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NEWS RELEASE

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Commission Approves Rate Reduction for Atmos Energy Customers *Cuts Rates \$12.50 in 2012*

ATLANTA, January 24, 2012 – The Georgia Public Service Commission today approved a reduction in rates that will save Atmos Energy residential customers in Georgia \$12.50 in 2012. The reduction is part of the Company's first Georgia Rate Adjustment Mechanism (GRAM) that provides an overall rate reduction of more than \$820,000 this year. Today's action follows the Commission's December 14, 2011 approval of a unique stipulation or settlement between Atmos and Commission Staff in Docket 34734. Georgia law allows the Commission to adopt alternative forms of regulation for natural gas utilities in Georgia.

"It is not often that we see rates going down," said Tim Echols, Chairman of the Commission. "I know this will be of benefit to Atmos ratepayers in Columbus and Gainesville in these tough economic times."

According to the stipulation the GRAM is designed to:

1. Produce lower prices for consumers of natural gas in Georgia
2. Provide incentives for the gas company to lower its costs and rates
3. Reduce regulatory delay and costs
4. Provide incentives to improve the efficiency and productivity of the gas company

The GRAM provides that the Company will make an annual GRAM filing by October 1 of each year. The Commission Staff will have 120 days to review the filing provided all schedules as agreed to in the stipulation are complete. If the filing is incomplete, the 120 day clock would stop and would not restart until the filing is completed.

In addition, the stipulation creates an earnings band with a Return on Equity (ROE) range between 10.5 per cent and 10.9 per cent. The Company's rates will be reset each year based on its costs and revenues. If its current ROE is below the bottom of the band, the ROE will be moved up to 10.5%. If it is above the top of the band, the ROE will be moved down to 10.9%. If the Company is earning between 10.5% and 10.9%, the ROE will be left unchanged and there will be no adjustment to rates.

Commission staff noted that the GRAM will save Atmos ratepayers and the Commission as much as \$250,000 in costs compared to traditional rate case filings and that similar mechanisms have been adopted in neighboring states such as Alabama, Louisiana, Mississippi, South Carolina and Texas. Atmos Energy serves about 57,000 customers in Columbus and Gainesville, Georgia.

For more information on the Commission, visit our web site at www.psc.state.ga.us.

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