

	Three Months Ended <b>June 30,</b> <b>2024 December 31, 2024</b>
	(In thousands)
<b>Beginning balance, <b>March 31, 2024</b> <b>September 30, 2024</b></b>	<b>\$ 42,705 37,056</b>
Current period provisions	3,575 8,623
Write-offs charged against allowance	(4,407) (7,447)
Recoveries of amounts previously written off	286 934
<b>Ending balance, <b>June 30, 2024</b> <b>December 31, 2024</b></b>	<b>\$ 42,159 39,166</b>

	Three Months Ended <b>June 30,</b> <b>2023 December 31, 2023</b>
	(In thousands)
<b>Beginning balance, <b>March 31, 2023</b> <b>September 30, 2023</b></b>	<b>\$ 52,751</b>
Current period provisions	1,758
Write-offs charged against allowance	(5,902)
Recoveries of amounts previously written off	294
<b>Ending balance, <b>June 30, 2023</b></b>	<b>\$ 48,901</b>

	Nine Months Ended June 30, 2024
	(In thousands)
<b>Beginning balance, September 30, 2023</b>	\$ 40,840
Current period provisions	23,122
Write-offs charged against allowance	(19,023)
Recoveries of amounts previously written off	1,412
Mississippi recovery of uncollectible accounts	(4,192)
<b>Ending balance, June 30, 2024 December 31, 2023</b>	<b>\$ 42,159 35,406</b>

	Nine Months Ended June 30, 2023
	(In thousands)
<b>Beginning balance, September 30, 2022</b>	<b>\$ 49,993</b>
	22,000
	(24,656)
	1,564

## 7. Debt

The nature and terms of our debt instruments and credit facilities are described in detail in Note 8 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. Other than as described below, there were no material changes in the terms of our debt instruments during the **nine** **three** months ended **June 30, 2024** **December 31, 2024**.

Long-term debt at **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024** consisted of the following:

	June 30, 2024	September 30, 2023
	December 31, 2024	September 30, 2024
	(In thousands)	(In thousands)
Unsecured 3.00% Senior Notes, due June 2027		
Unsecured 2.625% Senior Notes, due September 2029		
Unsecured 1.50% Senior Notes, due January 2031		
Unsecured 5.45% Senior Notes, due October 2032		
Unsecured 5.90% Senior Notes, due October 2033		
Unsecured 5.90% Senior Notes, due November 2033		
Unsecured 5.95% Senior Notes, due October 2034		
Unsecured 5.50% Senior Notes, due June 2041		
Unsecured 4.15% Senior Notes, due January 2043		
Unsecured 4.125% Senior Notes, due October 2044		
Unsecured 4.30% Senior Notes, due October 2048		
Unsecured 4.125% Senior Notes, due March 2049		
Unsecured 3.375% Senior Notes, due September 2049		
Unsecured 2.85% Senior Notes, due February 2052		
Unsecured 5.75% Senior Notes, due October 2052		
Unsecured 6.20% Senior Notes, due October 2053		
Unsecured 6.20% Senior Notes, due November 2053		
Unsecured 5.00% Senior Notes, due December 2054		
Medium-term note Series A, 1995-1, 6.67%, due December 2025		
Unsecured 6.75% Debentures, due July 2028		
Finance lease obligations		
<b>Total long-term debt</b>	<b>\$ 42,159</b>	<b>35,406</b>
Less:		
Original issue (premium) discount on unsecured senior notes and debentures		
Original issue (premium) discount on unsecured senior notes and debentures		

Original issue (premium) discount on unsecured senior notes and debentures
Original issue premium on unsecured senior notes and debentures
Original issue premium on unsecured senior notes and debentures
Original issue premium on unsecured senior notes and debentures

Debt issuance cost

Current maturities of long-term debt

Total long-term debt, net

On **October 10, 2023** **October 1, 2024**, we completed a public offering of **\$500** **\$650** million of **6.20%** **5.00%** senior notes due **October 2053**, **December 2054**, with an effective interest rate of 5.56%, after giving effect to the offering costs and settlement of our interest rate swaps, and **\$400** million of **5.90%** senior notes due **October 2033**, with an effective interest rate of **4.35%** **3.90%**, after giving effect to the offering costs and settlement of our interest rate swaps. The net proceeds from the offering, after the underwriting discount and offering expenses, of **\$889.4** million were used for general corporate purposes.

On **June 21, 2024**, we completed a public offering of **\$325** million of **5.90%** senior notes due **October 2033**, with an effective interest rate of **5.17%**, after giving effect to the estimated offering costs. The net proceeds from the offering, after the underwriting discount and offering expenses as of **June 30, 2024**, of **\$339.7** **\$639.4** million were used for general corporate purposes.

#### Short-term debt

We utilize short-term debt to provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves the Company's desired capital structure. Our short-term borrowing requirements are driven primarily by construction work in progress and the seasonal nature of the natural gas business.

Our short-term borrowing requirements are satisfied through a combination of a \$1.5 billion commercial paper program and four committed revolving credit facilities with third-party lenders that provide \$3.1 billion of total working capital funding.

Our commercial paper program is supported by a five-year unsecured \$1.5 billion credit facility that was replaced on March 28, 2024, with a new five-year senior unsecured \$1.5 billion credit facility that expires on March 28, 2029. This new facility bears interest at a base rate or at a Term SOFR-based rate for the applicable interest period, plus a margin ranging from zero percent to 0.25 percent for base rate advances or a margin ranging from 0.75 percent to 1.25 percent for Term SOFR-based advances, based on the Company's credit ratings. Additionally, the facility contains a \$250 million accordion feature, which provides the opportunity to increase the total committed loan to \$1.75 billion. At **June 30, 2024** **December 31, 2024** and **September 30, 2024**, there were no amounts outstanding under our commercial paper program. At **September 30, 2023**, there was **\$241.9** million outstanding under our commercial paper program.

We also had have a **\$900 million** **\$1.5 billion** three-year unsecured revolving credit facility, which was replaced on March 28, 2024, with a new **\$1.5 billion** three-year senior unsecured credit facility, which expires March 28, 2027 and is used to provide additional working capital funding. This new facility bears interest at a base rate or at a Term SOFR-based rate for the applicable interest period, plus a margin ranging from zero percent to 0.25 percent for base rate advances or a margin ranging from 0.75 percent to 1.25 percent for Term SOFR-based advances, based on the Company's credit ratings. Additionally, the facility contains a \$250 million accordion feature, which provides the opportunity to increase the total committed loan to \$1.75 billion. At **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**, there were no borrowings outstanding under this facility.

Additionally, we have a \$50 million 364-day unsecured facility, which was renewed April 1, 2024 will expire March 31, 2025 and is used to provide working capital funding. There were no borrowings outstanding under this facility as of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**.

Finally, we have a \$50 million 364-day unsecured revolving credit facility, which was renewed March 31, 2024 will expire March 31, 2025 and is used to issue letters of credit and to provide working capital funding. At **June 30, 2024** **December 31, 2024**, there were no borrowings outstanding under this facility; however, outstanding letters of credit reduced the total amount available to us to \$44.4 million.

#### Debt covenants

The availability of funds under these credit facilities is subject to conditions specified in the respective credit agreements, all of which we currently satisfy. These conditions include our compliance with financial covenants and the continued accuracy of representations and warranties contained in these agreements. We are required by the financial covenants in each of these facilities to maintain, at the end of each fiscal quarter, a ratio of total-debt-to-total-capitalization of no greater than 70 percent. At **June 30, 2024** **December 31, 2024**, our total-debt-to-total-capitalization ratio, as defined in the agreements, was **40.41** percent. In addition, both the interest margin and the fee that we pay on unused amounts under certain of these facilities are subject to adjustment depending upon our credit ratings.

These credit facilities and our public indentures contain usual and customary covenants for our business, including covenants substantially limiting liens, substantial asset sales, and mergers. Additionally, our public debt indentures relating to our senior notes and debentures, as well as certain of our revolving credit agreements, each contain a default provision that is triggered if outstanding indebtedness arising out of any other credit agreements in amounts ranging from in excess of \$15 million to in excess of \$100 million becomes due by acceleration or if not paid at maturity. We were in compliance with all of our debt covenants as of **June 30, 2024** **December 31, 2024**. If we were unable to comply with our debt covenants, we would likely be required to repay our outstanding balances on demand, provide additional collateral or take other corrective actions.

## 8. Shareholders' Equity

The following tables present a reconciliation of changes in stockholders' equity for the three and nine months ended **June 30, 2024** **December 31, 2024** and 2023.

Common stock		Accumulated Other Comprehensive Income			Common stock		Accumulated Other Comprehensive Income		
Number of Shares	Additional Paid-in Capital	Comprehensive Income (Loss)	Retained Earnings	Total	Number of Shares	Additional Paid-in Capital	Comprehensive Income (Loss)	Retained Earnings	Total
(In thousands, except share and per share data)					(In thousands, except share and per share data)				

Balance, September 30, 2023
Balance, September 30, 2024
Net income
Other comprehensive loss
Other comprehensive income
Cash dividends (\$0.805 per share)
Cash dividends (\$0.87 per share)
Cash dividends (\$0.805 per share)
Cash dividends (\$0.87 per share)
Cash dividends (\$0.805 per share)
Cash dividends (\$0.87 per share)
Common stock issued:
Common stock issued:
Common stock issued:
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
Balance, December 31, 2023
Net income
Other comprehensive income
Balance, December 31, 2024
Cash dividends (\$0.805 per share)
Cash dividends (\$0.805 per share)
Cash dividends (\$0.805 per share)
Common stock issued:
Common stock issued:
Common stock issued:
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
Balance, March 31, 2024
Net income
Other comprehensive income
Cash dividends (\$0.805 per share)
Cash dividends (\$0.805 per share)
Cash dividends (\$0.805 per share)
Common stock issued:
Common stock issued:
Common stock issued:
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
Balance, June 30, 2024

Common stock		Accumulated Other Comprehensive Income			Common stock		Accumulated Other Comprehensive Income			
Number of Shares	Additional Capital	Paid-in Capital	Comprehensive Income (Loss)	Retained Earnings	Total	Additional Capital	Paid-in Capital	Comprehensive Income (Loss)	Retained Earnings	Total
(In thousands, except share and per share data)					(In thousands, except share and per share data)					

Balance, September 30, 2022

<b>Balance, September 30, 2023</b>
<b>Net income</b>
<b>Other comprehensive income</b>
<b>Other comprehensive loss</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.805 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.805 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.805 per share)</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
<b>Balance, December 31, 2022</b>
<b>Net income</b>
<b>Other comprehensive loss</b>
<b>Balance, December 31, 2023</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
<b>Balance, March 31, 2023</b>
<b>Net income</b>
<b>Other comprehensive income</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Cash dividends (\$0.74 per share)</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
<b>Common stock issued:</b>
Public and other stock offerings
Public and other stock offerings
Public and other stock offerings
Stock-based compensation plans
<b>Balance, June 30, 2023</b>

#### **Shelf Registration, At-the-Market Equity Sales Program and Equity Issuances**

We have On December 3, 2024, we filed a shelf registration statement with the Securities and Exchange Commission (SEC) that allows us to issue up to \$5.0 billion \$8.0 billion in common stock and/or debt securities, which expires March 31, 2026 December 3, 2027. At June 30, 2024 December 31, 2024, \$1.8 billion \$6.3 billion of securities were available for issuance under this shelf registration statement.

On May 8, 2024 December 3, 2024, we filed a prospectus supplement under the shelf registration statement relating to an at-the-market (ATM) equity sales program under which we may issue and sell shares of our common stock up to an aggregate offering price of \$1.0 \$1.7 billion through March 31, 2026 December 3, 2027 (including shares of common stock that may be sold pursuant to forward sale agreements entered into concurrently with the ATM equity sales program). This ATM equity sales program replaced our previous ATM equity sales program, filed on March 31, 2023 May 8, 2024.

During the **nine** three months ended **June 30, 2024** December 31, 2024, we executed forward sales under our ATM equity sales program with various forward sellers who borrowed and sold **7,224,450** **3,397,596** shares of our common stock at an aggregate price of **\$833.2 million** **\$476.0 million**. During the **nine** three months ended **June 30, 2024** December 31, 2024, we also settled forward sale agreements with respect to **6,401,469** **3,300,904** shares that had been borrowed and sold by various forward sellers under the ATM program for net proceeds of **\$750.0 million** **\$379.5 million**. As of **June 30, 2024** December 31, 2024, **\$845.7 million** **\$1.2 billion** of equity was available for issuance under our existing ATM program. Additionally, we had **\$550.7 million** **\$1.5 billion** in available proceeds from outstanding forward sale agreements, as detailed below.

Maturity	Shares Available	Net Proceeds Available (In thousands)	Forward Price	Shares Available	Net Proceeds Available (In thousands)	Forward Price
June 30, 2025						
September 30, 2025						
December 31, 2025						
March 31, 2026						
June 30, 2026						
December 31, 2026						
Total						

#### Accumulated Other Comprehensive Income (Loss)

We record deferred gains (losses) in AOCI related to available-for-sale debt securities and interest rate agreement cash flow hedges. Deferred gains (losses) for our available-for-sale debt securities are recognized in earnings upon settlement, while deferred gains (losses) related to our interest rate agreement cash flow hedges are recognized in earnings on a straight-line basis over the life of the related financing. The following tables provide the components of our accumulated other comprehensive income (loss) balances, net of the related tax effects allocated to each component of other comprehensive income (loss).

	Available-for-Sale Securities	Interest Rate Agreement			Interest Rate Cash Flow Hedges		
		Available-for-Sale Securities	Hedges	Total	Interest Rate Agreement	Cash Flow Hedges	Total
		(In thousands)			(In thousands)		
September 30, 2023							
September 30, 2024							
Other comprehensive income (loss) before reclassifications							
Amounts reclassified from accumulated other comprehensive income							
Net current-period other comprehensive income (loss)							
June 30, 2024							
June 30, 2024							
June 30, 2024							
December 31, 2024							
December 31, 2024							
December 31, 2024							
	Available-for-Sale Securities	Interest Rate Agreement	Cash Flow Hedges	Total	Interest Rate Agreement	Cash Flow Hedges	Total
		(In thousands)			(In thousands)		
September 30, 2022	\$ (495)	\$ 369,607	\$ 369,112				
Other comprehensive income before reclassifications	100	36,781	36,881				
Amounts reclassified from accumulated other comprehensive income	—	(1,590)	(1,590)				
Net current-period other comprehensive income	100	35,191	35,291				
June 30, 2023	\$ (395)	\$ 404,798	\$ 404,403				

	Available-for-Sale Securities	Interest Rate	
		Agreement	
		Cash Flow	
		Hedges	Total
(In thousands)			
September 30, 2023	\$ (369)	\$ 518,897	\$ 518,528
Other comprehensive income (loss) before reclassifications	296	(47,741)	(47,445)
Amounts reclassified from accumulated other comprehensive income	—	(2,491)	(2,491)
Net current-period other comprehensive income (loss)	296	(50,232)	(49,936)
December 31, 2023	\$ (73)	\$ 468,665	\$ 468,592

## 9. Variable Interest Entity Securitization

### Kansas

Atmos Energy Kansas Securitization I, LLC (AEK), a special-purpose entity wholly owned by Atmos Energy, was formed for the purpose of issuing securitized bonds to recover extraordinary costs incurred during Winter Storm **Uri** in February 2021. In June 2023, AEK completed a public offering of \$95 million of Securitized Utility Tariff Bonds. AEK's assets cannot be used to settle Atmos Energy's obligations, and the holders of the Securitized Utility Tariff Bonds have no recourse against Atmos Energy.

As described in Note 10 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, AEK is considered to be a variable interest entity. As a result, AEK is included in the condensed consolidated financial statements of Atmos Energy.

The following table summarizes the impact of AEK on our condensed consolidated balance sheets, for the periods indicated:

	June 30, 2024	September 30, 2023
	December 31, 2024	September 30, 2024
		(In thousands)
Restricted cash and cash equivalents		
Other current assets		
Securitized intangible asset, net		
Accrued interest		
Current maturities of securitized long-term debt		
Securitized long-term debt		

The following table summarizes the impact of AEK on our condensed consolidated statement of comprehensive income, for the period indicated:

	Three Months Ended June 30, 2024	Nine Months Ended June 30, 2024
Operating revenues	\$ 3,463	\$ 10,265
Operation and maintenance expense	(52)	(276)
Amortization expense	(2,292)	(6,561)
Interest expense, net	(1,119)	(3,428)
Income before income taxes	\$ —	\$ —

There were no material impacts to the condensed consolidated statements of comprehensive income for the three and nine months ended June 30, 2023.

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Operating revenues	\$ 3,393	\$ 3,333
Operation and maintenance expense	(61)	—
Amortization expense	(2,264)	(2,166)
Interest expense, net	(1,068)	(1,167)
Income before income taxes	\$ —	\$ —

The securitized long-term debt is recorded at carrying value. The fair value of the securitized long-term debt is determined using third party market value quotations, which are considered Level 2 fair value measurements for debt instruments where fair value is determined using the most recent available quoted market price. The carrying value and fair value of the securitized long-term debt as of **June 30, 2024** **December 31, 2024** is **\$89.3 million** **\$85.1 million** and **\$89.2 million** **\$85.0 million**.

## Texas

In March 2023, the Texas Natural Gas Securitization Finance Corporation (the Finance Corporation), with the authority of the Texas Public Finance Authority (TPFA), issued \$3.5 billion in customer rate relief bonds with varying scheduled final maturities from 12 to 18 years. The bonds are obligations of the Finance Corporation, payable from the customer rate relief charges and other bond collateral, and are not an obligation of Atmos Energy. We began collecting the customer rate relief charges on October 1, 2023, and any such property collected is solely owned by the Finance Corporation and not available to pay creditors of Atmos Energy.

### 10. Interim Pension and Other Postretirement Benefit Plan Information

The components of our net periodic pension cost for our pension and other postretirement benefit plans for the three and nine months ended June 30, 2024 December 31, 2024 and 2023 are presented in the following tables. Most of these costs are recoverable through our tariff rates. A portion of these costs is capitalized into our rate base or deferred as a regulatory asset or liability. The remaining costs are recorded as a component of operation and maintenance expense or other non-operating expense.

In the first quarter of fiscal 2024, due to the retirement of an executive, we recognized a settlement charge of \$0.8 million associated with our Supplemental Executive Retirement Plan and revalued the net periodic pension cost for the remainder of fiscal 2024. The revaluation of the net periodic pension cost for our Supplemental Executive Retirement Plan resulted in a decrease in the discount rate, effective November 30, 2023, to 5.82% from 6.17%, which will decrease our net periodic pension cost by approximately \$0.4 million for the remainder of the fiscal year.

	Three Months Ended December 31					
	Pension Benefits			Other Benefits		
	2024	2023	2024	2023		
(In thousands)						
Components of net periodic pension cost:						
Service cost	\$ 2,837	\$ 2,389	\$ 2,033	\$ 1,507		
Interest cost <sup>(1)</sup>	6,663	7,497	3,365	3,509		
Expected return on assets <sup>(1)</sup>	(7,655)	(7,202)	(3,831)	(3,128)		
Amortization of prior service cost (credit) <sup>(1)</sup>	—	—	(3,260)	(3,260)		
Amortization of actuarial (gain) loss <sup>(1)</sup>	256	118	(2,429)	(2,718)		
Settlements <sup>(1)</sup>	—	776	—	—		
Net periodic pension cost	\$ 2,101	\$ 3,578	\$ (4,122)	\$ (4,090)		

	Three Months Ended June 30					
	Pension Benefits			Other Benefits		
	2024	2023	2024	2023		
(In thousands)						
Components of net periodic pension cost:						
Service cost	\$ 2,405	\$ 2,915	\$ 1,507	\$ 1,546		
Interest cost <sup>(1)</sup>	7,430	7,265	3,509	3,478		
Expected return on assets <sup>(1)</sup>	(7,202)	(7,278)	(3,128)	(2,804)		
Amortization of prior service cost (credit) <sup>(1)</sup>	—	(30)	(3,260)	(3,285)		
Amortization of actuarial (gain) loss <sup>(1)</sup>	97	178	(2,718)	(1,863)		
Settlements <sup>(1)</sup>	—	1,030	—	—		
Net periodic pension cost	\$ 2,730	\$ 4,080	\$ (4,090)	\$ (2,928)		

	Nine Months Ended June 30					
	Pension Benefits			Other Benefits		
	2024	2023	2024	2023		
(In thousands)						
Components of net periodic pension cost:						
Service cost	\$ 7,199	\$ 8,731	\$ 4,521	\$ 4,637		
Interest cost <sup>(1)</sup>	22,356	21,915	10,526	10,433		
Expected return on assets <sup>(1)</sup>	(21,606)	(21,835)	(9,383)	(8,411)		
Amortization of prior service cost (credit) <sup>(1)</sup>	—	(91)	(9,780)	(9,856)		
Amortization of actuarial (gain) loss <sup>(1)</sup>	313	506	(8,154)	(5,589)		
Settlements <sup>(1)</sup>	776	1,030	—	—		
Net periodic pension cost	\$ 9,038	\$ 10,256	\$ (12,270)	\$ (8,786)		

(1) The components of net periodic cost other than the service cost component are included in the line item other non-operating expense in the condensed consolidated statements of comprehensive income or are capitalized on the condensed consolidated balance sheets as a regulatory asset or liability, as described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**.

## 11. Commitments and Contingencies

### *Litigation and Environmental Matters*

In the normal course of business, we are subject to various legal and regulatory proceedings. For such matters, we record liabilities when they are considered probable and estimable, based on currently available facts, our historical experience and our estimates of the ultimate outcome or resolution of the liability in the future. While the outcome of these proceedings is uncertain and a loss in excess of the amount we have accrued is possible though not reasonably estimable, it is the opinion of management that any amounts exceeding the accruals will not have a material adverse impact on our financial position, results of operations or cash flows.

The National Transportation Safety Board (NTSB) issued a Preliminary Report on February 14, 2024 relating to its investigation of two incidents that occurred in Jackson, Mississippi on January 24 and 27, 2024 **that resulted in one fatality. Atmos Energy is working closely with the NTSB and other state and federal regulators to help determine causal factors.**

**The NTSB issued a Preliminary Report on December 30, 2024 relating to its investigation of an incident that occurred in Avondale, Louisiana on December 2, 2024** that resulted in one fatality. Atmos Energy is working closely with the NTSB and other state and federal regulators to help determine causal factors.

We are a party to various other litigation and environmental-related matters or claims that have arisen in the ordinary course of our business. While the results of such litigation and response actions to such environmental-related matters or claims cannot be predicted with certainty, we continue to believe the final outcome of such litigation and matters or claims will not have a material adverse effect on our financial condition, results of operations, or cash flows.

### *Purchase Commitments*

Our distribution divisions maintain supply contracts with several vendors that generally cover a period of up to one year. Commitments for estimated base gas volumes are established under these contracts on a monthly basis at contractually negotiated prices. Commitments for incremental daily purchases are made as necessary during the month in accordance with the terms of the individual contract.

Our Mid-Tex Division also maintains a limited number of long-term supply contracts to ensure a reliable source of gas for our customers in its service area, which obligate it to purchase specified volumes at prices under contracts indexed to natural gas hubs or fixed price contracts. These purchase commitment contracts are detailed in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. At **June 30, 2024** **December 31, 2024**, we were committed to purchase **67.8** **55.5** Bcf within one year and **31.5** **29.9** Bcf within two to three years under indexed contracts. At **June 30, 2024** **December 31, 2024**, we were committed to purchase **12.8** **3.9** Bcf within one year under fixed price contracts with a weighted average price of **\$3.06** **\$3.26** per Mcf.

### *Rate Regulatory Proceedings*

As of **June 30, 2024** **December 31, 2024**, routine rate regulatory proceedings were in progress in several of our service areas, which are discussed in further detail below in *Management's Discussion and Analysis — Recent Ratemaking Developments*. Except for these proceedings, there were no material changes to rate regulatory proceedings for the **nine** **three** months ended **June 30, 2024** **December 31, 2024**.

## 12. Income Taxes

### *Income Tax Expense*

Our interim effective tax rates reflect the estimated annual effective tax rates for the fiscal years ended **September 30, 2024** **September 30, 2025** and **2023** **2024**, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended **June 30, 2024** **December 31, 2024** and 2023 were **16.8%** **18.4%** and **10.6%** and for the nine months ended **June 30, 2024** and 2023 were **15.6%** and **11.0%** **14.7%**. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to the amortization of excess deferred federal income tax liabilities, tax credits, state income taxes, and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

### *Regulatory Excess Deferred Taxes*

Regulatory excess net deferred taxes represent changes in our net deferred tax liability related to our cost of service ratemaking due to the enactment of the Tax Cuts and Jobs Act of 2017 (the TCJA) **and**, a Kansas legislative change enacted in fiscal **2020**, **2020**, and a Louisiana legislative change enacted in fiscal **2025**. Currently, the regulatory excess net deferred tax liability of **\$232.6** **\$198.8** million is being returned over various periods. Of this amount, **\$180.0** **\$135.3** million is being returned to customers over 12 - 60 months. An additional **\$51.6** **\$49.0** million is being returned to customers on a provisional basis over 15 - **69** **68** years until our regulators establish the final refund periods. The refund of the remaining **\$1.0** **\$14.5** million will be addressed in future rate proceedings.

As of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**, **\$87.6** **\$76.8** million and **\$131.3** **\$79.7** million is recorded in other current liabilities.

## 13. Financial Instruments

We currently use financial instruments to mitigate commodity price risk and interest rate risk. The objectives and strategies for using financial instruments and the related accounting for these financial instruments are fully described in Notes 2 and 16 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. During the **nine** **three** months ended **June 30, 2024** **December 31, 2024**, there were no material changes in our objectives, strategies, and accounting for using financial instruments. Our financial instruments do not contain any credit-risk-related or other contingent features that could cause payments to be accelerated when our financial instruments are in net liability positions. The following summarizes those objectives and strategies.

### *Commodity Risk Management Activities*

Our purchased gas cost adjustment mechanisms essentially insulate our distribution segment from commodity price risk; however, our customers are exposed to the effects of volatile natural gas prices. We manage this exposure through a combination of physical storage, fixed-price forward contracts, and financial instruments, primarily over-the-counter

swap and option contracts, in an effort to minimize the impact of natural gas price volatility on our customers during the winter heating season.

We typically seek to hedge between 25 and 50 percent of anticipated heating season gas purchases using financial instruments. For the 2023-2024 2024-2025 heating season (generally October through March), in the jurisdictions where we are permitted to utilize financial instruments, we **hedge** **anticipate hedging** approximately **27.6** **24.0** Bcf of the winter flowing gas requirements. We have not designated these financial instruments as hedges for accounting purposes.

#### **Interest Rate Risk Management Activities**

We manage interest rate risk by periodically entering into financial instruments to effectively fix the Treasury yield component of the interest cost associated with anticipated financings.

The following table summarizes our existing forward starting interest rate swaps as of **June 30, 2024** **December 31, 2024**. These swaps were designated as cash flow hedges at the time the agreements were executed.

Planned Debt Issuance Date	Amount Hedged
	(in thousands)
\$	600,000
Fiscal 2026	\$ 300,000
	\$ 900,000 300,000

#### **Quantitative Disclosures Related to Financial Instruments**

The following tables present detailed information concerning the impact of financial instruments on our condensed consolidated balance sheet and statements of comprehensive income.

As of **June 30, 2024** **December 31, 2024**, our financial instruments were comprised of both long and short commodity positions. A long position is a contract to purchase the commodity, while a short position is a contract to sell the commodity. As of **June 30, 2024** **December 31, 2024**, we had **15,455** **15,053** MMcf of net long commodity contracts outstanding. These contracts have not been designated as hedges.

#### **Financial Instruments on the Balance Sheet**

The following tables present the fair value and balance sheet classification of our financial instruments as of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**. The gross amounts of recognized assets and liabilities are netted within our condensed consolidated balance sheets to the extent that we have netting arrangements with our counterparties. However, as of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**, no gross amounts and no cash collateral were netted within our consolidated balance sheet.

	June 30, 2024		December 31, 2024			
	Balance Sheet Location	Assets (in thousands)	Liabilities (in thousands)	Balance Sheet Location	Assets (in thousands)	Liabilities (in thousands)
<b>Designated As Hedges:</b>						
<b>Designated As Hedges:</b>						
<b>Designated As Hedges:</b>						
Interest rate contracts						
Interest rate contracts						
Interest rate contracts						
Interest rate contracts						
Interest rate contracts						
Interest rate contracts						
<b>Total</b>						
<b>Total</b>						
<b>Total</b>						
<b>Not Designated As Hedges:</b>						
Commodity contracts						
Commodity contracts						
Commodity contracts						
Commodity contracts						
<b>Total</b>						
<b>Gross / Net Financial Instruments</b>						
	September 30, 2023		September 30, 2024			
	Balance Sheet Location	Assets (in thousands)	Liabilities (in thousands)	Balance Sheet Location	Assets (in thousands)	Liabilities (in thousands)

**Designated As Hedges:****Designated As Hedges:****Designated As Hedges:**

Interest rate contracts

Interest rate contracts

Interest rate contracts

**Total****Not Designated As Hedges:**

Commodity contracts

Commodity contracts

Commodity contracts

Commodity contracts

**Total****Gross / Net Financial Instruments***Impact of Financial Instruments on the Statement of Comprehensive Income***Cash Flow Hedges**

As discussed above, our distribution segment has interest rate agreements, which we designated as cash flow hedges at the time the agreements were executed. The net (gain) loss on settled interest rate agreements reclassified from AOCI into interest charges on our condensed consolidated statements of comprehensive income for the three months ended **June 30, 2024** **December 31, 2024** and 2023 was **\$(3.2)** **\$5.1** million and **\$(0.7)** million and for the nine months ended **June 30, 2024** and 2023 was **\$(9.6)** million and **\$(2.1)** **\$(3.2)** million.

The following table summarizes the gains and losses arising from hedging transactions that were recognized as a component of other comprehensive income (loss), net of taxes, for the three **and nine** months ended **June 30, 2024** **December 31, 2024** and 2023.

	Three Months Ended December 31			
	2024		2023	
	(in thousands)			
<i>Increase (decrease) in fair value:</i>				
Interest rate agreements	\$ 19,719	\$ (47,741)		
<i>Recognition of (gains) losses in earnings due to settlements:</i>				
Interest rate agreements	(3,158)	(2,491)		
Total other comprehensive income (loss) from hedging, net of tax	\$ 16,561	\$ (50,232)		
Three Months Ended June 30				
2024		2023		
(in thousands)				
<i>Increase (decrease) in fair value:</i>				
Interest rate agreements	\$ 16,926	\$ 44,057	\$ (1,165)	\$ 36,781
<i>Recognition of (gains) losses in earnings due to settlements:</i>				
Interest rate agreements	(2,490)	(530)	(7,473)	(1,590)
Total other comprehensive income (loss) from hedging, net of tax	\$ 14,436	\$ 43,527	\$ (8,638)	\$ 35,191

Deferred gains (losses) recorded in AOCI associated with our interest rate agreements are recognized in earnings as they are amortized over the terms of the underlying debt instruments. As of **June 30, 2024** **December 31, 2024**, we had **\$217.3 million** **\$391.0 million** of net realized gains in AOCI associated with our interest rate agreements. The following amounts, net of deferred taxes, represent the expected recognition in earnings of the deferred net gains recorded in AOCI associated with our interest rate agreements, based upon the fair values of these agreements at the date of settlement. The remaining amortization periods for these settled amounts extend through fiscal **2053**, **2055**. However, the table below does not include the expected recognition in earnings of our outstanding interest rate swaps as those instruments have not yet settled.

	Interest Rate Agreements
	(in thousands)
Next twelve months	\$ 9,965 15,925
Thereafter	\$ 207,359 375,062
<b>Total</b>	<b>\$ 217,324 390,987</b>

#### Financial Instruments Not Designated as Hedges

As discussed above, commodity contracts which are used in our distribution segment are not designated as hedges. However, there is no earnings impact on our distribution segment as a result of the use of these financial instruments because the gains and losses arising from the use of these financial instruments are recognized in the consolidated statement of comprehensive income as a component of purchased gas cost when the related costs are recovered through our rates and recognized in revenue. Accordingly, the impact of these financial instruments is excluded from this presentation.

#### **14. Fair Value Measurements**

We report certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We record cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable, and short-term debt at carrying value, which substantially approximates fair value due to the short-term nature of these assets and liabilities. For other financial assets and liabilities, we primarily use quoted market prices and other observable market pricing information to minimize the use of unobservable pricing inputs in our measurements when determining fair value. The methods used to determine fair value for our assets and liabilities are fully described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. During the **nine** **three** months ended **June 30, 2024** **December 31, 2024**, there were no changes in these methods.

Fair value measurements also apply to the valuation of our pension and postretirement plan assets. Current accounting guidance requires employers to annually disclose information about fair value measurements of the assets of a defined benefit pension or other postretirement plan. The fair value of these assets is presented in Note 11 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**.

#### **Quantitative Disclosures**

##### Financial Instruments

The classification of our fair value measurements requires judgment regarding the degree to which market data is observable or corroborated by observable market data. Authoritative accounting literature establishes a fair value hierarchy that prioritizes the inputs used to measure fair value based on observable and unobservable data. The hierarchy categorizes the inputs into three levels, with the highest priority given to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1), with the lowest priority given to unobservable inputs (Level 3). The following tables summarize, by level within the fair value hierarchy, our assets and liabilities that were accounted for at fair value on a recurring basis as of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**. Assets and liabilities are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)(1)	Significant Unobservable Inputs (Level 3)	Netting and Cash Collateral	June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)(1)	Significant Unobservable Inputs (Level 3)	Netting and Cash Collateral	December 31, 2024
	(In thousands)					(In thousands)					
<b>Assets:</b>											
Financial instruments											
Financial instruments											
Financial instruments											
Debt and equity securities											
Registered investment companies											
Registered investment companies											
Registered investment companies											
Bond mutual funds											
Bonds (2)											
Money market funds											
Total debt and equity securities											
Total assets											
<b>Liabilities:</b>											
Financial instruments											
Financial instruments											
Financial instruments											

	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)(1)	Significant Unobservable Inputs (Level 3)	Netting and Cash Collateral	September 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)(1)	Significant Unobservable Inputs (Level 3)	Netting and Cash Collateral	September 30, 2024
	(In thousands)					(In thousands)					
<b>Assets:</b>											

Financial instruments
Financial instruments
Financial instruments
Debt and equity securities
Registered investment companies
Registered investment companies
Registered investment companies
Bond mutual funds
Bonds (2)
Money market funds
Total debt and equity securities
Total assets
<b>Liabilities:</b>
Financial instruments
Financial instruments
Financial instruments

(1) Our Level 2 measurements consist of over-the-counter options and swaps, which are valued using a market-based approach in which observable market prices are adjusted for criteria specific to each instrument, such as the strike price, notional amount or basis differences, municipal and corporate bonds, which are valued based on the most recent available quoted market prices and money market funds that are valued at cost.

(2) Our investments in bonds are considered available-for-sale debt securities in accordance with current accounting guidance.

Debt and equity securities are comprised of our available-for-sale debt securities and our equity securities. As described in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**, we evaluate the performance of our available-for-sale debt securities on an investment by investment basis for impairment, taking into consideration the investment's purpose, volatility, current returns, and any intent to sell the security. As of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**, the amortized cost of our available-for-sale debt securities was **\$38.5 million** **\$39.3 million** and **\$36.0 million** **\$38.9 million**. At **June 30, 2024** **December 31, 2024**, we maintained investments in bonds that have contractual maturity dates ranging from **July 2024** **January 2025** through **September November 2027**.

#### Other Fair Value Measures

Our long-term debt is recorded at carrying value. The fair value of our long-term debt, excluding finance leases, is determined using third party market value quotations, which are considered Level 1 fair value measurements for debt instruments with a recent, observable trade or Level 2 fair value measurements for debt instruments where fair value is determined using the most recent available quoted market price. The carrying value of our finance leases materially approximates fair value. The following table presents the carrying value and fair value of our long-term debt, excluding finance leases, debt issuance costs and original issue premium or discount, as of **June 30, 2024** **December 31, 2024** and **September 30, 2023** **September 30, 2024**:

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
	(In thousands)		(In thousands)	
Carrying Amount				
Fair Value				

#### 15. Concentration of Credit Risk

Information regarding our concentration of credit risk is disclosed in Note 18 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. During the **nine three** months ended **June 30, 2024** **December 31, 2024**, there were no material changes in our concentration of credit risk.

#### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Atmos Energy Corporation

#### Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Atmos Energy Corporation (the Company) as of **June 30, 2024** **December 31, 2024**, the related condensed consolidated statements of comprehensive income for the **three** and **nine** month periods ended **June 30, 2024** and **2023**, the condensed consolidated statements of cash flows for the **nine month periods** **three months** ended **June 30, 2024** **December 31, 2024** and **2023**, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of **September 30, 2023** **September 30, 2024**, the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated **November 14, 2023** **November 18, 2024**, we expressed an unqualified audit opinion on those

consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of **September 30, 2023** **September 30, 2024**, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

#### Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ ERNST & YOUNG LLP

Dallas, Texas

**August 7, 2024** **February 4, 2025**

#### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

##### **INTRODUCTION**

The following discussion should be read in conjunction with the condensed consolidated financial statements in this Quarterly Report on Form 10-Q and Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended **September 30, 2023** **September 30, 2024**.

##### **Cautionary Statement for the Purposes of the Safe Harbor under the Private Securities Litigation Reform Act of 1995**

The statements contained in this Quarterly Report on Form 10-Q 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 us and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this Report, or any other of our documents or oral presentations, the words "anticipate", "believe", "estimate", "expect", "forecast", "goal", "intend", "objective", "plan", "projection", "seek", "strategy", or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements relating to our strategy, operations, markets, services, rates, recovery of costs, availability of gas supply, and other factors. These risks and uncertainties include the following: federal, state, and local regulatory and political trends and decisions, including the impact of rate proceedings before various state regulatory commissions; increased federal regulatory oversight and potential penalties; possible increased federal, state, and local regulation of the safety of our operations; possible significant costs and liabilities resulting from pipeline integrity and other similar programs and related repairs; the inherent hazards and risks involved in distributing, transporting, and storing natural gas; the availability and accessibility of contracted gas supplies, interstate pipeline, and/or storage services; increased competition from energy suppliers and alternative forms of energy; failure to attract and retain a qualified workforce; natural disasters, **adverse weather**, terrorist activities, or other events and other risks and uncertainties discussed herein, all of which are difficult to predict and many of which are beyond our control; **increased dependence on failure of technology that may hinder affects** the Company's business **if such technologies fail; operations**; the threat of cyber-attacks or acts of cyber-terrorism that could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee, or Company information; the impact of new cybersecurity compliance requirements; adverse weather conditions; the impact of **legislation to reduce or eliminate greenhouse gas emissions or other legislation or regulations intended to address climate change; fossil fuels**; the impact of climate change; the capital-intensive nature of our business; our ability to continue to access the credit and capital markets to execute our business strategy; market risks beyond our control affecting our risk management activities, including commodity price volatility, counterparty performance or creditworthiness, and interest rate risk; the concentration of our operations in Texas; the impact of adverse economic conditions on our customers; changes in the availability and price of natural gas; and increased costs of providing health care benefits, along with pension and postretirement health care benefits and increased funding requirements. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. Further, we undertake no obligation to update or revise any of our forward-looking statements whether as a result of new information, future events or otherwise.

##### **OVERVIEW**

Atmos Energy and our subsidiaries are engaged in the regulated natural gas distribution and pipeline and storage businesses. We distribute natural gas through sales and transportation arrangements to over 3.3 million residential, commercial, public authority, and industrial customers throughout our six distribution divisions, which at **June 30, 2024** **December 31, 2024** covered service areas located in eight states. In addition, we transport natural gas for others through our distribution and pipeline systems.

We manage and review our consolidated operations through the following reportable segments:

- The *distribution segment* is comprised of our regulated natural gas distribution and related sales operations in eight states.
- The *pipeline and storage segment* is comprised primarily of the regulated pipeline and storage operations of our Atmos Pipeline-Texas division and our natural gas transmission operations in Louisiana.

##### **CRITICAL ACCOUNTING ESTIMATES AND POLICIES**

Our condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States. Preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosures of contingent assets and liabilities. We based our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. On an ongoing basis, we evaluate our estimates, including those related to the allowance for doubtful accounts, legal and environmental accruals, insurance accruals, pension and postretirement obligations, deferred income taxes, and the valuation of goodwill and other long-lived assets. Actual results may differ from such estimates.

Our critical accounting policies used in the preparation of our consolidated financial statements are described in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024** and include the following:

- Regulation
- Pension and other postretirement plans
- **Impairment assessments**

Our critical accounting policies are reviewed periodically by the Audit Committee of our Board of Directors. There were no significant changes to these critical accounting policies during the **nine three** months ended **June 30, 2024** **December 31, 2024**.

## RESULTS OF OPERATIONS

### Executive Summary

Atmos Energy strives Energy's vision is to operate our businesses safely and reliably while delivering superior financial results, be the safest provider of natural gas services. Our commitment to modernizing this vision requires significant levels of capital spending to modernize our natural gas distribution system and transmission systems requires a significant level of capital spending, operating costs to deliver natural gas safely and reliably and in full compliance with the various safety regulations impacting our business. We have the ability to begin recovering a significant portion of these investments our expenditures timely through rate designs and mechanisms that reduce or eliminate regulatory lag and separate the recovery of our approved rate from customer usage patterns. The execution of our capital spending program, the ability to recover these investments expenditures timely, and our ability to access the capital markets to satisfy our financing needs are the primary drivers that affect our financial performance.

During the **nine three** months ended **June 30, 2024** **December 31, 2024**, we recorded net income of **\$908.9 million** **\$351.9 million**, or **\$6.00** **\$2.23** per diluted share, compared to net income of **\$767.3 million** **\$311.3 million**, or **\$5.33** **\$2.08** per diluted share for the **nine three** months ended **June 30, 2023** **December 31, 2023**.

The **18.13** percent year-over-year increase in net income largely reflects positive rate outcomes driven by safety and reliability spending, and lower partially offset by higher bad debt expense. Additionally, our fiscal 2024 year to date results were favorably impacted by **\$17.9 million** as a result of legislation that became effective during the first quarter of fiscal 2024 to reduce expense, depreciation and property tax expenses, in Texas. These increases were partially offset by increased depreciation expense and higher spending on certain operating expenses, as well as higher interest expense.

During the **nine three** months ended **June 30, 2024** **December 31, 2024**, we implemented, or received approval to implement, ratemaking regulatory actions which resulted in an increase in annual operating income of **\$340.6 million** **\$150.5 million**. Additionally, as of **June 30, 2024** **December 31, 2024**, we had ratemaking efforts in progress seeking a total increase in annual operating income of **\$176.5 million** **\$95.4 million**.

Capital expenditures for the **nine three** months ended **June 30, 2024** **December 31, 2024** were **\$2,129.1 million** **\$891.2 million**. Approximately **82.86** percent was invested to improve the safety and reliability of our distribution and transportation systems, with a significant portion of this investment incurred under regulatory mechanisms that reduce lag to six months or less.

During the **nine three** months ended **June 30, 2024** **December 31, 2024**, we completed approximately **\$2.0 billion** **\$1.0 billion** of long-term debt and equity financing. As of **June 30, 2024** **December 31, 2024**, our equity capitalization was **61.0** **60.3** percent. As of **June 30, 2024** **December 31, 2024**, we had approximately **\$4.3 billion** **\$5.2 billion** in total liquidity, consisting of **\$674.6** **\$584.5** million in cash and cash equivalents, **\$550.7 million** **\$1,475.8 million** in funds available through equity forward sales agreements and **\$3,094.4 million** in undrawn capacity under our credit facilities.

The following discusses the results of operations for each of our operating segments.

### Distribution Segment

The distribution segment is comprised of our regulated natural gas distribution and related sales operations in eight states. The primary factors that impact the results of this segment are our ability to earn our authorized rates of return, competitive factors in the energy industry, and economic conditions in our service areas.

Our ability to earn our authorized rates of return is based primarily on our ability to improve the rate design in our various ratemaking jurisdictions to minimize regulatory lag and, ultimately, separate the recovery of our approved rates from customer usage patterns. Improving rate design is a long-term process and is further complicated by the fact that we operate in multiple rate jurisdictions. Under our current rate design, approximately 70 percent of our distribution segment revenues are earned through the first six months of the fiscal year. Additionally, we currently recover approximately 50 percent of our distribution segment revenue, excluding gas costs, through the base customer charge, which partially separates the recovery of our approved rate from customer usage patterns.

Seasonal weather patterns can also affect our distribution operations. However, the effect of weather that is above or below normal is substantially offset through weather normalization adjustments, known as WNA, which have been approved by state regulatory commissions for approximately **96.97** percent of our residential and commercial revenues in the following states for the following time periods:

Kansas, West Texas	October — May
Tennessee	October — April
Kentucky, Mississippi, Mid-Tex	November — April
Louisiana	December — March
Virginia	January — December

Our distribution operations are also affected by the cost of natural gas. We are generally able to pass the cost of gas through to our customers without markup under purchased gas cost adjustment mechanisms; therefore, increases in the cost of gas are offset by a corresponding increase in revenues. Revenues in our Texas and Mississippi service areas include franchise fees and gross receipts taxes, which are calculated as a percentage of revenue (inclusive of gas costs). Therefore, the amount of these taxes included in revenues is influenced by the cost of gas and the level of gas sales volumes. We record the associated tax expense as a component of taxes, other than income.

The cost of gas typically does not have a direct impact on our operating income because these costs are recovered through our purchased gas cost adjustment mechanisms. However, higher gas costs may adversely impact our accounts receivable collections, resulting in higher bad debt expense. This risk is currently mitigated by rate design that allows us to collect from our customers the gas cost portion of our bad debt expense on approximately **88.89** percent of our residential and commercial revenues. Additionally, higher gas costs may require us to increase borrowings under our credit facilities, resulting in higher interest expense. Finally, higher gas costs, as well as competitive factors in the industry and general economic conditions may cause customers to conserve or, in the case of industrial consumers, to use alternative energy sources.

**Three Months Ended June 30, 2024 December 31, 2024 compared with Three Months Ended June 30, 2023 December 31, 2023**

Financial and operational highlights for our distribution segment for the three months ended **June 30, 2024 December 31, 2024** and 2023 are presented below.

	Three Months Ended June 30		Three Months Ended December 31		2023	Change
	2024	2023	Change	2024		
	(In thousands, unless otherwise noted)		(In thousands, unless otherwise noted)			
Operating revenues						
Purchased gas cost						
Operating expenses						
Operating expenses						
Operating expenses						
<b>Operating income</b>						
Other non-operating income						
Interest charges						
<b>Income before income taxes</b>						
Income tax expense						
Income tax expense						
Income tax expense						
<b>Net income</b>						
Consolidated distribution sales volumes — MMcf						
Consolidated distribution transportation volumes — MMcf						
Total consolidated distribution throughput — MMcf						
Consolidated distribution average cost of gas per Mcf sold						
Consolidated distribution average cost of gas per Mcf sold						
Consolidated distribution average cost of gas per Mcf sold						

Operating income for our distribution segment increased **16.0** **12.7** percent. Key drivers for the change in operating income include:

- a **\$30.6 million** **\$50.7 million** increase in rate adjustments, primarily in our Mid-Tex Division.
- a **\$5.3 million** **\$6.0 million** increase related to residential customer growth, primarily in our Mid-Tex Division, and increased industrial load.
- a **\$6.8 million** **\$13.6 million** decrease in refunds of excess deferred taxes to customers, which is **partially** **substantially** offset in income tax expense.

Partially offset by:

- a **\$15.1 million** **\$17.0 million** increase in depreciation expense and property taxes associated with increased capital investments.
- a **\$14.8 million** **\$11.0 million** increase in **operation and maintenance expense** **employee-related costs** primarily due to **higher employee-related and other administrative costs**, an increase in headcount to support company growth.

**Interest charges increased \$6.4 million** primarily **a \$15.0 million increase in bad debt expense due to a regulatory change in Mississippi in the issuance** **first quarter of long-term debt during fiscal 2024**, 2024, as discussed in Note 6 to the condensed consolidated financial statements.

The following table shows our operating income by distribution division, in order of total rate base, for the three months ended **June 30, 2024 December 31, 2024** and 2023. The presentation of our distribution operating income is included for financial reporting purposes and may not be appropriate for ratemaking purposes.

	Three Months Ended June 30		Three Months Ended December 31		2023	Change
	2024	2023	Change	2024		
	(In thousands)		(In thousands)			
Mid-Tex						
Kentucky/Mid-States						
Louisiana						
West Texas						
Mississippi						
Colorado-Kansas						
Other						
Total						

**Nine Months Ended June 30, 2024 compared with Nine Months Ended June 30, 2023**

Financial and operational highlights for our distribution segment for the nine months ended June 30, 2024 and 2023 are presented below.

	Nine Months Ended June 30			Change
	2024		2023	
	(In thousands, unless otherwise noted)			
Operating revenues	\$ 3,327,730	\$ 3,556,703	\$ (228,973)	
Purchased gas cost	1,464,815	1,896,986	(432,171)	
Operating expenses	1,073,122	1,020,958	52,164	
<b>Operating income</b>	<b>789,793</b>	<b>638,759</b>	<b>151,034</b>	
Other non-operating income	26,650	20,934	5,716	
Interest charges	93,915	60,405	33,510	
<b>Income before income taxes</b>	<b>722,528</b>	<b>599,288</b>	<b>123,240</b>	
Income tax expense	92,550	56,707	35,843	
<b>Net income</b>	<b>\$ 629,978</b>	<b>\$ 542,581</b>	<b>\$ 87,397</b>	
Consolidated distribution sales volumes — MMcf	252,116	259,359	(7,243)	
Consolidated distribution transportation volumes — MMcf	119,755	117,699	2,056	
Total consolidated distribution throughput — MMcf	371,871	377,058	(5,187)	
Consolidated distribution average cost of gas per Mcf sold	\$ 5.81	\$ 7.31	\$ (1.50)	

Operating income for our distribution segment increased 23.6 percent. Key drivers for the change in operating income include:

- a \$185.8 million increase in rate adjustments, primarily in our Mid-Tex Division.
- a \$17.8 million increase related to residential customer growth, primarily in our Mid-Tex Division, and increased industrial load.
- an \$11.6 million decrease in bad debt expense, as discussed in Note 6 to the condensed consolidated financial statements.
- an \$8.5 million increase due to lower line locate spending and timing of other activities.
- a \$0.9 million decrease in property taxes, which is inclusive of a \$13.4 million decrease related to the Texas property tax legislation discussed above.

Partially offset by:

- a \$44.2 million increase in depreciation expense associated with increased capital investments.
- a \$10.7 million increase in refunds of excess deferred taxes to customers, which is partially offset in income tax expense.
- a \$12.4 million increase in employee-related costs.
- a \$17.2 million increase in other operation and maintenance expense, including higher insurance premiums and software maintenance costs.

Interest charges increased \$33.5 million primarily due to the issuance of long-term debt during fiscal 2024. The increase in interest charges is also due to the amortization of the Texas regulatory asset that is discussed in Note 3 to the condensed consolidated financial statements. However, this increase is offset by a corresponding increase in revenue resulting in no impact to net income.

The following table shows our operating income by distribution division, in order of total rate base, for the nine months ended June 30, 2024 and 2023. The presentation of our distribution operating income is included for financial reporting purposes and may not be appropriate for ratemaking purposes.

	Nine Months Ended June 30			Change
	2024		2023	
	(In thousands)			
Mid-Tex	\$ 424,027	\$ 315,140	\$ 108,887	
Kentucky/Mid-States	83,049	78,299	4,750	
Louisiana	77,676	69,092	8,584	
West Texas	70,096	59,560	10,536	
Mississippi	97,610	76,736	20,874	
Colorado-Kansas	44,389	41,833	2,556	
Other	(7,054)	(1,901)	(5,153)	
<b>Total</b>	<b>\$ 789,793</b>	<b>\$ 638,759</b>	<b>\$ 151,034</b>	

#### Recent Ratemaking Developments

The amounts described in the following sections represent the operating income that was requested or received in each rate filing, which may not necessarily reflect the stated amount referenced in the final order, as certain operating costs may have changed as a result of a commission's or other governmental authority's final ruling. During the first nine three months of fiscal 2024, we implemented, or received approval to implement, regulatory proceedings, resulting in a \$231.1 million \$150.5 million increase in annual operating income as summarized below. Our ratemaking outcomes include the refund (return) of excess deferred income taxes (EDIT) resulting from previously enacted tax reform legislation and do not reflect the true economic benefit of the outcomes because they do not include the corresponding income tax benefit. Excluding these amounts, our total rate outcomes for ratemaking activities for the nine three months ended June 30, 2024 December 31, 2024 were \$210.7 million \$151.3 million.

Rate Action	Rate Action	Annual Increase (Decrease) in Operating Income	EDIT	Annual Increase (Decrease) in Operating Income Excluding	EDIT	Rate Action	Annual Increase in Operating Income	EDIT	Annual Increase in Operating Income Excluding
		(in thousands)					(in thousands)		
Annual formula rate mechanisms									
Rate case filings									
Other rate activity									
		—	\$	=					

The following ratemaking efforts seeking \$176.5 million \$95.4 million in increased annual operating income were in progress as of June 30, 2024 December 31, 2024:

Division	Rate Action	Jurisdiction	Operating Income Requested
			(in thousands)
Colorado-Kansas	Infrastructure Mechanism	Colorado (1)	\$ 1,907
Colorado-Kansas	Ad Valorem	Kansas (2)	
Kentucky/Mid-States	Infrastructure Mechanism Rate Case	Virginia Kentucky	\$748
Louisiana	Formula Rate Mechanism	Louisiana (1)	35,645 33,654
Mid-Tex	Formula Rate Mechanism Case	Mid-Tex ATM Cities	133,414 12,531
Mid-Tex	Rate Case	Environs	7,994
West Texas	Formula Rate Mechanism Case	West Texas Cities Systemwide	6,709 39,196
			\$ 176,516 95,393

(1) The Company implemented Colorado Public Utilities Commission approved the requested amount SSIR implementation at their December 18, 2024 meeting with rates effective July 1, 2024 and anticipates receiving final commission approval during January 1, 2025.

(2) The Kansas Corporation Commission approved the fourth quarter of fiscal 2024. Ad Valorem filing on January 8, 2025, with rates effective February 1, 2025.

#### Annual Formula Rate Mechanisms

As an instrument to reduce regulatory lag, formula rate mechanisms allow us to refresh our rates on an annual basis without filing a formal rate case. However, these filings still involve discovery by the appropriate regulatory authorities prior to the final determination of rates under these mechanisms. We currently have formula rate mechanisms in our Louisiana, Mississippi, and Tennessee operations and in substantially all the service areas in our Texas divisions. Additionally, we have specific infrastructure programs in substantially all of our distribution divisions with tariffs in place to permit the investment associated with these programs to have their surcharge rate adjusted annually to recover approved capital costs incurred in a prior test-year period. The following table summarizes our annual formula rate mechanisms by state:

State	Annual Formula Rate Mechanisms	
	Infrastructure Programs	Formula Rate Mechanisms
Colorado	System Safety and Integrity Rider (SSIR)	—
	Gas System Reliability Surcharge (GSRS), System Integrity Program (SIP)	—
Kansas	Pipeline Replacement Program (PRP)	—
Kentucky	(1)	Rate Stabilization Clause (RSC)
Louisiana	System Integrity Rider (SIR)	Stable Rate Filing (SRF)
Mississippi	(1)	Annual Rate Mechanism (ARM)
Tennessee	Gas Reliability Infrastructure Program (GRIP), (1)	Dallas Annual Rate Review (DARR), Rate Review Mechanism (RRM)
Texas	Steps to Advance Virginia Energy (SAVE)	—

(1) Infrastructure mechanisms in Texas, Louisiana, and Tennessee allow for the deferral of all expenses associated with capital expenditures incurred pursuant to these rules, which primarily consists of interest, depreciation and other taxes (Texas only), until the next rate proceeding (rate case or annual rate filing), at which time investment and costs would be recoverable through base rates.

The following annual formula rate mechanisms were approved during the nine three months ended June 30, 2024 December 31, 2024:

Division	Division	Jurisdiction	Test Year Ended	Increase in Annual Operating Income	EDIT Impact	Increase in Annual Operating Income Excluding EDIT	Effective Date
<b>2024 Filings:</b>							
<b>2024 Filings:</b>							
<b>2024 Filings:</b>							
<b>2025 Filings:</b>							
<b>2025 Filings:</b>							
<b>2025 Filings:</b>							
Mid-Tex							
Mid-Tex							
Mid-Tex		ATM Cities	12/31/2023	\$17,104	\$ —	\$17,104	06/07/2024
West Texas							
West Texas							
		Amarillo, Lubbock, Dalhart and Channing					
West Texas		Channing	12/31/2023	7,344	—	7,344	06/07/2024
Kentucky/Mid-States		Tennessee					
Mid-Tex		ARM	09/30/2023	18,570	(4,348)	14,222	06/01/2024
West Texas		DARR	09/30/2023	37,809	(14,782)	23,027	06/01/2024
West Texas		Triangle	12/31/2023	1,300	—	1,300	06/01/2024
West Texas		Environs	12/31/2023	1,379	—	1,379	06/01/2024
Mid-Tex							
Mid-Tex							
Mid-Tex		Environs	12/31/2023	8,529	—	8,529	06/01/2024
Colorado-Kansas							
Colorado-Kansas							
Colorado-Kansas		Kansas					
Colorado-Kansas		SIP	12/31/2023	708	—	708	04/01/2024
Colorado-Kansas							
Colorado-Kansas		Colorado					
Colorado-Kansas		SSIR	12/31/2024	2,017	—	2,017	01/01/2024
Colorado-Kansas							
Colorado-Kansas		Kansas					
Colorado-Kansas		GSRS	09/30/2024	\$ 1,998	\$ —	\$ 1,998	12/17/2024
Mississippi		Mississippi					
Mississippi		- SIR	10/31/2025	23,995	—	23,995	11/04/2024
Mississippi		Mississippi -					
Mississippi		Mississippi SRF	10/31/2025	3,800	15	3,815	11/04/2024
Mississippi							
Mississippi		Mississippi					
Mississippi		- SIR	10/31/2024	10,969	—	10,969	12/01/2023
Mississippi		Mississippi					
Mississippi		- SRF	10/31/2024	11,539	(472)	11,067	12/01/2023
Colorado-Kansas		Kansas					
Colorado-Kansas		GSRS	09/30/2023	1,752	—	1,752	11/02/2023
Kentucky/Mid-States							

Kentucky/Mid-States									
Kentucky/Mid-States	Kentucky/Mid-States	Kentucky PRP	09/30/2024	2,906	—	—	2,906	2,906	10/01/2023
Mid-Tex	Mid-Tex	Mid-Tex Cities RRM	12/31/2022	98,585	185	185	98,770	98,770	10/01/2023
West Texas	West Texas	West Texas Cities RRM	12/31/2022	8,594	(112)	(112)	8,482	8,482	10/01/2023
Kentucky/Mid-States	Kentucky/Mid-States	Virginia - SAVE	09/30/2024	573	—	—	573	573	10/01/2023
Total 2024 Filings									
Total 2024 Filings									
Total 2024 Filings									
Total 2025 Filings									
Total 2025 Filings									
Total 2025 Filings									

(1) On September 27, 2024, the Kentucky Public Service Commission approved a rate increase of \$3.4 million effective October 2, 2024, subject to refund.

#### Rate Case Filings

A rate case is a formal request from Atmos Energy to a regulatory authority to increase rates that are charged to our customers. Rate cases may also be initiated when the regulatory authorities request us to justify our rates. This process is referred to as a "show cause" action. Adequate rates are intended to provide for recovery of the Company's costs as well as a fair rate of return and ensure that we continue to deliver reliable, reasonably priced natural gas service safely to our customers. The following table summarizes the There was no rate cases case activity completed in our distribution segment during the nine three months ended June 30, 2024 December 31, 2024.

Division	State	Increase in Annual Operating Income Excluding EDIT			Effective Date
		Increase in Annual Operating Income	EDIT Impact	EDIT	
(In thousands)					
2024 Rate Case Filings:					
Kentucky/Mid-States	Virginia	\$ 2,434	\$ (939)	\$ 1,495	12/01/2023
Total 2024 Rate Case Filings		\$ 2,434	\$ (939)	\$ 1,495	

#### Other Ratemaking Activity

The following table summarizes Company had no other ratemaking activity during the nine three months ended June 30, 2024 December 31, 2024.

Jurisdiction	Rate Activity	Change in Annual Operating Income		Effective Date
		Ad Valorem	(In thousands)	
(In thousands)				
2024 Other Rate Activity:				
Kansas	(1)	\$ (971)		02/01/2024
Total 2024 Other Rate Activity				

(1) The Ad Valorem filing relates to property taxes that are either over or undercollected compared to the amount included in our Kansas service area's base rate.

#### Pipeline and Storage Segment

Our pipeline and storage segment consists of the regulated pipeline and storage operations of our Atmos Pipeline–Texas Division (APT) and our natural gas transmission operations in Louisiana. APT is one of the largest an intrastate pipeline operations in Texas with a heavy concentration in the established natural gas producing areas of central, northern, and eastern Texas, extending into or near the major producing areas of the Barnett Shale, the Texas Gulf Coast, and the Permian Basin of West Texas. APT provides transportation and storage services to our Mid-Tex Division, other third-party local distribution companies, industrial, and electric generation customers, as well as marketers and

producers. Over 80 percent of this segment's revenues are derived from these APT services. These revenues are subject to traditional ratemaking governed by the Texas Railroad Commission (RRC). As part of its pipeline operations, APT owns and operates five underground storage facilities in Texas.

Our natural gas transmission operations in Louisiana are comprised of a 21-mile pipeline located in the New Orleans, Louisiana area that is primarily used to aggregate gas supply for our distribution division in Louisiana under a long-term contract and, on a more limited basis, to third parties. The demand fee charged to our Louisiana distribution division for these services is subject to regulatory approval by the Louisiana Public Service Commission. We also manage two asset management plans, which have been approved by applicable state regulatory commissions. Generally, these asset management plans require us to share with our distribution customers a significant portion of the cost savings earned from these arrangements.

Our pipeline and storage segment is impacted by seasonal weather patterns, competitive factors in the energy industry, and economic conditions in our Texas and Louisiana service areas. Natural gas prices do not directly impact the results of this segment as revenues are derived from the transportation and storage of natural gas. However, natural gas prices and demand for natural gas could influence the level of drilling activity in the supply areas that we serve, which may influence the level of throughput we may be able to transport on our pipelines. Further, natural gas price differences between the various hubs that we serve in Texas could influence the volumes of gas transported for shippers through our Texas pipeline system and rates for such transportation.

The results of APT are also significantly impacted by the natural gas requirements of its local distribution company customers. Additionally, its operations may be impacted by the timing of when costs and expenses are incurred and when these costs and expenses are recovered through its tariffs.

APT annually uses GRIP to recover capital costs incurred in the prior calendar year. On February 27, 2024, APT made a GRIP filing that covered changes in net property, plant and equipment investments from January 1, 2023 through December 31, 2023 with a requested increase in operating income of \$82.4 million. On May 14, 2024, the RRC approved the Company's GRIP filing.

GRIP also requires a utility to file a statement of intent at least once every five years to review its costs and expenses, including capital costs filed for recovery under GRIP. On May 19, 2023, APT filed a statement of intent seeking \$107.4 million in additional annual operating income. On December 13, 2023, the RRC approved the settlement agreement between APT and the intervening parties for an increase in annual operating income of \$27.0 million, exclusive of the impact of the cessation of \$36.9 million in excess deferred income tax refunds, which are substantially offset by a corresponding increase in income taxes. New rates were implemented effective December 13, 2023.

As part of our statement of intent settlement in December 2023, APT is now allowed to file an annual System Safety and Integrity Rider (Rider SSI) compliance filing that allows APT to recover certain system safety and integrity costs incurred each year. Costs above the benchmark are deferred onto the balance sheet as incurred. The revenue and expense are recognized after review and approval by the RRC which results in no impact to operating income. On June 14, 2024, APT made its first Rider

SSI filing that covered certain costs from January 1, 2023 through March 31, 2024 with a requested increase in operating revenue of \$18.7 million.

The demand fee our Louisiana natural gas transmission pipeline charges to our Louisiana distribution division increases five percent annually and has been approved by the Louisiana Public Service Commission until September 30, 2027.

#### Three Months Ended June 30, 2024 December 31, 2024 compared with Three Months Ended June 30, 2023 December 31, 2023

Financial and operational highlights for our pipeline and storage segment for the three months ended June 30, 2024 December 31, 2024 and 2023 are presented below.

	Three Months Ended June 30		Three Months Ended December 31		
	2024	2023	Change	2024	
	(In thousands, unless otherwise noted)	(In thousands, unless otherwise noted)		2023	Change
Mid-Tex / Affiliate transportation revenue					
Third-party transportation revenue					
Other revenue					
Other revenue					
Other revenue					
<b>Total operating revenues</b>					
Total purchased gas cost					
Operating expenses					
Operating expenses					
Operating expenses					
<b>Operating income</b>					
Other non-operating income					
Interest charges					
<b>Income before income taxes</b>					
Income tax expense					
Income tax expense					
Income tax expense					
<b>Net income</b>					
Gross pipeline transportation volumes — MMcf					
Consolidated pipeline transportation volumes — MMcf					

Operating income for our pipeline and storage segment increased 40.6 20.9 percent. Key drivers for the change in operating income include:

- a \$16.0 million \$22.8 million increase primarily due to rate adjustments from the GRIP filing approved in May 2024, the System Safety and Integrity Rider filing approved in November 2024, and the rate case approved in December 2023.

- an \$11.0 million a \$7.9 million increase in APT's through-system activities primarily associated with increased spreads.
- a \$9.3 million \$9.2 million decrease in refunds of excess deferred taxes to customers, which is substantially partially offset in income tax expense.
- a \$4.1 million increase due to higher capacity contracted by tariff-based customers due to their increased peak day demand.

Nine Months Ended June 30, 2024 compared with Nine Months Ended June 30, 2023

Financial and operational highlights for our pipeline and storage segment for the nine months ended June 30, 2024 and 2023 are presented below.

	Nine Months Ended June 30			Change
	2024		2023	
	(In thousands, unless otherwise noted)			
Mid-Tex / Affiliate transportation revenue	\$ 526,200	\$ 457,592	\$ 68,608	
Third-party transportation revenue	147,926	114,747	33,179	
Other revenue	11,210	6,939	4,271	
<b>Total operating revenues</b>	<b>685,336</b>	<b>579,278</b>	<b>106,058</b>	
Total purchased gas cost	825	(431)	1,256	
Operating expenses	303,942	305,391	(1,449)	
<b>Operating income</b>	<b>380,569</b>	<b>274,318</b>	<b>106,251</b>	
Other non-operating income	27,821	33,833	(6,012)	
Interest charges	54,562	45,059	9,503	
<b>Income before income taxes</b>	<b>353,828</b>	<b>263,092</b>	<b>90,736</b>	
Income tax expense	74,927	38,335	36,592	
<b>Net income</b>	<b>\$ 278,901</b>	<b>\$ 224,757</b>	<b>\$ 54,144</b>	
Gross pipeline transportation volumes — MMcf	622,747	613,957	8,790	
Consolidated pipeline transportation volumes — MMcf	452,770	440,015	12,755	

Operating income for our pipeline and storage segment increased 38.7 percent. Key drivers for the change in operating income include:

- a \$52.4 million increase primarily due to rate adjustments from the GRIP filings approved in May 2023 and 2024, and the rate case approved in December 2023.
- a \$15.3 million increase primarily due to timing of pipeline inspection spending.
- an \$18.5 million net increase in APT's through-system activities primarily associated with increased spreads.
- an \$18.6 million decrease in refunds of excess deferred taxes to customers, which is substantially offset in income tax expense.
- a \$10.4 million increase due to higher capacity contracted by tariff-based customers due to their increased peak day demand.
- a \$2.8 million decrease in property taxes, which is inclusive of a \$4.5 million decrease related to the Texas property tax legislation discussed above.

Partially offset by:

- a \$7.3 million \$5.4 million increase in depreciation expense and property taxes associated with increased capital investments.

Interest charges increased \$9.5 million primarily a \$4.7 million increase in expenses recognized as a result of the System Safety and Integrity Rider filing approved in November 2024, which is offset in operating revenues.

- a \$9.1 million increase in other operation and maintenance expense due to the issuance of long-term debt during fiscal 2024, compliance-related activities and other administrative costs.

## Liquidity and Capital Resources

The liquidity required to fund our working capital, capital expenditures, and other cash needs is provided from a combination of internally generated cash flows and external debt and equity financing. Additionally, we have a \$1.5 billion commercial paper program and four committed revolving credit facilities with \$3.1 billion in total availability from third-party lenders. The commercial paper program and credit facilities provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves the Company's desired capital structure. Additionally, we have various uncommitted trade credit lines with our gas suppliers that we utilize to purchase natural gas on a monthly basis.

We have On December 3, 2024, we filed a shelf registration statement on file with the Securities and Exchange Commission (SEC) that allows us to issue up to \$5.0 billion \$8.0 billion in common stock and/or debt securities, which expires March 31, 2026 December 3, 2027. As of June 30, 2024 December 31, 2024, \$1.8 billion \$6.3 billion of securities were available for issuance under this shelf registration statement.

On May 8, 2024 December 3, 2024, we filed a prospectus supplement under the shelf registration statement relating to an at-the-market (ATM) equity sales program under which we may issue and sell shares of our common stock up to an aggregate offering price of \$1.0 billion \$1.7 billion through March 31, 2026 December 3, 2027 (including shares of common stock that may be sold pursuant to forward sale agreements entered into in connection with the ATM equity sales program), which expires March 31, 2026 December 3, 2027. This ATM equity sales program replaced our previous ATM equity sales program, filed on March 31, 2023 May 8, 2024. As of June 30, 2024 December 31, 2024, \$845.7 million \$1.2 billion of equity was available for issuance under our existing ATM equity sales program. Additionally, as of June 30, 2024 December 31, 2024, we had

\$550.7 million \$1.5 billion in available proceeds from outstanding forward sale agreements. Additional details are summarized in Note 8 to the condensed consolidated financial statements.

The liquidity provided by these sources is expected to be sufficient to fund the Company's working capital needs and capital expenditure program for the remainder of fiscal year 2024, 2025. Additionally, we expect to continue to be able to obtain financing upon reasonable terms as necessary.

The following table summarizes our existing forward starting interest rate swaps as of June 30, 2024 December 31, 2024.

#### Planned Debt Issuance Date

#### Planned Debt Issuance Date

Planned Debt Issuance Date	Amount Hedged	Effective Interest Rate	Amount Hedged	Effective Interest Rate
(In thousands)				
Fiscal 2025				
Fiscal 2025				
Fiscal 2026				
Fiscal 2025	\$ 600,000	1.75 %		
Fiscal 2026				
Fiscal 2026	300,000	2.16 %	300,000	2.16 %
	\$			

The following table presents our capitalization inclusive of short-term debt and the current portion of long-term debt as of June 30, 2024 December 31, 2024, September 30, 2023 September 30, 2024 and June 30, 2023 December 31, 2023:

		June 30, 2024	September 30, 2023	June 30, 2023	December 31, 2024	September 30, 2024	December 31, 2023
(In thousands, except percentages)							
Short-term debt	Short-term debt	\$ —	—	241,933	1.4 %	—	—
Long-term debt <sup>(1)</sup>	Long-term debt <sup>(1)</sup>	7,786,816	39.0 %	6,555,701	37.1 %	6,555,158	38.2 %
Shareholders' equity	Shareholders' equity	12,183,076	61.0 %	10,870,064	61.5 %	10,602,381	61.8 %
Total	Total	\$19,969,892	100.0 %	\$17,667,698	100.0 %	\$17,157,539	100.0 %
						Total	\$21,205,536
							100.0 %
							\$19,942,966

(1) Inclusive of our finance leases, but exclusive of AEK's securitized long-term debt.

#### Cash Flows

Our internally generated funds may change in the future due to a number of factors, some of which we cannot control. These factors include regulatory changes, the price for our services, demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, and other factors.

Cash flows from operating, investing, and financing activities for the nine three months ended June 30, 2024 December 31, 2024 and 2023 are presented below.

	Nine Months Ended June 30		Three Months Ended December 31			
	2024	2023	Change	2024	2023	Change
	(In thousands)	(In thousands)		(In thousands)	(In thousands)	
Total cash provided by (used in)						
Operating activities						
Operating activities						
Operating activities						
Investing activities						
Financing activities						
Change in cash and cash equivalents and restricted cash and cash equivalents						
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period						
Cash and cash equivalents and restricted cash and cash equivalents at end of period						

#### Cash flows from operating activities

For the nine three months ended June 30, 2024 December 31, 2024, we generated cash flow from operating activities of \$1,403.1 million \$282.0 million compared with \$3,221.5 million \$245.3 million for the nine three months ended June 30, 2023 December 31, 2023. Operating cash flow decreased \$1,818.4 million increased \$36.7 million primarily due to the receipt positive effects of \$2.02 billion successful rate case outcomes achieved in the second quarter of fiscal 2023 related to Texas securitization activities, 2024.

#### Cash flows from investing activities

Our capital expenditures are primarily used to improve the safety and reliability of our distribution and transmission system through pipeline replacement and system modernization and to enhance and expand our system to meet customer needs.

Over the last three fiscal years, approximately **87.86** percent of our capital spending has been committed to improving the safety and reliability of our system.

For the **nine** three months ended **June 30, 2024** December 31, 2024, cash used for investing activities was **\$2,119.1 million** **\$888.9 million** compared to **\$2,077.3 million** **\$764.4 million** for the **nine** three months ended **June 30, 2023** December 31, 2023. Capital spending in our distribution segment increased **\$278.1 million** **\$86.5 million**, primarily as a result of increased system modernization and customer growth spending. Capital spending in our pipeline and storage segment decreased **\$232.5 million** increased **\$35.0 million** primarily due to **timing of increased** spending for pipeline system safety and reliability in Texas.

#### Cash flows from financing activities

For the **nine** three months ended **June 30, 2024** December 31, 2024, our financing activities provided **\$1,376.0 million** **\$887.5 million** of cash compared with **\$1,137.6 million** **\$785.3 million** of cash used by financing activities in the prior-year period.

In the **nine** three months ended **June 30, 2024** December 31, 2024, we received approximately **\$2.0 billion** **\$1.0 billion** in net proceeds from the issuance of long-term debt and equity. We completed a public offering of **\$500** **\$650 million** of 5.00% senior notes due December 2054, and received net proceeds from the offering, after the underwriting discount and offering expenses, of **\$639.4 million**. Additionally, during the three months ended December 31, 2024, we settled 3,300,904 shares that had been sold on a forward basis for net proceeds of **\$379.5 million**. The net proceeds were used primarily to support capital spending and for other general corporate purposes. Cash dividends increased due to an 8.1 percent increase in our dividend rate and an increase in shares outstanding.

In the three months ended December 31, 2023, we received approximately **\$1.1 billion** in net proceeds from the issuance of long-term debt and equity. We completed a public offering of **\$500 million** of 6.20% senior notes due **October** November 2053 and **\$400 million** of 5.90% senior notes due **October** November 2033, and received net proceeds from the offering, after the underwriting discount and offering expenses, of **\$889.4 million**. We also completed a public offering of **\$325 million** of 5.90% senior notes due **October** 2033, and received net proceeds from the offering, after the underwriting discount and offering expenses, of **\$339.7 million** **\$889.4 million**. Additionally, during the **nine** three months ended **June 30, 2024** December 31, 2023, we settled **6,401,469** **2,144,558** shares that had been sold on a forward basis for net proceeds of **\$750.0 million** **\$254.0 million**. The net proceeds were used primarily to support capital spending and for other general corporate purposes. Cash dividends increased due to an 8.8 percent increase in our dividend rate and an increase in shares outstanding.

In the nine months ended June 30, 2023, we repaid **\$2.2 billion** in long-term debt, and we received approximately **\$1.5 billion** in net proceeds from the issuance of long-term debt and equity. We completed a public offering of **\$500 million** of 5.75% senior notes due October 2052 and **\$300 million** of 5.45% senior notes due October 2032, and received net proceeds from the offering, after the underwriting discount and offering expenses, of **\$789.4 million**. Additionally, during the nine months ended June 30, 2023, we settled 6,116,848 shares that had been sold on a forward basis for net proceeds of **\$671.6 million**. The net proceeds were used primarily to support capital spending and for other general corporate purposes. Cash dividends increased due to an 8.8 percent increase in our dividend rate and an increase in shares outstanding. Finally, AEK issued **\$95 million** in securitized long-term debt.

The following table summarizes our share issuances for the **nine** three months ended **June 30, 2024** December 31, 2024 and 2023:

	Nine Months Ended June 30		Three Months Ended December 31	
	2024	2023	2024	2023
Shares issued:				
Direct Stock Purchase Plan				
Direct Stock Purchase Plan				
Direct Stock Purchase Plan				
1998 Long-Term Incentive Plan				
Retirement Savings Plan and Trust				
Equity Issuance				
Equity Issuance				
Equity Issuance				
Total shares issued				

#### Credit Ratings

Our credit ratings directly affect our ability to obtain short-term and long-term financing, in addition to the cost of such financing. In determining our credit ratings, the rating agencies consider a number of quantitative factors, including but not limited to, debt to total capitalization, operating cash flow relative to outstanding debt, operating cash flow coverage of interest, and pension liabilities. In addition, the rating agencies consider qualitative factors such as consistency of our earnings over time, the quality of our management and business strategy, the risks associated with our businesses, and the regulatory structures that govern our rates in the states where we operate.

Our debt is rated by two rating agencies: Standard & Poor's Corporation (S&P) and Moody's Investors Service (Moody's). On April 1, 2024, Moody's reaffirmed its long-term and short-term credit ratings and placed our ratings under negative outlook. Currently, our outlook and debt ratings, which are all considered investment grade, are as follows:

	S&P	Moody's
Senior unsecured long-term debt	A-	A1
Short-term debt	A-2	P-1
Outlook	Stable	Negative

A significant degradation in our operating performance or a significant reduction in our liquidity caused by more limited access to the private and public credit markets as a result of deteriorating global or national financial and credit conditions could trigger a negative change in our ratings outlook or even a reduction in our credit ratings by the two credit

rating agencies. This would mean more limited access to the private and public credit markets and an increase in the costs of such borrowings.

A credit rating is not a recommendation to buy, sell, or hold securities. The highest investment grade credit rating is AAA for S&P and Aaa for Moody's. The lowest investment grade credit rating is BBB- for S&P and Baa3 for Moody's. Our credit ratings may be revised or withdrawn at any time by the rating agencies, and each rating should be evaluated independently of any other rating. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, or withdrawn entirely, by a rating agency if, in its judgment, circumstances so warrant.

#### Debt Covenants

We were in compliance with all of our debt covenants as of **June 30, 2024** **December 31, 2024**. Our debt covenants are described in greater detail in Note 7 to the condensed consolidated financial statements.

#### Contractual Obligations and Commercial Commitments

Except as noted in Note 11 to the condensed consolidated financial statements, there were no significant changes in our contractual obligations and commercial commitments during the **nine** **three** months ended **June 30, 2024** **December 31, 2024**.

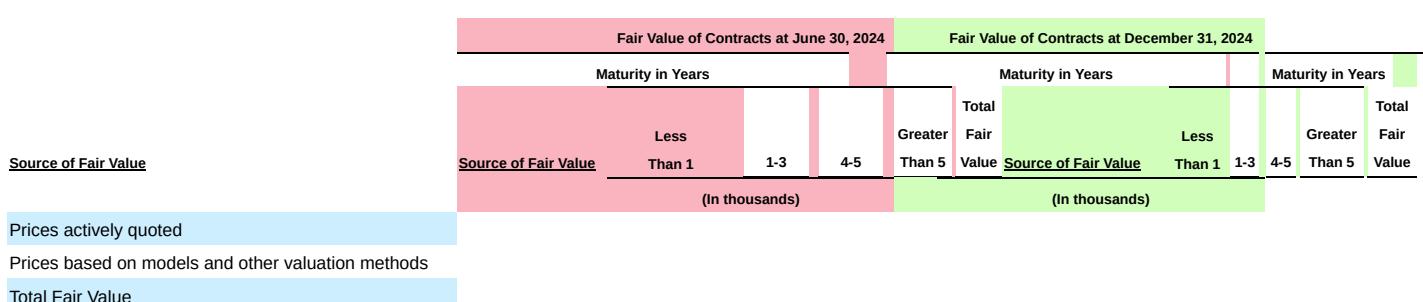
#### Risk Management Activities

In our distribution and pipeline and storage segments, we use a combination of physical storage, fixed physical contracts, and fixed financial contracts to reduce our exposure to unusually large winter-period gas price increases. Additionally, we manage interest rate risk by periodically entering into financial instruments to effectively fix the Treasury yield component of the interest cost associated with anticipated financings.

The following table shows the components of the change in fair value of our financial instruments for the three and nine months ended **June 30, 2024** **December 31, 2024** and 2023:



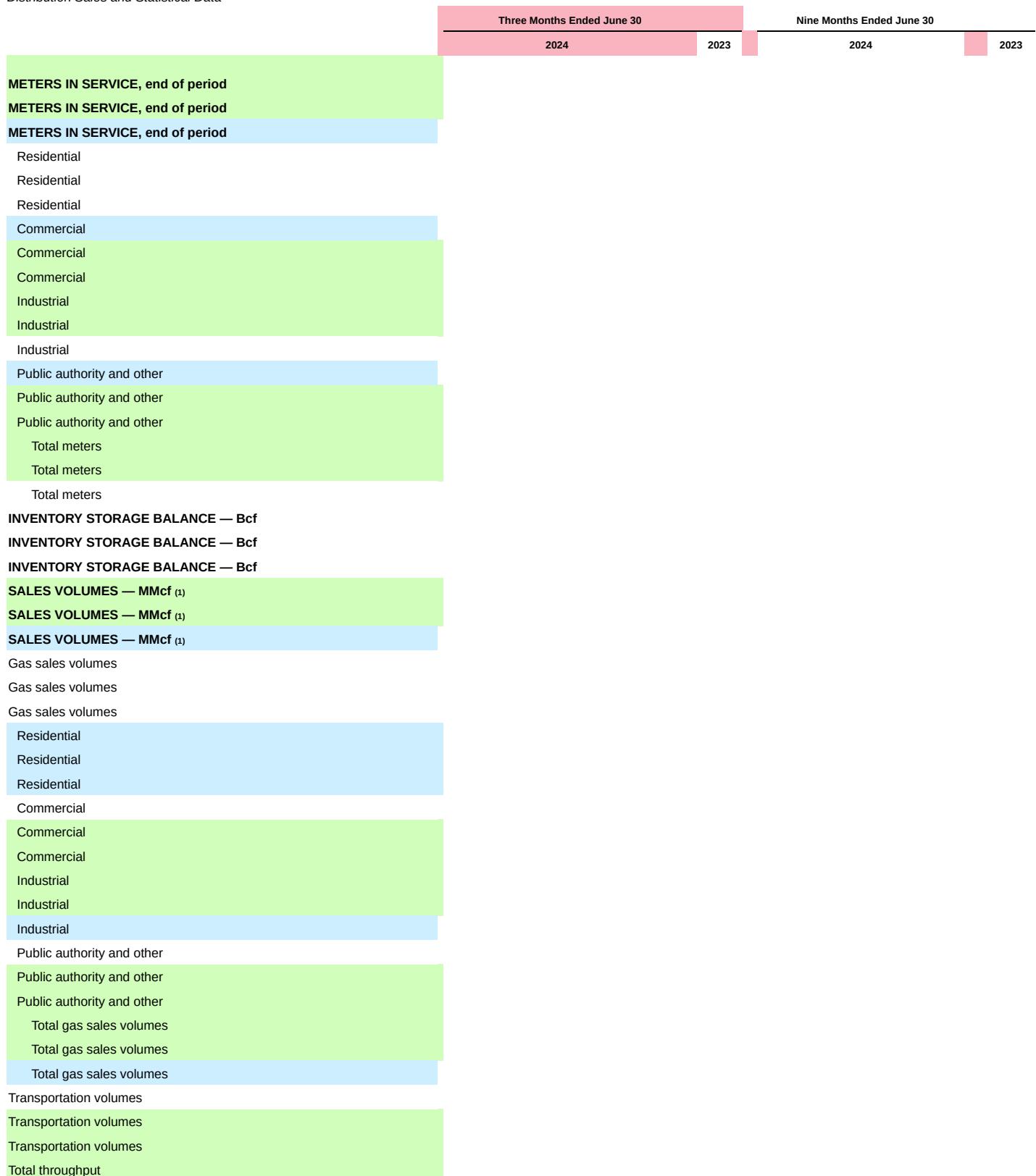
The fair value of our financial instruments at **June 30, 2024** **December 31, 2024** is presented below by time period and fair value source:



#### OPERATING STATISTICS AND OTHER INFORMATION

The following tables present certain operating statistics for our distribution and pipeline and storage segments for the three **and nine** months ended **June 30, 2024** December 31, 2024 and 2023.

*Distribution Sales and Statistical Data*



Total throughput	1,000
Total throughput	1,000

*Pipeline and Storage Operations Sales and Statistical Data*

	Three Months Ended June 30		Nine Months Ended June 30	
	2024	2023	2024	2023
<b>CUSTOMERS, end of period</b>				
CUSTOMERS, end of period				
CUSTOMERS, end of period				
Industrial				
Industrial				
Industrial				
Other				
Other				
Other				
Total				
Total				
Total				
<b>INVENTORY STORAGE BALANCE — Bcf</b>				
INVENTORY STORAGE BALANCE — Bcf				
INVENTORY STORAGE BALANCE — Bcf				
<b>PIPELINE TRANSPORTATION VOLUMES — MMcf <sup>(1)</sup></b>				
PIPELINE TRANSPORTATION VOLUMES — MMcf <sup>(1)</sup>				
PIPELINE TRANSPORTATION VOLUMES — MMcf <sup>(1)</sup>				

Note to preceding tables:

<sup>(1)</sup> Sales and transportation volumes reflect segment operations, including intercompany sales and transportation amounts.

**RECENT ACCOUNTING DEVELOPMENTS**

Recent accounting developments, if any, and their impact on our financial position, results of operations and cash flows are described in Note 2 to the condensed consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Information regarding our quantitative and qualitative disclosures about market risk are disclosed in Item 7A in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** **September 30, 2024**. During the **nine** **three** months ended **June 30, 2024** **December 31, 2024**, there were no material changes in our quantitative and qualitative disclosures about market risk.

**Item 4. Controls and Procedures**

**Management's Evaluation of Disclosure Controls and Procedures**

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the Company's disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on this evaluation, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures were effective as of **June 30, 2024** **December 31, 2024** to provide reasonable assurance that information required to be disclosed by us, including our consolidated entities, in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms, including a reasonable level of assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting**

We did not make any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the **third** **first** quarter of the fiscal year ended **September 30, 2024** **September 30, 2025** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

During the **nine** three months ended **June 30, 2024** December 31, 2024, except as noted in Note 11 to the condensed consolidated financial statements, there were no material changes in the status of the litigation and other matters that were disclosed in Note 14 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **September 30, 2023** September 30, 2024. We continue to believe that the final outcome of such litigation and other matters or claims will not have a material adverse effect on our financial condition, results of operations or cash flows.

**Item 1A. Risk Factors**

There were no material changes from the risk factors disclosed under the heading "Risk Factors" in Item 1A in the Annual Report on Form 10-K for the year ended **September 30, 2023** September 30, 2024.

**Item 5. Other Information**

During the three months ended **June 30, 2024** December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

The following exhibits are filed as part of this Quarterly Report.

Exhibit Number	Description	Page Number or Incorporation by Reference to
3.1	Restated Articles of Incorporation of Atmos Energy Corporation - Texas (As Amended Effective February 3, 2010)	<a href="#">Exhibit 3.1 to Form 10-Q dated March 31, 2010 (File No. 1-10042)</a>
3.2	Restated Articles of Incorporation of Atmos Energy Corporation - Virginia (As Amended Effective February 3, 2010)	<a href="#">Exhibit 3.2 to Form 10-Q dated March 31, 2010 (File No. 1-10042)</a>
3.3	Amended and Restated Bylaws of Atmos Energy Corporation (as of August 4, 2023)	<a href="#">Exhibit 3.1 to Form 8-K dated August 1, 2023 (File No. 1-10042)</a>
4.1(a)	Officers' Certificate dated <b>June 21, 2024</b> October 1, 2024	<a href="#">Exhibit 4.2 to Form 8-K dated June 21, 2024 October 1, 2024 (File No. 1-10042)</a>
4.1(b)	Global Security for the <b>5.900%</b> <b>5.000%</b> Senior Notes due <b>2033</b> <b>2054</b>	<a href="#">Exhibit 4.3 to Form 8-K dated June 21, 2024 October 1, 2024 (File No. 1-10042)</a>
4.1(c)	Global Security for the 5.000% Senior Notes due 2054	<a href="#">Exhibit 4.4 to Form 8-K dated October 1, 2024 (File No. 1-10042)</a>
10.1(a)	Equity Distribution Agreement, dated as of <b>May 8, 2024</b> December 3, 2024, among Atmos Energy Corporation and the Managers and Forward Purchasers named in Schedule A thereto	<a href="#">Exhibit 1.1 to Form 8-K dated May 8, 2024 December 3, 2024 (File No. 1-10042)</a>
10.1(b)	Form of Master Forward Sale Confirmation	<a href="#">Exhibit 1.2 to Form 8-K dated May 8, 2024 December 3, 2024 (File No. 1-10042)</a>
15	<a href="#">Letter regarding unaudited interim financial information</a>	
31	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications</a>	
32	<a href="#">Section 1350 Certifications*</a>	
101.INS	XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document	

\* These certifications, which were made pursuant to 18 U.S.C. Section 1350 by the Company's Chief Executive Officer and Chief Financial Officer, furnished as Exhibit 32 to this Quarterly Report on Form 10-Q, will not be deemed to be filed with the Commission or incorporated by reference into any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates such certifications by reference.

#### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ATMOS ENERGY CORPORATION  
(Registrant)  
By: /s/ CHRISTOPHER T. FORSYTHE  
Christopher T. Forsythe  
Senior Vice President and Chief Financial Officer  
(Duly authorized signatory)

Date: August 7, 2024 February 4, 2025

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Exhibit 15

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

We are aware of the incorporation by reference in the Registration Statements (Form S-3, No. 33-37869; Form S-3, No. 33-58220; Form S-3D/A, No. 33-70212; Form S-3, No. 33-56915; Form S-3/A, No. 333-03339; Form S-3/A, No. 333-32475; Form S-3, No. 333-95525; Form S-3D, No. 333-113603; Form S-3D, No. 333-155666; Form S-3D, No. 333-208317; Form S-3ASR, No. 333-271038; Form S-3ASR, No. 333-283563; Form S-4, No. 333-13429; Form S-8, No. 33-57687; Form S-8, No. 33-57695; Form S-8, No. 333-32343; Form S-8, No. 333-46337; Form S-8, No. 333-73143; Form S-8, No. 333-73145; Form S-8, No. 333-63738; Form S-8, No. 333-88832; Form S-8, No. 333-116367; Form S-8, No. 333-138209; Form S-8, No. 333-145817; Form S-8, No. 333-155570; Form S-8, No. 333-166639; Form S-8, No. 333-177593; Form S-8, No. 333-199301; Form S-8, No. 333-210461; and Form S-8, No. 333-217739) of Atmos Energy Corporation and in the related Prospectuses of our report dated August 7, 2024 February 4, 2025, relating to the unaudited condensed consolidated interim financial statements of Atmos Energy Corporation, which are included in its Form 10-Q for the quarter ended June 30, 2024 December 31, 2024.

/s/ ERNST & YOUNG LLP

Dallas, Texas

August 7, 2024 February 4, 2025

EXHIBIT 31

#### RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

I, John K. Akers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atmos Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 7, 2024** February 4, 2025

/s/ JOHN K. AKERS

John K. Akers  
President and  
Chief Executive Officer

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I, Christopher T. Forsythe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atmos Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
  - (a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 7, 2024** February 4, 2025

/s/ CHRISTOPHER T. FORSYTHE

Christopher T. Forsythe  
Senior Vice President and  
Chief Financial Officer

Exhibit 32

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Atmos Energy Corporation (the "Company") on Form 10-Q for the **third first** quarter of the fiscal year ended **September 30, 2024** **September 30, 2025**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John K. Akers, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**August 7, 2024** **February 4, 2025**

/s/ JOHN K. AKERS

John K. Akers  
President and  
Chief Executive Officer

A signed original of this written statement has been provided to Atmos Energy Corporation and will be retained by Atmos Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Atmos Energy Corporation (the "Company") on Form 10-Q for the **third first** quarter of the fiscal year ended **September 30, 2024** **September 30, 2025**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher T. Forsythe, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**August 7, 2024** **February 4, 2025**

/s/ CHRISTOPHER T. FORSYTHE

Christopher T. Forsythe  
Senior Vice President and  
Chief Financial Officer

A signed original of this written statement has been provided to Atmos Energy Corporation and will be retained by Atmos Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.



#### DISCLAIMER

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